

## SB 5537 - DIGEST

Declares an intent of this act to provide full compensation to the trust beneficiaries for the net present value of a long-term leasehold interest in these granted lands, and during the term of this lease to manage these lands for multiple uses and benefits.

Creates the state granted lands lease program. The program must include state granted lands for which a leasehold is executed under the provisions of this act to provide compensation for the support of the beneficiaries in the following designated trusts:

- (1) Common school, indemnity, and escheat;
- (2) Agricultural school;
- (3) Scientific school;
- (4) University;
- (5) Normal school;
- (6) Charitable, educational, penal, and reformatory institutions; and
- (7) State capitol.

Requires that, by December 31, 2006, the department shall develop a prioritized list of parcels suitable for inclusion in the state granted lands lease program. A prioritized list must be prepared for each category of designated trusts specified in this act. Each list must include sufficient parcels so that the aggregated acreage of parcels exceed the following acreage: (1) Common school, indemnity, and escheat, five hundred thousand acres;

- (2) Washington State University, forty thousand acres;
- (3) Agricultural school, twenty thousand acres;
- (4) Scientific school, twenty thousand acres;
- (5) Normal school, twenty thousand acres;
- (6) Charitable, educational, penal, and reformatory, twenty thousand acres; and
- (7) State capitol, twenty-five thousand acres.

Provides that, beginning July 1, 2007, the department shall execute leases for a term of at least seventy-five years for trust lands on the priority lists developed under this act. The lease agreement must include the right for automatic renewal. The calculation of full fair market compensation for renewed leases must ensure that the value of the resources on the land that were used to compensate beneficiaries in the initial lease not become a part of the calculation for compensation for the renewed lease.

Establishes the granted lands review commission.

Requires the granted lands review commission to submit a report with its recommendations to the appropriate committees of the senate and house of representatives by December 31, 2007.