

SENATE BILL REPORT

HB 1430

As of February 17, 2022

Title: An act relating to the duration of state upland leases for lands managed by the department of natural resources.

Brief Description: Concerning the duration of state upland leases for lands managed by the department of natural resources.

Sponsors: Representatives Kloba and Klicker; by request of Department of Natural Resources.

Brief History: Passed House: 1/14/22, 95-1.

Committee Activity: Agriculture, Water, Natural Resources & Parks: 3/18/21, 3/25/21 [DPA]; 2/17/22.

Brief Summary of Bill

- Allows the maximum length of a commercial, industrial, business, or recreational lease of land managed by the Department of Natural Resources (DNR) to be up to 99 years.

SENATE COMMITTEE ON AGRICULTURE, WATER, NATURAL RESOURCES & PARKS

Staff: Karen Epps (786-7424)

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.

DNR has the authority to lease state lands for commercial, industrial, residential, agricultural, and recreational uses to obtain a fair-market rental return to the state or

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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. Leases for commercial, industrial, business, or recreational purposes may also be for up to 55 years.

Summary of Bill: The maximum length of a lease of land managed by DNR where the purpose of the lease is for commercial, industrial, business, or recreational purposes, may extend to 99 years.

Appropriation: None.

Fiscal Note: Available.

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

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

Staff Summary of Public Testimony (Regular Session 2022): PRO: This bill increases DNR's land lease agreements from 55 years up to 99 years. An increase to the lease term helps improve project financing options and makes practical sense. An extension to the lease terms makes DNR lands more competitive in the marketplace especially since lenders prefer to see longer lease terms to finance construction projects. DNR has worked with various entities and created an external advisory committee with members who work in commercial real estate and everyone has recommended this change. Opportunities could be lost if this bill does not pass this year.

Persons Testifying: PRO: Mary Hull-Drury, Washington Realtors; Duane Emmons, Department of Natural Resources; Brian Considine, Department of Natural Resources.

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