

VETO MESSAGE ON HB 1826-S

May 20, 1997

To the Honorable Speaker and Members,

The House of Representatives of the State of Washington
Ladies and Gentlemen:

I am returning herewith, without my approval as to sections 1 and 2, Substitute House Bill No. 1826 entitled:

"AN ACT Relating to the moneys derived from public lands managed by the commissioner of public lands;"

Substitute House Bill No. 1826 makes changes to the management of state Forest Board Lands. I have concerns about two sections.

Section 1 reduces the maximum percentage of revenue from state Forest Board Lands that can be retained in the Forest Development Account (FDA) from 25 percent to 22 percent. In addition, the Board of Natural Resources is to establish a budget that maintains no greater than six months' operating expenses for the FDA. This would result in a one-time windfall of approximately \$19 million to the trust beneficiaries in Fiscal Year 1999. However, by Fiscal Year 2001 revenues would not be able to keep pace with current agency management activities. This provision would limit current and future revenue generating abilities. The Board of Natural Resources has already reduced the percentage of revenue retained by the FDA to 22 percent. It is preferable to allow the Board of Natural Resources to retain management flexibility.

Section 2 changes the management objectives for state Forest Board Lands from the best interest of the state to the best financial interest of the respective county trust beneficiaries. This is a fundamental change in state policy. Although counties do receive significant financial benefit from these lands, local schools and the state General Fund also receive revenue from these lands. These changes are not in the best interests of the citizens of our state.

For these reasons, I have vetoed sections 1 and 2 of Substitute House Bill No. 1826.

With the exception of sections 1 and 2, Substitute House Bill No. 1826 is approved.

Respectfully submitted,
Gary Locke
Governor