

SENATE BILL REPORT

SB 5387

As Reported By Senate Committee On:
Natural Resources & Parks, February 28, 1997

Title: An act relating to the creation of the trust land transfer program.

Brief Description: Establishing the trust land transfer program.

Sponsors: Senators McDonald, Prentice, Kline, Oke and Spanel; by request of Commissioner of Public Lands and Department of Natural Resources.

Brief History:

Committee Activity: Natural Resources & Parks: 2/18/97, 2/28/97 [DPS].

SENATE COMMITTEE ON NATURAL RESOURCES & PARKS

Majority Report: That Substitute Senate Bill No. 5387 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 trust land transfer program has provided a way for the Department of Natural Resources (DNR) to infuse money into the public school construction fund. The program involves putting money in the common school trust by acquiring replacement trust properties with properties that have more potential to generate trust revenue. The program was first implemented by the Legislature by appropriation in 1989. There is no statutory authority for the program.

Summary of Substitute Bill: Legislative intent is established to provide clear guidelines for the Trust Land Transfer Program. The program provides revenue for the construction of public schools and other public institutions and that income comes primarily from timber as provided in the statute. Transfer to more appropriate ownership is allowed for federally granted trust lands. The Board of Natural Resources develops criteria to remove lands from trust status and develops a process to implement the Trust Land Transfer Program. The board reviews the program and revises the criteria and procedures. The primary consideration in determining the suitability of lands is increasing the ability of the particular trust to produce revenue for its beneficiaries.

The Board of Natural Resources must adopt criteria and processes by resolution after public review and comment. The criteria must be adopted by the board by December 31, 1997.

Three major categories of lands are removed from trust: (1) lands where the revenue generating capacity does not justify the cost of management; (2) lands on which revenue generating capacity is constrained by state or federal law; and (3) lands that are difficult to

manage for revenue production because of significant values, such as recreation, scenic considerations or habitat.

Each biennium the Department of Natural Resources must prepare a list of properties that are eligible for transfer and submit the list to the Legislature. The department maintains a minimum aggregate ratio of 85 to 15 timber to land value in the transactions authorized by law. If the aggregate value of timber to land varies by more than plus or minus 5 percent, individual land transfers are dropped in order to maintain the approximate ratio. Lands acquired under this statute as replacement property must be solely for the benefit of each of the federally granted trusts.

There must be a determination that the public entity receiving the transfer property is willing to accept and manage the property.

The land and timber covered by this act is appraised and purchased at full market value. The timber value is placed by the department into an account and is used in the same manner as timber revenues from trust lands. The department makes no deductions for the resource management cost account. Land value is placed in the real property replacement account and funds from this account are used by the department to acquire replacement land. All reasonable costs incurred by the department come from funds appropriated by the Legislature to implement the Trust Land Transfer Program. An advisory committee is appointed by the department which includes trust beneficiaries, county governments in eastern and western Washington, Parks and Recreation Commission, Department of Fish and Wildlife, and a representative of the Department of Natural Resources Natural Area Preserve and Natural Resources Conservation Area Programs. The Department of Natural Resources prepares by November 1 of each year a list of lands proposed for transfer. The public hearing must be held in the area impacted by the transfer prior to approval. Prior notice must be given by the department to the public and any abutting landowner or lessees concerning all transfers. County commissioners must be notified of the land transfer in their county. All previous transfers under the Common School Construction Transfer Land Program are grandfathered into compliance with this chapter.

Substitute Bill Compared to Original Bill: The substitute bill provides more certainty for the transfer program and includes details of management which the Department of Natural Resources must use. The substitute does not include a Forest Fee or Forest Board lands as part of the transfer program since the lands involved in transfer are limited to federally granted– trust lands.

Appropriation: None.

Fiscal Note: Available.

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

Testimony For: This program has been very successful and needs to be set in statute and apply to all trust lands.

Testimony Against: None.

Testified: PRO: Kaleen Cottingham, Department of Natural Resources; Bill Vogler, Association of Counties; Larry Swift, School Directors Association; Ralph Mackey, City of Everett; Maggie Coon, Nature Conservancy.