

SENATE BILL REPORT

SB 6195

As of January 25, 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: Senators Hatfield, Swecker, King, Regala, Ranker, Fraser, Honeyford and Shin; by request of Commissioner of Public Lands.

Brief History:

Committee Activity: Energy, Natural Resources & Marine Waters: 1/25/12.

SENATE COMMITTEE ON ENERGY, NATURAL RESOURCES & MARINE WATERS

Staff: Angeline Thomas (786-7470)

Background: The term state forest lands refers to lands managed by the Department of Natural Resources (Department) 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).

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

The Department 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 the Department with lands that can sustain a higher timber yield. This program has been used in the past to reposition lands within and add lands to the state forest land management classification.

The Department 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 which are in place to protect endangered species. Most lands meeting this requirement are located in southwest Washington.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

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

Revenue generated from state forest lands is shared between the county where the land is located and the Department. 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 the Department for the benefit of counties that have 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). The land pool is a collection of discrete parcels located over multiple counties that are managed together for multiple beneficiaries.

Only counties satisfying the conditions for inclusion may elect to participate in the land pool; a decision formalized through a written request from the county to the Board. Lands in the land pool may be located in any of the participating counties; however, the revenue derived from the land pool must be distributed to all participating counties proportionate to each county's contribution to the asset value of the land pool.

Prior to creating a land pool, the Board must request an analysis of the proposal from the Department. The Department's analysis must evaluate how the proposed land trust would benefit the affected counties, an estimation of the administrative costs associated with managing the land pool, and proposals for administrative structures necessary to create a land pool. This includes the development of proposals for ascertaining how revenue distribution to the participating counties will be calculated. The analysis developed by the Department may be coordinated with the affected counties or a third-party association representing the affected counties.

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

If the Board creates a land pool, it may not ever exceed 10,000 acres in size. A participating county may opt out of the land pool at any time by transmitting a written request to do so to the Board. In the event of a county opting to no longer participate, the county remains a beneficiary for lands added to the pool prior to its withdraw but may no longer contribute asset value to the pool and no additional lands maybe acquired for the pool in that county.

Appropriation: None.

Fiscal Note: Not requested.

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 is agency request legislation from the Commissioner of Public Lands who has been working with the four effected counties and the Association of Counties on a solution for lost timber revenue due to encumbered forest lands. This effort makes the Encumbered Land's bill that passed last year workable. Counties such as Klickitat and Skamania have unencumbered land set aside that could be a part of the unitary trust. Ultimately, the entire pool would be overseen by the Forest Board; this makes counties comfortable.

Small counties are facing increasing budget deficits and need this option to survive. Wahkiakum County, in particular, is losing \$1 million per year due to the Endangered Species Act.

This is an attempt to manage natural resources better. This bill will allow forested land to stay in production and be classified properly.

Persons Testifying: PRO: Senator Brain Hatfield, prime sponsor; Cullen Stephensen, Andrew Hayes, DNR; Paul Pearce, WA State Assn. of Counties, Skamania County Commissioner; Dan Cothren, Wahkiakum County Commissioner, Timber Chair; Bill Robinson, The Nature Conservancy.