

# HOUSE BILL REPORT

## SSB 5651

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### As Passed House:

April 7, 1999

**Title:** An act relating to timber sales.

**Brief Description:** Requiring a purchaser of timber by contract to provide proof of payment of all taxes before release of a performance bond.

**Sponsors:** Senators Winsley and Loveland.

### Brief History:

#### Committee Activity:

Natural Resources: 3/24/99 [DP].

#### Floor Activity:

Passed House: 4/7/99, 91-0.

### Brief Summary of Bill

- Requiring the payment of all taxes by purchasers of state timber prior to the release of a performance bond.

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## HOUSE COMMITTEE ON NATURAL RESOURCES

**Majority Report:** Do pass. Signed by 12 members: Representatives Buck, Republican Co-Chair; Regala, Democratic Co-Chair; Anderson, Democratic Vice Chair; Sump, Republican Vice Chair; G. Chandler; Clements; Doumit; Eickmeyer; Ericksen; Pennington; Rockefeller and Stensen.

**Staff:** Carole Richmond (786-7114).

### Background:

The Department of Natural Resources sells a variety of resources from state trust lands, including timber, stone, and gravel. Sales contracts define the terms of payment and time lines for removal of the resources. Initial deposits for the materials are required of the successful bidder at public auction. The initial deposit must be maintained until all contract obligations of the purchaser have been satisfied. Before any removal of timber

or other material from state lands, the department may require advance payment from the purchaser, which is equal to or exceeds the value of the resources to be removed.

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**Summary of Bill:**

When the department sells timber by contract that includes a performance bond, the department must require proof that all taxes owed by the purchaser have been paid before releasing the bond. Thirty days after taxes have been paid by a timber purchaser, the county treasurer is required to provide certified evidence of payment, including the sales contract number.

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**Appropriation:** None.

**Fiscal Note:** Not requested.

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

**Testimony For:** This is a very important bill for small counties. Performance bonds can be used as an instrument to assure payment. It's important to have a way to recover timber taxes and property taxes that may be owed to counties. Currently, there is little recourse for collecting these taxes if they are not paid.

**Testimony Against:** None.

**Testified:** Senator Shirley Winsley, prime sponsor; and Rose Bowman and Ron Strabbing, Washington State Association of County Treasurers.