

# SENATE BILL REPORT

## SB 5830

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As of March 3, 2005

**Title:** An act relating to the performance of state trust land management.

**Brief Description:** Concerning management of state trust lands.

**Sponsors:** Senators Doumit, Jacobsen, Swecker, Rockefeller, Oke and Rasmussen; by request of Commissioner of Public Lands.

**Brief History:**

**Committee Activity:** Natural Resources, Ocean & Recreation: 3/2/05.

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### SENATE COMMITTEE ON NATURAL RESOURCES, OCEAN & RECREATION

**Staff:** Curt Gavigan (786-7437)

**Background:** The Department of Natural Resources (Department) manages over three million acres of uplands, which are mostly forested, and is responsible for generating revenue for state trust beneficiaries, including common schools, state colleges and universities, and charitable and penal institutions. Currently, the Department may collect up to 25 percent of revenues received from transactions involving state lands for management costs.

In October 2004, the Commissioner of Public Lands convened an advisory committee composed of individuals from outside of the Department to evaluate the agency's effectiveness and efficiency concerning trust land management. The committee found that the Department's management fund balances are declining and are projected to be depleted within two years for the Resource Management Account and six years for the Forest Development Account.

The Board of Natural Resources (Board) approved a new annual sustainable harvest level in September 2004 that will sell 3.8 percent more timber than the last sustainable harvest calculation, which occurred in 1996. The advisory committee found that, to meet the goals of this harvest plan, the Department will have to spend an average of \$10 million a year for ten years.

The Department is authorized, during the biennium ending 2005, to exchange state land for land and proceeds of equal value. Proceeds may be accepted by the Department in the form of cash or services.

Expenditures from the Natural Resources Real Property Replacement Account may be made only after Legislative authorization.

**Summary of Bill:** Between July 1, 2005, and June 30, 2015, the Board may authorize the Department to deduct up to 30 percent of revenues from transactions involving state lands for management costs. The Board must biennially review the rate of deduction authorized and establish the deduction for each biennium. The Department must consult with trust beneficiaries before establishing the deduction rate.

The Commissioner of Public Lands, or the Commissioner's designee, may authorize expenditures from the Natural Resources Real Property Replacement Account.

The Department is authorized to exchange state land for land and proceeds of equal value beyond the biennium ending 2005.

**Appropriation:** None.

**Fiscal Note:** Available.

**Committee/Commission/Task Force Created:** No.

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

**Testimony For:** Additional moneys for the Department's land management activities will allow full implementation of the new sustainable harvest plan, which will both increase revenues for trust beneficiaries and provide environmental benefits.

**Testimony Against:** Before increasing the share of revenue for upland transactions collected by the Department for land management expenses, other means of funding management activities should be explored. If this share is indeed increased, the Department should be required to report to the Legislature on the impact of the additional moneys.

**Who Testified:** PRO: Terry Bergeson, Superintendent of Public Instruction; Carolyn Tolas, State Board of Education; Quent Goodrich, State School Director's Association; Dan Cothren, Wahkiakum County; Bob Waltz, Seattle Snohomish Mill; Mike Davis, Hampton Resources; Tom Davis, Department of Fish and Wildlife; Doug Sutherland, Department of Natural Resources. OTHER: Bill Robinson, The Nature Conservancy.

CON: Heath Packard, Audubon.