

# SENATE BILL REPORT

## SHB 1826

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

**Title:** An act relating to the moneys derived from public lands managed by the commissioner of public lands.

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

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

**Brief History:**

**Committee Activity:** Natural Resources & Parks: 3/25/97, 4/4/97 [DPA].

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### SENATE COMMITTEE ON NATURAL RESOURCES & PARKS

**Majority Report:** Do pass as amended.

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

**Staff:** Vic Moon (786-7469)

**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, using these moneys for administration, reforestation, and protection of the forest lands. The balance of the proceeds goes to the respective counties and is distributed to various funds in the same manner as 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 finds that the forest board transfer lands are trust lands pursuant to a legislative enactment. The opinion also finds 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 of Amended Bill:** For moneys due to counties from the forest board transfer and purchase lands, the Department of Natural Resources 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 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 yearly 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.

**Amended Bill Compared to Substitute Bill:** The report requirements are made yearly instead of quarterly and the sale of lands must be to the benefit of all beneficiaries including individual counties.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Testimony For:** Counties and other trusts need more information on how their trusts are being managed. Funds need to be transferred in a timely manner so the counties will not lose interest.

**Testimony Against:** The department does not need legislation to carry out the act's mandates.

**Testified:** Art Stearns, DNR (con); Bill Vogler, WA State Association of Counties (pro); Jim Martin, State Treasurer's Office (pro); Rose Bowman, Lewis County Commissioners (pro); Phil Kitchel, Clallam County (pro).