
SENATE BILL 5830

State of Washington 59th Legislature 2005 Regular Session

By Senators Doumit, Jacobsen, Swecker, Rockefeller, Oke and Rasmussen; by request of Commissioner of Public Lands

Read first time 02/09/2005. Referred to Committee on Natural Resources, Ocean & Recreation.

1 AN ACT Relating to the performance of state trust land management;
2 amending RCW 79.17.210 and 79.64.040; reenacting and amending RCW
3 79.17.010; adding a new section to chapter 79.64 RCW; creating new
4 sections; and declaring an emergency.

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

6 NEW SECTION. **Sec. 1.** The commissioner of public lands
7 commissioned an independent review committee in 2004 to evaluate the
8 effectiveness and efficiency of state trust fund investments. The
9 independent review committee provided the commissioner with
10 recommendations following their review. The purpose of this act is to
11 implement recommendations of the committee that will enhance the
12 performance of state trust land management by the department of natural
13 resources.

14 **Sec. 2.** RCW 79.17.210 and 2003 c 334 s 118 are each amended to
15 read as follows:

16 (1) The legislature finds that the department has a need to
17 maintain the real property asset base it manages and needs an

1 accounting mechanism to complete transactions without reducing the real
2 property asset base.

3 (2) The natural resources real property replacement account is
4 created in the state treasury. This account shall consist of funds
5 transferred or paid for the disposal or transfer of real property by
6 the department under RCW 79.17.200. The funds in this account shall be
7 used solely for the acquisition of replacement real property (~~and may~~
8 ~~be spent only when, and as, authorized by legislative appropriation~~).
9 Only the commissioner of public lands or the commissioner's designee
10 may authorize expenditures from the account. The account is subject to
11 allotment procedures under chapter 43.88 RCW, but an appropriation is
12 not required for expenditures.

13 **Sec. 3.** RCW 79.64.040 and 2004 c 199 s 227 are each amended to
14 read as follows:

15 The board shall determine the amount deemed necessary in order to
16 achieve the purposes of this chapter and shall provide (~~by rule~~) for
17 the deduction of this amount from the moneys received from all leases,
18 sales, contracts, licenses, permits, easements, and rights of way
19 issued by the department and affecting state lands and aquatic lands,
20 provided that no deduction shall be made from the proceeds from
21 agricultural college lands. (~~Moneys received as deposits from~~
22 ~~successful bidders, advance payments, and security under RCW 79.15.100,~~
23 ~~79.15.080, and 79.11.150 prior to December 1, 1981, which have not been~~
24 ~~subjected to deduction under this section are not subject to deduction~~
25 ~~under this section.~~)

26 The deductions authorized under this section shall in no event
27 exceed twenty-five percent of the moneys received by the department in
28 connection with any one transaction pertaining to (~~state lands and~~)
29 aquatic lands other than second class tide and shore lands and the beds
30 of navigable waters, and fifty percent of the moneys received by the
31 department pertaining to second class tide and shore lands and the beds
32 of navigable waters.

33 From July 1, 2005, to June 30, 2015, the deductions authorized
34 under this section shall in no event exceed thirty percent of the
35 moneys received by the department in connection with any one
36 transaction pertaining to state lands. Beginning July 1, 2015, the

1 deductions authorized under this section shall in no event exceed
2 twenty-five percent of the moneys received by the department in
3 connection with any one transaction pertaining to state lands.

4 In the event that the department sells logs using the contract
5 harvesting process described in RCW 79.15.500 through 79.15.530, the
6 moneys received subject to this section are the net proceeds from the
7 contract harvesting sale.

8 NEW SECTION. **Sec. 4.** A new section is added to chapter 79.64 RCW
9 to read as follows:

10 (1) The board shall biennially review the authorized deductions
11 allowed under RCW 79.64.040 and 79.64.110 and establish the authorized
12 deduction for each biennium.

13 (2) Before the board establishes the authorized deduction for each
14 biennium, the department shall meet with trust beneficiaries to review
15 the authorized deductions allowed under RCW 79.64.040 and 79.64.110.

16 **Sec. 5.** RCW 79.17.010 and 2003 1st sp.s. c 25 s 939 and 2003 c 334
17 s 452 are each reenacted and amended to read as follows:

18 (1) The department, with the approval of the board, may exchange
19 any state land and any timber thereon for any land of equal value in
20 order to:

- 21 (a) Facilitate the marketing of forest products of state lands;
- 22 (b) Consolidate and block-up state lands;
- 23 (c) Acquire lands having commercial recreational leasing potential;
- 24 (d) Acquire county-owned lands;
- 25 (e) Acquire urban property which has greater income potential or
26 which could be more efficiently managed by the department in exchange
27 for state urban lands as defined in RCW 79.19.100; or
- 28 (f) Acquire any other lands when such exchange is determined by the
29 board to be in the best interest of the trust for which the state land
30 is held.

31 (2) Land exchanged under this section shall not be used to reduce
32 the publicly owned forest land base.

33 (3) The board shall determine that each land exchange is in the
34 best interest of the trust for which the land is held prior to
35 authorizing the land exchange.

1 (4) (~~During the biennium ending June 30, 2005,~~) The department,
2 with approval of the board, may exchange any state land and any timber
3 thereon for any land and proceeds of equal value. Proceeds may be in
4 the form of cash or services in order to achieve the purposes
5 established in this section. Any cash received as part of an exchange
6 transaction shall be deposited in the resource management cost account
7 to pay for administrative expenses incurred in carrying out an exchange
8 transaction. The amount of proceeds received from the exchange partner
9 may not exceed five percent of the total value of the exchange. The
10 receipt of proceeds shall not change the character of the transaction
11 from an exchange to a sale.

12 NEW SECTION. **Sec. 6.** The department of natural resources shall
13 prepare a report on the status of the forest development account to be
14 submitted to the appropriate committees of the senate and house of
15 representatives by November 1, 2007. The report must include
16 information on expenditures, revenues, and year-end fund balances
17 beginning with fiscal year 2001, as well as projected expenditures,
18 revenues, and year-end fund balances for fiscal years 2008 through
19 2011. The report must also include recommendations on potential
20 changes to the deduction for management expenses as allowed in RCW
21 79.64.110 if the department concludes that such changes may be
22 necessary.

23 NEW SECTION. **Sec. 7.** This act is necessary for the immediate
24 preservation of the public peace, health, or safety, or support of the
25 state government and its existing public institutions, and takes effect
26 immediately.

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