

SENATE BILL REPORT

SB 5201

As of January 28, 2021

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.

Brief Summary of Bill

- Modifies procedures and requirements for notifying the public regarding land and valuable materials sales.
- Establishes a pilot project to evaluate the costs and benefits of marketing and selling valuable materials including cedar salvage and alder.

SENATE COMMITTEE ON AGRICULTURE, WATER, NATURAL RESOURCES & PARKS

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 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

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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: The bill as referred to committee not considered.

Summary of Bill (Proposed Substitute): 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.

A two year pilot project is established to determine the costs and benefits of marketing specialty forest products from DNR lands. The pilot project must identify suitable areas, prepare and conduct sales, and determine if revenues cover the costs of conducting the sales. The pilot project must identify factors impacting sales, including regulatory constraints and staffing levels. The pilot project must include sales in the Olympic and Pacific Cascade region, and be completed by June 30, 2023. DNR must report the results of the pilot project and any recommendations for changes to the appropriate committees of the Legislature by November 1, 2023.

Appropriation: None.

Fiscal Note: Requested on January 26, 2021.

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: 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.