

SENATE BILL REPORT

SB 5924

As Reported by Senate Committee On:
Ways & Means, April 20, 2017

Title: An act relating to exchanging charitable, educational, penal, and reformatory institutions trust lands for community and technical college forest reserve lands.

Brief Description: Exchanging charitable, educational, penal, and reformatory institutions trust lands for community and technical college forest reserve lands.

Sponsors: Senators Fain and Keiser.

Brief History:

Committee Activity: Ways & Means: 4/19/17, 4/20/17 [DP].

Brief Summary of Bill

- Directs the Department of Natural Resources (DNR) to exchange State Trust Land with Community and Technical College Forest Reserve land (Reserve land).
- Directs the DNR to transfer ownership of the exchanged Reserve land to the State Board for Community and Technical Colleges.

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass.

Signed by Senators Braun, Chair; Brown, Vice Chair; Rossi, Vice Chair; Honeyford, Vice Chair, Capital Budget ; Ranker, Ranking Minority Member; Rolfes, Assistant Ranking Minority Member, Operating Budget; Frockt, Assistant Ranking Minority Member, Capital Budget; Bailey, Becker, Billig, Carlyle, Conway, Darneille, Hasegawa, Keiser, Padden, Pedersen, Rivers, Schoesler, Warnick and Zeiger.

Staff: Jed Herman (786-7346)

Background: Department of Natural Resources (DNR) and State Trust Lands. The DNR is responsible for managing a variety of State Trust Lands on behalf of specific state beneficiaries, such as Common schools (K-12). These State Trust Lands came to state

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ownership through the Congressional Enabling Act at Statehood. The revenue derived from managing these lands go toward the benefit of the trusts.

Charitable, Educational, Penal and Reformatory Institutions. One of the federally-granted Trusts is the Charitable, Educational, Penal and Reformatory Institutions (CEP&RI). Beneficiaries of this trust are state institutions and include the Department of Corrections and Department of Social and Health Services. The CEP&RI trust differs from the other trusts, in that not only do the specific beneficiaries receive revenue from the management of the lands, but the beneficiaries may also use the land.

In 1985, the Legislature made use of the distinction and directed several colleges to be constructed on CEP&RI land, no payments were required. The affected colleges are Highline, Green River, Grays Harbor, and South Seattle. The legislation directed that the purpose of the use was for education and that the relationship between the colleges and DNR as the land manager was to be stipulated through a lease.

State Board for Community and Technical Colleges (State Board). The State Board coordinates and directs Washington State's system of 34 public community and technical colleges, including the capital infrastructure needs.

Community and Technical College Forest Reserve. There are approximately 3492 acres of forest land managed by the DNR for the purpose of providing a source of revenue for the long-term capital improvement needs of the state community and technical college system. The lands were acquired by the state in 1990. The statute requirements for the management of the Reserve lands differ from the federally-granted trust lands in that they were legislatively created and do not have the same restrictions that come from the Constitution.

The Legislature provided for this transfer in the 2016 supplemental Capital Budget. However, there were technical concerns raised by the DNR and the Attorney General's Office about the way the direction was provided. This act provides clear direction for the transfer and overcomes the technical concerns.

Summary of Bill: The DNR is to exchange a portion of community and technical college forest reserve with land of equal value held for the benefit of CEP&RI that is currently leased to certain community and technical colleges. The affected colleges are Highline, Green River, Grays Harbor, and South Seattle. The exchange will be conducted through a market-based appraisal. The DNR then must transfer ownership of the land that is under the colleges to the State Board. The lease between the DNR and the colleges will be terminated.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: The bill contains an emergency clause and takes effect immediately.

Staff Summary of Public Testimony: PRO: Thank you to all that worked to bring this bill together. We need this bill as it provides greater flexibility for the college to site a new school and the YMCA. The bill is needed because the colleges and the DNR simply have different focus of interest, which are not always compatible. Our college needs the bill so that we can get into long-term leases with local community organizations. The bill will remove bureaucratic hurdles and allow for public/private partnerships.

Persons Testifying: PRO: Jim Minkler, Grays Harbor College; Scott Morgan, Green River College; Elizabeth Pluhta, South Seattle College/Vice President of Administrative Services; Jeff Wagnitz, Highline College, Acting President; Dave Warren, DNR.

Persons Signed In To Testify But Not Testifying: No one.