

SENATE BILL REPORT

ESB 6825

As Passed Senate, February 14, 2000

Title: An act relating to charitable, educational, penal, and reformatory real property.

Brief Description: Placing property adjacent to Western state hospital in trust.

Sponsors: Senators Wojahn, Jacobsen, Thibaudeau, Snyder, B. Sheldon, Goings, Franklin, Horn, Shin, Bauer, Hargrove, Haugen, McAuliffe, Prentice and Costa.

Brief History:

Committee Activity: Ways & Means: 2/7/2000, 2/8/2000 [DP].
Passed Senate, 2/14/2000, 45-2.

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass.

Signed by Senators Loveland, Chair; Bauer, Vice Chair; Brown, Vice Chair; Fairley, Kline, Kohl-Welles, Long, McDonald, Rasmussen, Snyder, Spanel and Wojahn.

Staff: Michael Groesch (786-7434)

Background: In 1874, the federal government donated 375 acres in Pierce County for use by the state as an "asylum for the insane." Subsequent parcels were purchased by or donated to the state to comprise the current 839 acre campus at Steilacoom. The campus includes Western State Hospital, Child Study and Treatment Center, several acres used by the Department of Corrections for a work release facility and a parking lot, a local fire station, and several leases. The leases include a 140-acre campus of Pierce College leased for \$4,760 per year, a 331-acre park leased to Pierce County for \$1,500 per year, and a 101-acre golf course, softball field, access and buffer areas, leased to Pierce County for \$2,100 per year.

Beginning in 1975, the federal Bureau of Land Management (BLM) initiated action against the state when it discovered the majority of the original 375-acre federal land grant was being used for a public park. This action ended in 1988 when the BLM approved the state's application for a modification to the original grant of land which would allow the state to transfer the property to Pierce County for recreational purposes.

Since that time, several researched legal opinions have been sought on the trust status of the original 375-acre land grant. The Attorney General's office issued a formal opinion in 1992, stating that trust principles do not apply to the granted land. A separate legal opinion for an advocacy organization for the disabled under a contract with the state Department of Community Development, concluded the land in question "... should be subject to a public trust under the state constitution." However, the Attorney General, having been requested to do so on at least two occasions since, has refused to reconsider its 1992 opinion.

In 1991, the Legislature established a process under which the Department of Social and Health Services and other state agencies that operate institutions must regularly inventory and transfer surplus land to the charitable, educational, penal and reformatory institutions trust (CEPRI). Such trust land must be managed to receive the highest market return to the state. CEPRI income has traditionally been appropriated for maintenance of state institutional facilities and related purposes.

Summary of Bill: The Department of Social and Health Services must transfer approximately 575 acres of the campus at Western State Hospital which is not part of the central institutional campus to the CEPRI trust. The land may never be sold, except with approval by an act of law. Any income from the property transferred must be used for the benefit of the mentally ill.

The Department of Natural Resources may not fail to accept land identified as surplus by DSHS or other state agencies within 180 days without a specific act of law.

Appropriation: None.

Fiscal Note: Available.

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

Testimony For: The department has concerns with the transfer of environmental cleanup liability to the trust management funds. Preliminary estimates of \$1.2 million could be needed for identification and remediation of asbestos, underground tanks and dumps.

Testimony Against: None.

Testified: Stan Biles, Department of Natural Resources.