

# SENATE BILL REPORT

## HB 2329

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As of February 15, 2012

**Title:** An act relating to replacing encumbered state forest lands for the benefit of multiple participating counties.

**Brief Description:** Replacing encumbered state forest lands for the benefit of multiple participating counties.

**Sponsors:** Representatives Takko, Orcutt, Blake, Chandler, Stanford, Taylor and Van De Wege; by request of Commissioner of Public Lands.

**Brief History:** Passed House: 2/09/12, 97-0.

**Committee Activity:** Energy, Natural Resources & Marine Waters: 2/15/12.

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### SENATE COMMITTEE ON ENERGY, NATURAL RESOURCES & MARINE WATERS

**Staff:** Angeline Thomas (786-7470)

**Background:** State forest lands refers to lands managed by the Department of Natural Resources (DNR) for the benefit of the county in which the land is located. Many acres of state forest land were added to this classification through the process of the county initiating a tax lien foreclosure process and transferring management to the Board of Natural Resources (Board).

DNR itself also has the direct authority to purchase or accept gifts of land that is appropriate to be managed as state forest land.

DNR also manages the Trust Land Transfer Program (Program), which is typically authorized and funded in each biennial capital budget. The Program is generally used to reposition less productive lands managed by DNR with lands that can sustain a higher timber yield. The Program has been used in the past to reposition lands within, and add lands to, the state forest land management classification.

DNR is authorized to transfer or dispose of lands meeting certain criteria without public auction. One of the criteria for an auction-less transfer is being located in a county with a population of 25,000 or fewer and having the land in question be encumbered with timber harvest deferrals of greater than 30 years that are in place to protect endangered species. Most lands meeting this requirement are located in southwest Washington. Proceeds from

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any transfers are deposited into the Park Land Trust Revolving Fund (Fund) and are used to buy replacement lands within the same county from which the proceeds originated.

Revenue generated from state forest lands is shared between DNR and the county where the land is located. Revenues generated from lands in one county may not be shared with other counties.

**Summary of Bill:** The Board is given the discretionary authority to create a state forest land pool (land pool) to be managed by DNR for the benefit of counties having a population of 25,000 or fewer and that have existing state forest lands encumbered with 30-year or longer timber harvest deferrals associated with wildlife species listed under the federal Endangered Species Act (ESA.) If the Board creates a land pool, it may not ever exceed 10,000 acres in size.

The Board and the participating counties must develop a funding strategy when creating a land pool. One possible funding mechanism is transferring existing state forest land that is encumbered with timber harvest deferrals due to ESA into Natural Resources Conservation Area status and using the value of the transferred land to acquire new working lands for the land pool. The Fund may be used for this purpose.

DNR must conduct an analysis of the land pool proposal at the request of the Board. The analysis must evaluate how the proposed land trust would benefit the affected counties, estimate the administrative costs associated with managing the land pool, propose administrative structures necessary to create a land pool, and include proposals for ascertaining how revenue distribution to the participating counties will be calculated. DNR may coordinate this analysis with affected counties.

The Forest Development Account is authorized to be the account for administering the state forest land pools. Revenue proceeds from the land pool must be distributed in proportion to each county's contribution to the asset value of the land pool. The proceeds of properties transferred by satisfying the requirements for auction-less transfer must be deposited in the Fund and used to purchase replacement land, including property for the land pool.

A county may opt out of the land pool at any time by transmitting a written request to do so to the Board. If this occurs, the county remains a beneficiary for lands added to the pool prior to its withdrawal, but it may no longer contribute asset value to the pool, and no additional lands may be acquired for the pool in that county.

**Appropriation:** None.

**Fiscal Note:** Available.

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

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony:** PRO: This legislation is important to preserving the economic viability of small counties which are disproportionately affected by ESA listings

that do not allow for logging on state forest trust lands. The current land transfer program requires replacement land to be purchased in the same county where the original land was transferred; however, small counties do not always have available land for this purpose. This legislation is a creative solution to this problem worked out between the Commissioner of Public Lands and the affected counties. It would create the first county unitary land trust using existing funds.

**Persons Testifying:** PRO: Representative Takko, prime sponsor; Cullen Stephensen, Andrew Hayes, DNR; Paul Pearce, Skamania County Commissioner; Josh Weiss WA State Assn. of Counties.