

# SENATE BILL REPORT

## SSB 5385

---

As Passed Senate, March 12, 1997

**Title:** An act relating to eliminating the pooling of the resource management cost account and removing reference to agricultural college lands.

**Brief Description:** Eliminating pooling of the resource management cost account and removing reference to agricultural college lands.

**Sponsors:** Senate Committee on Natural Resources & Parks (originally sponsored by Senators Oke and Prentice; by request of Commissioner of Public Lands and Department of Natural Resources).

**Brief History:**

**Committee Activity:** Natural Resources & Parks: 2/11/97, 2/21/97 [DPS].  
Passed Senate, 3/12/97, 49-0.

---

### SENATE COMMITTEE ON NATURAL RESOURCES & PARKS

**Majority Report:** That Substitute Senate Bill No. 5385 be substituted therefor, and the substitute bill do pass.

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 Legislature has established the resource management cost account statute (RCW 79.64.030) and has given the department authority to place monies into that account. The Legislature allowed pooling of funds placed in that account, and the account has direct reference to the agricultural college trust lands. An Attorney General's Opinion issued on August 1, 1996 (AGO 1996 No. 11) said that the pooling of funds violates trust principles and that the Morrill Act relating to management fees from agricultural college trusts cannot be collected.

**Summary of Bill:** The resource management cost account is changed so that agricultural college lands are not included in the account. Monies may not be pooled in the account but must be accounted for on a trust-by-trust basis.

**Appropriation:** None.

**Fiscal Note:** Requested on February 5, 1997.

**Effective Date:** The bill contains an emergency clause and takes effect immediately.

**Testimony For:** Pooling of trust accounts violates the duties of a trustee. The Agriculture College trust lands grant does not allow for management fee deduction.

**Testimony Against:** None.

**Testified:** PRO: Larry Ganders, Washington State University; Kaleen Cottingham, Dept. of Natural Resources; Pat McLain, Dept. of Natural Resources.