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**Agriculture & Natural Resources  
Committee**

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**HB 1045**

**Brief Description:** Maintaining the ability of the board of natural resources to determine the deduction of proceeds from transactions on state lands managed by the department of natural resources.

**Sponsors:** Representative B. Sullivan

**Brief Summary of Bill**

- Makes permanent the ability of the Board of Natural Resources to retain up to 30 percent of the proceeds earned from transactions on state lands.

**Hearing Date:** 1/10/07

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

**Background:**

The Board of Natural Resources (Board) has been delegated the responsibility to direct the management of state lands that are held in trust for identified trust beneficiaries. Beneficiaries of these land trusts include the state's public schools and higher education institutions. Revenue earned through land management activities conducted by the Department of Natural Resources (DNR) benefits the identified trust beneficiary for the land.

Historically, the Board was entitled to deduct up to 25 percent of the revenue earned from trust land activities. This deduction was transferred to the Resource Management Cost Account (RMCA) and used to defray costs incurred by the DNR in managing and administering the trust lands [RCW 79.64.020]. The remainder of the revenue was made available to the identified trust beneficiary.

For the 2005-2007 fiscal biennium only, the Board was given the authority to deduct up to 30 percent of revenue generated from state lands [RCW 79.64.040(5)]. This authority did not extend

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to aquatic lands managed by the DNR or to uplands that are managed by the DNR in trust for counties.

The authority to deduct up to 30 percent from state trust land revenues expires with the end of the 2007 fiscal year. The Board's maximum allowed deduction will return to 25 percent with the start of Fiscal Year 2008.

**Summary of Bill:**

The temporary authority for the Board to deduct an additional 5 percent of revenues generated from state trust lands for the RMCA is made permanent. The Board's maximum allowable RMCA deduction remains at 30 percent and will not be reduced to 25 percent upon the end of Fiscal Year 2007.

**Appropriation:** None.

**Fiscal Note:** Not requested.

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