
SENATE BILL 5817

State of Washington

59th Legislature

2005 Regular Session

By Senators Doumit and Jacobsen

Read first time 02/08/2005. Referred to Committee on Natural Resources, Ocean & Recreation.

1 AN ACT Relating to the state granted lands sales program; and
2 adding a new chapter to Title 79 RCW.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 NEW SECTION. **Sec. 1.** The legislature finds that, at statehood,
5 the federal government granted approximately three million acres of
6 land to Washington state to support education, state government, and
7 various social services. The state subsequently sold a portion of its
8 granted lands to provide for the support of these enumerated interests.
9 Approximately two million two hundred thousand acres of granted lands
10 remain, of which approximately one million five hundred thousand acres
11 are forest lands.

12 The legislature, as a trustee, finds that the state holds these
13 granted lands in trust for the purposes for which the lands were
14 granted. There has been a decline in prices for forest products in
15 recent years in addition to increasing challenges in forest and land
16 management. As a result of these events, investment options outside of
17 forest and land management may present greater revenue opportunities
18 for the trust beneficiaries.

1 Therefore, it is the intent of the legislature to establish a
2 program that will allow the public sale of the state's granted lands,
3 ensure the permanent use of the conveyed lands for working forestry,
4 grazing, and agriculture, and fully compensate the trust beneficiaries
5 for their interest in these lands.

6 NEW SECTION. **Sec. 2.** (1) The state granted lands sales program is
7 created. The program consists of the appraisal of the state's granted
8 lands managed for forestry, grazing, and agricultural purposes, the
9 development of a plan for the sale of these lands, and the public sale
10 of these lands over a period not to exceed fifty years.

11 (2) Granted lands managed for forestry, grazing, and agricultural
12 purposes sold under this program may not be used for purposes other
13 than working forestry, grazing, and agriculture.

14 NEW SECTION. **Sec. 3.** Beginning no later than December 31, 2006,
15 and by December 31, 2010, the department of natural resources shall
16 update appraisals of the fair market value of state lands managed for
17 forestry, grazing, and agricultural purposes and held for the benefit
18 of the following trusts:

- 19 (1) Common school, indemnity, and escheat;
- 20 (2) Agricultural school;
- 21 (3) Scientific school;
- 22 (4) University;
- 23 (5) Normal school;
- 24 (6) Charitable, educational, penal, and reformatory institutions;
- 25 and
- 26 (7) Capitol building.

27 NEW SECTION. **Sec. 4.** (1) The department, in cooperation with the
28 office of financial management, shall develop a plan for the public
29 sale of granted lands managed for forestry, grazing, and agricultural
30 purposes and held for the benefit of the trusts set forth in section 3
31 of this act over a period not to exceed fifty years. In developing
32 this plan, the department must seek to maximize the revenue from
33 granted lands sales for each trust beneficiary. The plan must include
34 methods for:

- 35 (a) Prioritizing the parcels to be sold annually within each trust;

1 (b) Determining the quantity of parcels, but not less than two
2 percent, to be sold annually from each trust;

3 (c) Periodically reappraising granted lands, or portions thereof,
4 to provide current information for planning purposes;

5 (d) Balancing the expedient sales of granted lands with economic
6 factors affecting the value of the granted lands and other similar
7 lands available on the real estate market; and

8 (e) Ensuring that granted lands that are sold are permanently used
9 for working forestry, grazing, and agriculture.

10 (2) The department shall present the plan set forth in subsection
11 (1) of this section to the appropriate committees of the house of
12 representatives and senate by December 31, 2006.

13 NEW SECTION. **Sec. 5.** (1) The department shall implement the plan
14 set forth in section 4 of this act beginning no later than December 31,
15 2007.

16 (2) The department shall sell granted lands pursuant to the
17 procedures set forth in chapter 79.11 RCW. Sales under this chapter
18 are exempt from the appraisal requirements of RCW 79.11.100.

19 NEW SECTION. **Sec. 6.** (1) All revenues from the sale of granted
20 lands must be deposited in the appropriate permanent funds for the
21 trusts set forth in section 3 of this act. No deduction shall be made
22 for the department's resource management costs under RCW 79.64.040.
23 The department may recover reasonable costs to implement the state
24 granted lands sales program from amounts appropriated to the state
25 granted lands sales management account, created in section 8 of this
26 act.

27 (2) Each trust account must be compensated for any amounts by which
28 the appraised market value of a trust land parcel sold exceeds the sale
29 price of the parcel. These amounts must be deposited into the
30 appropriate permanent fund using funds appropriated to the state
31 granted lands sales account, created in section 7 of this act.

32 NEW SECTION. **Sec. 7.** The state granted lands sales account is
33 created in the state treasury. All receipts from amounts appropriated
34 to the account must be deposited in the account. Moneys in the account

1 may be spent only after appropriation. Expenditures from the account
2 may be used only to compensate trust beneficiaries for any granted
3 lands sold for less than appraised market value.

4 NEW SECTION. **Sec. 8.** The state granted lands sales management
5 account is created in the state treasury. All receipts from amounts
6 appropriated to the account must be deposited in the account. Moneys
7 in the account may be spent only after appropriation. Expenditures
8 from the account may be used only for the management of the state
9 granted lands sales program.

10 NEW SECTION. **Sec. 9.** Sections 1 through 8 of this act constitute
11 a new chapter in Title 79 RCW.

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