

SENATE BILL REPORT

2SHB 1825

As Reported By Senate Committee On:
Natural Resources & Parks, April 4, 1997

Title: An act relating to the forest development account.

Brief Description: Concerning the funding of the forest development account.

Sponsors: House Committee on Appropriations (originally sponsored by Representatives Sump, Thompson, Pennington, Sheldon, DeBolt, Kessler and Hatfield).

Brief History:

Committee Activity: Natural Resources & Parks: 3/25/97, 4/4/97 [DP-WM].

SENATE COMMITTEE ON NATURAL RESOURCES & PARKS

Majority Report: Do pass and be referred to Committee on Ways & Means.

Signed by Senators Oke, Chair; Rossi, Vice Chair; Hargrove, Morton, Roach, Snyder, Stevens and Swecker.

Staff: Vic Moon (786-7469)

Background: The Department of Natural Resources (DNR) 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, using these moneys for administration, reforestation, and protection of the forest lands. The management moneys are deposited in the forest development account. The balance of the proceeds go to the respective counties and are distributed to various funds in the same manner as general tax dollars are distributed.

Until recently, the department has been deducting the maximum 25 percent allowed under statute. In February 1997, the Board of Natural Resources determined that the funds in the forest development account exceed what is needed to cover the current operating expenses and projected needs of the department for managing these forest lands. The board reduced the percentage from 25 percent to 22 percent, with the lower rate remaining in place so long as the fund balance in the forest development account is equal to six months' operating expenses.

Interest earned on moneys in the forest development account is deposited into the state general fund.

Summary of Bill: The maximum percentage that the Department of Natural Resources may charge for administration, reforestation, and protection of the county forest board transfer lands is reduced from 25 percent to 22 percent. At the beginning of each fiscal year, the Board of Natural Resources must establish the percentage and a budget for the year in such a manner that the balance in the account does not exceed the amount necessary for six

months of operating expenses. The board must set the level of the balance of the account in cooperation with the forest board land counties.

If the terms of a lease or sale of forest or other products from these forest lands include any special fees or charges that the lessee or buyer must pay to the state, then those fees or charges are included in the calculation of the 22 percent management expense. This includes any charges the department imposes for the use of roads.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill contains an emergency clause and takes effect on June 30, 1997.

Testimony For: DNR is taking too long transferring funds to the counties and interest is being lost.

Testimony Against: We do not need a new law to fix the problem.

Testified: Art Stearns, DNR (con); Bill Vogler, WA State Association of Counties (pro); Rose Bowman, Lewis County Commissioners (pro); Phil Kitchel, Clallam County (pro).