

FINAL BILL REPORT

SSB 5051

C 56 L 17
Synopsis as Enacted

Brief Description: Concerning nondefault or early termination provisions in state land leases for agricultural or grazing purposes.

Sponsors: Senate Committee on Agriculture, Water, Trade & Economic Development (originally sponsored by Senators Brown, Warnick, Honeyford, Becker and Schoesler).

Senate Committee on Agriculture, Water, Trade & Economic Development
House Committee on Agriculture & Natural Resources

Background: The Department of Natural Resources (DNR) manages a number of different categories of land, each for a specific purpose and under different management requirements. These include approximately 3 million acres of federally-granted lands and state forest lands, which DNR manages to support common schools, counties, and other public institutions.

The DNR has the authority to lease state lands for purposes including commercial, industrial, residential, agricultural, and recreational uses in order to obtain a fair-market rental return to the state or appropriate trust. DNR generally may not lease state lands for longer than ten years, although longer leases are specifically authorized in multiple instances. Lands leased for agricultural purposes may not exceed 25 years, except leases for tree fruit or grape production, which may be for up to 55 years. Share crop leases may not exceed ten years. The DNR must include language in any grazing lease that explains the right of access, and associated assumption of liability when a livestock owner makes a request to retrieve livestock that are at-risk due to a wildfire.

Summary: Any non-default or early termination provision included in a state land lease for agricultural or grazing purposes must:

- require advance written notice of at least 180 days by the DNR to the lessee prior to termination of the lease; and
- require the DNR to provide the lessee with written documentation demonstrating the leased land is included in a plan for higher and better use, land exchange, or sale.

The DNR is not required to include a non-default or early termination provision in any agricultural or grazing state land lease. The DNR is not prohibited from allowing the lessee to surrender the property under the lease subject to terms provided in the lease. The DNR may execute other lease provisions designed to protect the interests of the lessee in the event that the lease is terminated under a non-default or early termination provision.

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.

Votes on Final Passage:

Senate 49 0

House 96 0

Effective: July 23, 2017