

SENATE BILL REPORT

SB 5201

As Passed Senate, January 12, 2022

Title: AN ACT Related to department of natural resources' timber and land sales.

Brief Description: Concerning department of natural resources' timber and land sales.

Sponsors: Senators Van De Wege and Das; by request of Department of Natural Resources.

Brief History:

Committee Activity: Agriculture, Water, Natural Resources & Parks: 1/28/21, 2/04/21 [DP].

Floor Activity: Passed Senate: 2/16/21, 47-0; 1/12/22, 47-1.

Brief Summary of Bill

- Modifies procedures and requirements for notifying the public regarding land and valuable materials sales.

SENATE COMMITTEE ON AGRICULTURE, WATER, NATURAL RESOURCES & PARKS

Majority Report: Do pass.

Signed by Senators Van De Wege, Chair; Salomon, Vice Chair; Warnick, Ranking Member; Honeyford, Rolfes, Short and Stanford.

Staff: Jeff Olsen (786-7428)

Background: The Department of Natural Resources (DNR) manages a number of different categories of land on behalf of the state of Washington, each for a specific purpose and under different management requirements. Upon statehood, the United States granted Washington trust lands to support various public institutions. DNR manages approximately 3 million acres of federally granted trust lands that provide revenue for grade schools, state

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universities, buildings on the capitol campus, and correctional facilities. DNR also manages more than 600,000 acres of state forest lands, which were acquired primarily through tax foreclosures in the 1920s and 1930s, and to a lesser extent through purchases by the state or gifts to the state. State forest lands are managed for the benefit of the counties in which the lands are located.

DNR has authority to sell timber and other valuable resources from state lands. Most sales conducted by DNR must be done at public auction to the highest bidder. Before land or valuable materials can be sold, the DNR must give notice of the sale and advertise by newspaper and by publishing lists in pamphlet form.

Summary of Bill: Procedures for notifying the public for land and valuable materials sales are modified. DNR shall make available a list of all public lands to be sold, rather than publish the list in a pamphlet form. DNR is no longer required to maintain the list for free distribution in the Olympia office.

For valuable materials sales, sales may take place at DNR regional headquarters, or at an alternate location designated by DNR. For a sale of valuable materials for which no bids are received, DNR may reoffer the sale consistent with valuable materials sales procedures. The option to have sales on county property as designated by the county legislative authority is removed.

The requirement to advertise sales of valuable materials less than \$250,000 in a newspaper nearest the property from which the valuable material is to be sold is modified to include either a newspaper of general circulation, DNR's website, or another method deemed most practical by DNR. The notice of sale for valuable materials sales is not required to be posted in DNR's Olympia office and the office of the county auditor where the material is located. In addition, DNR is not required to mail copies of the pamphlet, but must make the list available upon request.

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 on Proposed Substitute: *The committee recommended a different version of the bill than what was heard.* PRO: DNR used the lean process to evaluate the timber sales program and identify ways to be more efficient and effective. For sales under \$250,000, which typically may include salvage, timing and flexibility, is critical to generate revenue. The changes align with how other timber sales are conducted. The flexibility to move auction locations is also important, especially with

COVID restrictions. DNR also supports the pilot program to study the marketing and sale of specialty forest products, including cedar and alder. The changes to the timber sales program reflect modern business practices and still allow advertising in newspapers. The pilot project, evaluating bringing specialty products to the market, is an important component to support jobs, rural economies, and also generate revenues for the trust beneficiaries.

Persons Testifying: PRO: Senator Kevin Van De Wege, Prime Sponsor; Duane Emmons, Department of Natural Resources; Matthew Comisky, American Forest Resource Council.

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