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**Natural Resources, Ecology &  
Parks Committee**

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**HB 1692**

**Brief Description:** Concerning the management of forest lands by counties.

**Sponsors:** Representatives Orcutt, Blake, Kretz, DeBolt, Schindler, Condotta, Buck and Takko.

**Brief Summary of Bill**

- Requires the Department of Natural Resources to deed Forest Board Transfer Lands back to a county that requests the ownership of the land within its boundaries.
- Provides requirements for county management of former Forest Board Transfer Lands.

**Hearing Date:** 2/18/05

**Staff:** Jason Callahan (786-7117).

**Background:**

State management of trust lands

The Department of Natural Resources (DNR) manages approximately four million acres of forest land in the state for the financial benefit of various trust beneficiaries. These beneficiaries, which include common schools, the university system, and the state's capitol building programs, all have specific acres of land that are managed for their specific benefit.

Among the state's managed acres are over 540,000 acres known as Forest Board Transfer Lands. These acres are spread out over 20 counties, and the revenue generated from leasing and the removal of valuable materials from the Transfer Lands are dedicated to the county in which the lands are located.

A brief history of Forest Board Transfer Lands

Unlike the majority of uplands held in trust by the state, the Forest Board Transfer Lands were not granted to the state's ownership by the U.S. Congress upon statehood. Forest Board Transfer Lands represent land that came into public ownership primary by way of tax foreclosures. When a county acquires a forested parcel through a tax lien foreclosure, the DNR may demand that the county deed title to the property to the state if it satisfies certain requirements. Once the land is deeded to state ownership, it then becomes part of the Forest Board Transfer Lands, and is held in trust and managed to the benefit of that county.

## Forest Board Transfer Lands revenue distribution

When revenue is generated from Forest Board Transfer Lands, the DNR retains an amount to reimburse it for the expense incurred by the state for the administration, reforestation, and protection of the land. This amount is set by the Board of Natural Resources, and may not exceed 25 percent.

The money remaining after the reimbursement to the state is then paid to the appropriate county. Except for Skamania County and Wahkiakum County, the money must be distributed to the taxing districts within that county in the same manner as all general taxes are distributed. This includes a portion that is dedicated to the state general fund, which functions as a taxing district.

In Skamania County and Wahkiakum County, as a result of their population being under 16,000 residents, the revenue from Forest Board Transfer Lands must first be used towards a reduction of any indebtedness in the current expense fund of the county.

### **Summary of Bill:**

#### Land back to counties

Any county that has deeded land to the state to be held in trust and managed by the DNR as part of the Forest Board Transfer Lands may request the DNR to deed that land back to the county during time windows established by the DNR. At a minimum, the DNR must allow counties to request the property transfer at least 30 days each biennium.

#### County management responsibilities and options

Once transferred back the county, the county will assume full legal title and complete administrative and management responsibilities. The county would be prohibited from selling the land, and would be required to manage the land for maximum sustained profit as a working forest. The county would have the ability to choose the management process that is deemed by the county to be the most effective. The options available to the county include using county employees to manage the land, contracting with private foresters, or partnering with other counties to jointly manage the land.

If a county chooses to have Forest Board Transfer Lands deeded back to county ownership, that county would have the authority to deny future DNR requests to have land deeded to the state. The county would, however, have the option of deeding the land back to the state at any time, or contracting with the DNR to have the state manage the land on behalf of the county.

#### Revenue distribution

Revenue generated by the county from the management of the land would be paid in the same manner as general taxes are distributed to the local taxing districts. However, the portion of general taxes that would be paid to the state general fund must be instead redistributed proportionally among the other taxing districts.

**Appropriation:** None.

**Fiscal Note:** Requested on 2/8/05.

**Effective Date:** The bill takes effect 90 days after adjournment of session in which bill is passed.