

FINAL BILL REPORT

SHB 1826

PARTIAL VETO

C 448 L 97

Synopsis as Enacted

Brief Description: Administering the moneys derived from certain public lands.

Sponsors: By House Committee on Natural Resources (originally sponsored by Representatives Thompson, Sheldon, DeBolt and Schoesler).

House Committee on Natural Resources
Senate Committee on Natural Resources & Parks

Background: The Department of Natural Resources manages forest board transfer lands on behalf of 21 counties. The department may deduct a maximum of 25 percent from the proceeds derived from timber sales and other revenue generating activities on the lands. These management funds are deposited into the forest development account and may be used for administration, reforestation, and protection of the forest lands. The remaining proceeds go to the respective counties and are distributed to various funds in the same manner that general tax dollars are distributed.

The department also manages what are referred to as forest board purchase lands. After a 50 percent deduction for management expenses, the revenues from these lands are distributed to the state general fund for the benefit of public schools and also to counties.

The department may sell products from the forest board lands or lease these lands if the department finds the sale or lease to be in the best interests of the state. A 1996 opinion from the attorney general determined that the forest board transfer lands are trust lands pursuant to a legislative enactment. The opinion also determined that the statutes governing the forest board transfer lands create a single trust, which may be managed as an undifferentiated whole. The forest board purchase lands are not trust lands.

Summary: The maximum amount that the Department of Natural Resources may deduct for management expenses of the forest board transfer lands is reduced from 25 percent to 22 percent. By June 30 of each year, the Board of Natural Resources must establish the percentage and a budget for the following fiscal year in such a manner that the balance in the forest development account does not exceed the amount necessary for six months of operating expenses for administration, reforestation, and protection of the forest board transfer lands.

For moneys due to counties from the forest board transfer and purchase lands, the department must certify to the state treasurer the amounts to be distributed within seven working days of receipt of the moneys. The state treasurer must distribute funds to the counties four times per month, with no more than 10 days between each payment date.

The department may sell products from the forest board lands or lease these lands if the department finds that the sale or lease is in the best financial interests of the respective county trust beneficiaries, rather than in the best interests of the state.

A new reporting requirement applies to the forest board lands and to the other trust lands managed by the department. The commissioner of public lands must provide annual reports to the respective trust beneficiaries, including each county. The report must include, but is not limited to, the following: acres sold, acres harvested, volume from these acres, acres planted, number of stems per acre, acres precommercially thinned, acres commercially thinned, acres partially cut, acres clear-cut, age of final rotation for acres clear-cut, total number of acres off-base for harvest, and an explanation of why those acres are off base.

Votes on Final Passage:

House 70 26

Senate 43 5 (Senate amended)

House 73 25 (House concurred)

Effective: July 27, 1997

Partial Veto Summary: The governor vetoed provisions reducing the management expense deduction for the forest board transfer lands and requiring the department to develop and meet specified budget objectives for the forest development account. The governor also vetoed a provision changing the criteria by which the department approves the sale or lease of timber products.