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**HOUSE BILL 1460**

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**State of Washington**

**68th Legislature**

**2023 Regular Session**

**By** Representatives Hackney, Waters, Simmons, Kloba, Pollet, Davis, and Macri; by request of Department of Natural Resources

Read first time 01/19/23. Referred to Committee on Capital Budget.

1 AN ACT Relating to the department of natural resources trust land  
2 management; amending RCW 79.17.020, 79.17.210, 79.22.060, 43.30.385,  
3 79.19.020, 79.19.030, 79.11.340, and 79.22.140; reenacting and  
4 amending RCW 79.64.110; adding new sections to chapter 79.17 RCW; and  
5 creating a new section.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

7 NEW SECTION. **Sec. 1.** (1) The legislature finds that some state  
8 lands and state forestlands have a low potential for natural resource  
9 management or low income-generating potential or are inefficient for  
10 the department of natural resources to manage due to geographic  
11 location or other factors.

12 (2) The legislature further finds that some of these lands have  
13 high ecological values and public benefits and should be maintained  
14 in public ownership as a park, open space, nature preserve, or  
15 similar designation to benefit the people of Washington.

16 (3) The legislature further finds that the department of natural  
17 resources needs an effective program to transfer these lands out of  
18 trust status to the natural areas program, other public agencies, or  
19 tribes, and simultaneously acquire legislative funding to acquire  
20 productive replacement lands to improve the revenue-generating  
21 performance of the state lands and state forestlands it manages.

1 (4) The legislature further finds that the trust land transfer  
2 program should be established within the department of natural  
3 resources with adequate funds to cover the department's expenses for  
4 administering the program and completing trust land transfers.

5 (5) The legislature further finds that there exists an interest  
6 by the public and trust beneficiaries that the program be well-  
7 documented and transparent, that each potential transfer be examined  
8 by the department of natural resources to ensure it is in the best  
9 interests of the trust beneficiaries, that an external advisory  
10 committee place proposed transfers into a prioritized order using  
11 standardized criteria, that the board of natural resources approve  
12 submission of the list to the legislature, and that parcels be  
13 transferred in order of priority.

14 NEW SECTION. **Sec. 2.** (1) The department is authorized to create  
15 and manage a trust land transfer program. Real property available for  
16 the trust land transfer program is economically under-performing  
17 state land and state forestland with high ecological or public  
18 benefit and deemed appropriate for state parks, fish and wildlife  
19 habitats, natural area preserves, natural resources conservation  
20 areas, community forests, recreation, or other public purposes. The  
21 department may use the real property transfer authorities under this  
22 chapter and chapter 79.22 RCW, as appropriate, to complete transfers  
23 under the trust land transfer program.

24 (2) The department shall use legislative appropriations for  
25 approved trust land transfers to acquire replacement real property  
26 that will provide long-term, sustainable revenue to the trust  
27 beneficiaries or is otherwise desirable to be added to the affected  
28 trust and to pay for the department's administrative expenses to  
29 complete the transfer, including the cost of department staff time,  
30 appraisals, surveys, environmental reviews, and other similar costs  
31 of the program.

32 (3) Transfers funded by legislative appropriation must be at fair  
33 market value, including the value of land, timber, other valuable  
34 materials, and improvements owned by the state. The legislative  
35 appropriation must be deposited in the natural resources real  
36 property replacement account created in RCW 79.17.210 and the  
37 parkland trust revolving fund established in RCW 43.30.385, as  
38 appropriate.

1 (4) The department shall prioritize the acquisition of working  
2 farms and forests when acquiring replacement real property for state  
3 lands transferred under this program when it can be demonstrated that  
4 the trust fiduciary obligations can be better fulfilled with these  
5 lands. The department shall endeavor to acquire replacement real  
6 property as quickly as practicable.

7 NEW SECTION. **Sec. 3.** The department shall administer the trust  
8 land transfer program as follows:

9 (1) Any citizen, state and federal agencies, counties, cities,  
10 towns, tribes, nonprofit organizations, special purpose districts,  
11 public development authorities, and other political subdivisions of  
12 the state, may nominate a parcel of state land or state forestland  
13 for the trust land transfer program. The nomination must be made to  
14 the department on forms provided by the department and accompanied by  
15 the fee provided under RCW 79.02.250.

16 (2) The department shall perform an initial review to determine  
17 whether the transfer of a nominated parcel is in the best interest of  
18 the trust for which the land is held and whether a public agency, as  
19 defined in RCW 79.17.200, is willing to take ownership of the parcel  
20 and is capable of managing the land for the public benefit. The  
21 department may require prenomination review of parcels over 9,000  
22 acres or parcels over an estimated appraised market value of  
23 \$30,000,000, including the value of the land, valuable materials, and  
24 improvements, if any.

25 (3) If the department determines through its initial review that  
26 transfer would be in the best interest of the trust for which the  
27 land is held and a public agency is willing and able to take  
28 ownership and manage the land, the department shall consult with  
29 potentially affected tribes to identify and address cultural resource  
30 issues.

31 (4) Following the department's initial review and tribal  
32 consultation, the department may submit parcels to an advisory  
33 committee that shall evaluate and prioritize nominated parcels  
34 according to criteria approved by the board, including social,  
35 ecological, economic, and other values. The advisory committee may  
36 include representatives of trust beneficiaries, public agencies,  
37 tribes, overburdened communities, and vulnerable populations as  
38 defined in chapter 70A.02 RCW, and other stakeholders as determined  
39 by the department.

1 (5) The department, with approval of the board, shall determine  
2 the final, prioritized list of trust land transfer parcels to submit  
3 to the legislature for funding. If a legislative appropriation  
4 includes a trust land transfer parcel, and the board determines that  
5 the transfer is in the best interest of the trust for which the land  
6 is held, the department shall complete the transfer.

7 **Sec. 4.** RCW 79.17.020 and 2013 2nd sp.s. c 19 s 7035 are each  
8 amended to read as follows:

9 (1) The board of county commissioners of any county and/or the  
10 mayor and city council or city commission of any city or town and/or  
11 the board shall have authority to exchange, each with the other, or  
12 with the federal forest service, the federal government or any proper  
13 agency thereof and/or with any private landowner, county land of any  
14 character, land owned by municipalities of any character, and state  
15 forestland owned by the state under the jurisdiction of the  
16 department, for real property of equal value for the purpose of  
17 consolidating and blocking up the respective landholdings of any  
18 county, municipality, the federal government, or the state of  
19 Washington or for the purpose of obtaining lands having commercial  
20 recreational leasing potential. The board shall also have the  
21 authority to exchange state forestland for the purpose of obtaining  
22 land with greater natural resource or income-producing potential,  
23 when in the best interest of the state or affected trust. State  
24 forestland exchanged under this section may not be used to reduce the  
25 publicly owned forestland base.

26 ~~(2) ((a) During the biennium ending June 30, 2013, for the~~  
27 ~~purposes of maintaining working farm and forest landscapes or~~  
28 ~~acquiring natural resource lands at risk of development, the~~  
29 ~~department, with approval of the board of natural resources, may~~  
30 ~~exchange any state land and any timber thereon for any land and~~  
31 ~~proceeds of equal value, when it can be demonstrated that the trust~~  
32 ~~fiduciary obligations can be better fulfilled after an exchange is~~  
33 ~~completed. Proceeds may be in the form of cash or services in order~~  
34 ~~to achieve the purposes established in this section. Any cash~~  
35 ~~received as part of an exchange transaction shall be deposited in the~~  
36 ~~forest development account to pay for administrative expenses~~  
37 ~~incurred in carrying out an exchange transaction. These~~  
38 ~~administrative expenses include road maintenance and abandonment~~  
39 ~~expenses. The amount of proceeds received from the exchange partner~~

1 ~~may not exceed five percent of the total value of the exchange. The~~  
2 ~~receipt of proceeds shall not change the character of the transaction~~  
3 ~~from an exchange to a sale.~~

4 ~~(b) During the biennium ending June 30, 2015, for the purposes of~~  
5 ~~maintaining working farm and forest landscapes or acquiring natural~~  
6 ~~resource lands at risk of development, the department, with approval~~  
7 ~~of the board of natural resources, may exchange any state land and~~  
8 ~~any timber thereon for any land and proceeds of equal value, when it~~  
9 ~~can be demonstrated that the trust fiduciary obligations can be~~  
10 ~~better fulfilled after an exchange is completed. Proceeds may be in~~  
11 ~~the form of cash or services in order to achieve the purposes~~  
12 ~~established in this section. Any cash received as part of an exchange~~  
13 ~~transaction shall be deposited in the forest development account to~~  
14 ~~pay for administrative expenses incurred in carrying out an exchange~~  
15 ~~transaction. These administrative expenses include road maintenance~~  
16 ~~and abandonment expenses. The amount of proceeds received from the~~  
17 ~~exchange partner may not exceed five percent of the total value of~~  
18 ~~the exchange. The receipt of proceeds shall not change the character~~  
19 ~~of the transaction from an exchange to a sale.~~

20 ~~(3))~~ Prior to executing an exchange under this section, and in  
21 addition to the public notice requirements set forth in RCW  
22 79.17.050, the department shall consult with legislative members,  
23 other state and federal agencies, local governments, tribes, local  
24 stakeholders, conservation groups, and any other interested parties  
25 to identify and address cultural resource issues, and the potential  
26 of the state lands proposed for exchange to be used for open space,  
27 park, school, or critical habitat purposes.

28 **Sec. 5.** RCW 79.17.210 and 2018 c 298 s 7005 are each amended to  
29 read as follows:

30 (1) The legislature finds that the department has a need to  
31 maintain the real property asset base it manages and needs an  
32 accounting mechanism to complete transactions without reducing the  
33 real property asset base.

34 (2) The natural resources real property replacement account is  
35 created in the state treasury. This account shall consist of funds,  
36 including the value of land, timber, other valuable materials, and  
37 improvements owned by the state, transferred or paid for the disposal  
38 or transfer of real property by the department under RCW 79.17.200  
39 and the transfer of state lands or state forestlands into community

1 forest trust lands under RCW 79.155.040. The funds in this account  
2 shall be used solely for the acquisition of replacement real property  
3 and may be spent only when, and as, authorized by legislative  
4 appropriation. (~~During the 2013-2015 fiscal biennium, funds in the~~  
5 ~~account may also be appropriated for the land purchase in section~~  
6 ~~3245, chapter 19, Laws of 2013 2nd sp. sess. under the provisions of~~  
7 ~~section 3245, chapter 19, Laws of 2013 2nd sp. sess. and chapter 11,~~  
8 ~~Laws of 2013 2nd sp. sess. During the 2017-2019 fiscal biennium,~~  
9 ~~moneys in the account may also be appropriated for developing and~~  
10 ~~constructing the pipeline in section 3061, chapter 298, Laws of 2018~~  
11 ~~under the provisions of section 7004, chapter 298, Laws of 2018.))~~

12 **Sec. 6.** RCW 79.22.060 and 2012 c 166 s 7 are each amended to  
13 read as follows:

14 (1) With the approval of the board, the department may directly  
15 transfer or dispose of state forestlands without public auction, if  
16 the (~~lands~~) transfers are:

17 ~~(a) (Consist of ten contiguous acres or less;~~

18 ~~(b) Have a value of twenty-five thousand dollars or less; or~~

19 ~~(c) Are located in a county with a population of twenty-five~~  
20 ~~thousand or less and are encumbered with timber harvest deferrals,~~  
21 ~~associated with wildlife species listed under the federal endangered~~  
22 ~~species act, greater than thirty years in length.~~

23 ~~(2) Disposal under this section may only occur in the following~~  
24 ~~circumstances:~~

25 ~~(a) Transfers in lieu of condemnation;~~

26 ~~(b) Transfers to resolve trespass and property ownership~~  
27 ~~disputes; or~~

28 ~~(c) In counties with a population of twenty-five thousand or~~  
29 ~~less, transfers to public agencies.~~

30 ~~(3))~~ In lieu of condemnation or to resolve trespass and property  
31 ownership disputes and the lands consist of 10 contiguous acres or  
32 less or have a value of \$25,000 or less; or

33 (b) To public agencies as defined in RCW 79.17.200.

34 (2) Real property to be transferred or disposed of under this  
35 section shall be transferred or disposed of only after appraisal and  
36 for at least fair market value, and only if the transaction is in the  
37 best interest of the state or affected trust. Valuable materials  
38 attached to lands (~~transferred to public agencies under subsection~~  
39 ~~(2)(c) of this section~~) to be transferred under subsection (1)(b) of

1 this section must be appraised at the fair market value without  
2 consideration of management or regulatory encumbrances associated  
3 with wildlife species listed under the federal endangered species  
4 act, if any.

5 ~~((4))~~ (3)(a) Except as provided in ~~((b) of)~~ this subsection,  
6 the proceeds from real property transferred or disposed of under this  
7 section shall be deposited into the parkland trust revolving fund and  
8 be solely used to buy replacement ~~((land within the same county as~~  
9 ~~the property transferred or disposed))~~ forestland for the benefit of  
10 the county from which the property was transferred or disposed and  
11 the department's administrative expenses to complete the transfer,  
12 including the cost of department staff time, appraisals, surveys,  
13 environmental reviews, and other similar costs of the transfer. The  
14 legislative authority of the county from which the real property was  
15 transferred or disposed under subsection (1)(b) of this section may  
16 request in writing that the department distribute a percentage of the  
17 proceeds associated with valuable materials. Upon such a request, and  
18 subject to prior approval by the board, the department shall  
19 distribute the requested percentage of proceeds associated with  
20 valuable materials as provided in RCW 79.64.110.

21 (b) The proceeds from real property transferred or disposed of  
22 under ~~((subsections (1)(c) and (2)(c) of))~~ this section for the  
23 purpose of participating in the state forestland pool created under  
24 RCW 79.22.140 must be deposited into the parkland trust revolving  
25 fund and used to buy replacement forestland for the benefit of that  
26 county as provided in RCW 79.64.110 and located within any county  
27 participating in the land pool.

28 (c) Except as otherwise provided in this subsection, in counties  
29 with a population of ~~((twenty-five thousand))~~ 25,000 or less, the  
30 portion of the proceeds associated with valuable materials on state  
31 forestland transferred under ~~((subsections (1)(c) and (2)(c) of))~~  
32 this section must be distributed as provided in RCW 79.64.110. If  
33 requested in writing by the legislative authority of a county  
34 participating in the state forestland pool created under RCW  
35 79.22.140, the portion of the proceeds associated with valuable  
36 materials on state forestland transferred under ~~((subsections (1)(c)~~  
37 ~~and (2)(c) of))~~ this section must be deposited in the parkland trust  
38 revolving fund and used to buy replacement forestland for the benefit  
39 of that county as provided in RCW 79.64.110 and located within any  
40 county participating in the land pool.

1       **Sec. 7.** RCW 43.30.385 and 2014 c 32 s 2 are each amended to read  
2 as follows:

3       (1) The parkland trust revolving fund is to be utilized by the  
4 department for the purpose of acquiring real property, including all  
5 reasonable costs associated with these acquisitions, as a replacement  
6 for the property transferred to the state parks and recreation  
7 commission, as directed by the legislature in order to maintain the  
8 land base of the affected trusts or under RCW 79.22.060 and to  
9 receive voluntary contributions for the purpose of operating and  
10 maintaining public use and recreation facilities, including trails,  
11 managed by the department.

12       (2)(a) Proceeds from transfers of real property to the state  
13 parks and recreation commission or other proceeds identified from  
14 transfers of real property as directed by the legislature shall be  
15 deposited in the parkland trust revolving fund.

16       (b) (~~Except as otherwise provided in this subsection, the~~)  
17 Subject to RCW 79.22.060(3), proceeds from real property transferred  
18 or disposed under RCW 79.22.060 must be used solely to purchase  
19 replacement forestland, that must be actively managed as a working  
20 forest, (~~within the same county as the property~~) for the benefit of  
21 the county from which the property was transferred or disposed. (~~If~~  
22 ~~the real property was transferred under RCW 79.22.060 (1)(c) and~~  
23 ~~(2)(c) from within a county participating in the state forestland~~  
24 ~~pool created under RCW 79.22.140, replacement forestland may be~~  
25 ~~located within any county participating in the land pool.~~)

26       (c) Disbursement from the parkland trust revolving fund to  
27 acquire replacement property and for operating and maintaining public  
28 use and recreation facilities shall be on the authorization of the  
29 department.

30       (d) The proceeds from the recreation access pass account created  
31 in RCW 79A.80.090 must be solely used for the purpose of operating  
32 and maintaining public use and recreation facilities, including  
33 trails, managed by the department.

34       (3) In order to maintain an effective expenditure and revenue  
35 control, the parkland trust revolving fund is subject in all respects  
36 to chapter 43.88 RCW, but no appropriation is required to permit  
37 expenditures and payment of obligations from the fund.

38       (4) The department is authorized to solicit and receive voluntary  
39 contributions for the purpose of operating and maintaining public use  
40 and recreation facilities, including trails, managed by the



1 department. The department may seek voluntary contributions from  
2 individuals and organizations for this purpose. Voluntary  
3 contributions will be deposited into the parkland trust revolving  
4 fund and used solely for the purpose of public use and recreation  
5 facilities operations and maintenance. Voluntary contributions are  
6 not considered a fee for use of these facilities.

7 **Sec. 8.** RCW 79.64.110 and 2021 c 334 s 995 and 2021 c 145 s 3  
8 are each reenacted and amended to read as follows:

9 (1) Any moneys derived from the lease of state forestlands or  
10 from the sale of valuable materials, oils, gases, coal, minerals, or  
11 fossils from those lands, except as provided in RCW 79.64.130, or the  
12 appraised value of these resources when transferred to a public  
13 agency under RCW 79.22.060, (~~except as provided in RCW~~  
14 ~~79.22.060(4),~~) must be distributed as follows:

15 (a) For state forestlands acquired through RCW 79.22.040 or by  
16 exchange or as replacement for lands acquired through RCW 79.22.040:

17 (i) The expense incurred by the state for administration,  
18 reforestation, and protection, not to exceed (~~twenty-five~~) 25  
19 percent, which rate of percentage shall be determined by the board,  
20 must be returned to the forest development account created in RCW  
21 79.64.100. During the 2017-2019, 2019-2021, and 2021-2023 fiscal  
22 biennia, the board may increase the (~~twenty-five~~) 25 percent  
23 limitation up to (~~twenty-seven~~) 27 percent.

24 (ii) Any balance remaining must be paid to the county in which  
25 the land is located or, (~~for~~) if the land acquired under RCW  
26 79.22.040 was exchanged, transferred, or disposed, payment must be  
27 made to the county from which the land was exchanged, transferred, or  
28 disposed. For counties participating in a land pool created under RCW  
29 79.22.140, to each participating county proportionate to its  
30 contribution of asset value to the land pool as determined by the  
31 board. Payments made under this subsection are to be paid,  
32 distributed, and prorated(~~(, except as otherwise provided in this~~  
33 ~~section,~~) to the various funds in the same manner as general taxes  
34 are paid and distributed during the year of payment. However, (~~in~~  
35 ~~order to test county flexibility in distributing state forestland~~  
36 ~~revenue,~~) a county may in its discretion pay, distribute, and  
37 prorate payments made under this subsection of moneys derived from  
38 state forestlands acquired by exchange (~~(between July 28, 2019, and~~  
39 ~~June 30, 2020)~~) or as replacement lands, for lands acquired through

1 RCW 79.22.040, (~~within the same county,~~) in the same manner as  
2 general taxes are paid and distributed during the year of payment for  
3 the former state forestlands that were subject to the exchange.

4 (iii) Any balance remaining, paid to a county with a population  
5 of less than (~~sixteen thousand~~) 16,000, must first be applied to  
6 the reduction of any indebtedness existing in the current expense  
7 fund of the county during the year of payment.

8 (iv) With regard to moneys remaining under this subsection  
9 (1)(a), within seven working days of receipt of these moneys, the  
10 department shall certify to the state treasurer the amounts to be  
11 distributed to the counties. The state treasurer shall distribute  
12 funds to the counties four times per month, with no more than (~~ten~~)  
13 10 days between each payment date.

14 (b) For state forestlands acquired through RCW 79.22.010 or by  
15 exchange or as replacement lands for lands acquired through RCW  
16 79.22.010, except as provided in RCW 79.64.120:

17 (i) Fifty percent shall be placed in the forest development  
18 account.

19 (ii) Fifty percent shall be prorated and distributed to the state  
20 general fund, to be dedicated for the benefit of the public schools,  
21 to the county in which the land is located or, for counties  
22 participating in a land pool created under RCW 79.22.140, to each  
23 participating county proportionate to its contribution of asset value  
24 to the land pool as determined by the board, and according to the  
25 relative proportions of tax levies of all taxing districts in the  
26 county. The portion to be distributed to the state general fund shall  
27 be based on the regular school levy rate under RCW 84.52.065 (1) and  
28 (2) and the levy rate for any school district enrichment levies. With  
29 regard to the portion to be distributed to the counties, the  
30 department shall certify to the state treasurer the amounts to be  
31 distributed within seven working days of receipt of the money. The  
32 state treasurer shall distribute funds to the counties four times per  
33 month, with no more than (~~ten~~) 10 days between each payment date.  
34 The money distributed to the county must be paid, distributed, and  
35 prorated to the various other funds in the same manner as general  
36 taxes are paid and distributed during the year of payment.

37 (2) A school district may transfer amounts deposited in its debt  
38 service fund pursuant to this section into its capital projects fund  
39 as authorized in RCW 28A.320.330.

1       **Sec. 9.** RCW 79.19.020 and 2003 c 334 s 526 are each amended to  
2 read as follows:

3       The department, with the approval of the board, may purchase  
4 property at fair market value to be held in a land bank, which is  
5 hereby created within the department. Property so purchased shall be  
6 property which would be desirable for addition to the public lands of  
7 the state because of the potential for natural resource or income  
8 production of the property. (~~The total acreage held in the land bank~~  
9 ~~shall not exceed one thousand five hundred acres.~~)

10       **Sec. 10.** RCW 79.19.030 and 2004 c 199 s 215 are each amended to  
11 read as follows:

12       The department, with the approval of the board, may:

13       (1) Exchange property held in the land bank for any other lands  
14 of equal value administered by the department, including ~~((any))~~  
15 state lands ~~((held in trust.))~~ and state forestlands;

16       (2) Exchange property held in the land bank for property of equal  
17 or greater value which is owned publicly or privately, and which has  
18 greater potential for natural resource or income production or which  
19 could be more efficiently managed by the department, however, no  
20 power of eminent domain is hereby granted to the department; ~~((and))~~

21       ~~((Sell property held in the land bank in the manner provided~~  
22 ~~by law for the sale of state lands))~~ Except as provided in subsection  
23 (4) of this section, sell property that has been exchanged into and  
24 is held in the land bank as provided under RCW 79.11.340 without any  
25 requirement of platting and ~~((to))~~ use the proceeds to acquire  
26 property for the land bank which has greater potential for natural  
27 resource or income production or which would be more efficiently  
28 managed by the department; and

29       (4) If a department lessee owns and resides in a house located on  
30 land that has been exchanged into and is held in the land bank, sell  
31 the land directly to the lessee for the appraised fair market value  
32 of the land and use the proceeds of the sale as provided in  
33 subsection (3) of this section. If the lessee does not purchase the  
34 land for the appraised fair market value, the department shall sell  
35 the land as provided under subsection (3) of this section.

36       **Sec. 11.** RCW 79.11.340 and 2003 c 334 s 399 are each amended to  
37 read as follows:

1 (1) Except as provided in RCW 79.10.030(2), the department shall  
2 manage and control all lands acquired by the state by escheat, deed  
3 of sale, gift, devise, or under RCW 79.19.010 through 79.19.110,  
4 except such lands that are conveyed or devised to the state for a  
5 particular purpose.

6 (2) ~~((When))~~ Except as provided in RCW 79.19.030(4), when the  
7 department determines to sell the lands, they ~~((shall))~~ may initially  
8 be offered for sale either at public auction or direct ~~((sale))~~  
9 transfer to public agencies as provided in this chapter.

10 (3) ~~((If the lands are not sold at public auction, the))~~ The  
11 department may, with approval of the board, market the lands through  
12 persons licensed under chapter 18.85 RCW or through other  
13 commercially feasible means at a price not lower than the land's  
14 appraised value.

15 (4) Necessary marketing costs may be paid from the sale proceeds.  
16 For the purpose of this subsection, necessary marketing costs include  
17 reasonable costs associated with advertising the property and paying  
18 commissions.

19 (5) Proceeds of the sale shall be deposited into the appropriate  
20 fund in the state treasury unless the grantor in any deed or the  
21 testator in case of a devise specifies that the proceeds of the sale  
22 be devoted to a particular purpose.

23 **Sec. 12.** RCW 79.22.140 and 2012 c 166 s 3 are each amended to  
24 read as follows:

25 (1) The board may create a state forestland pool, to be managed  
26 in accordance with this section, if the board determines that  
27 creation of a land pool is in the best interest of the state or  
28 affected trust, based on an analysis prepared by the department under  
29 RCW 79.22.150. ~~((The land pool may not contain more than ten thousand  
30 acres of state forestland at any one time.))~~

31 (2) A county is eligible to participate in a land pool if the  
32 board determines it ~~((÷~~

33 ~~(a) Has a population of twenty-five thousand or less; and~~

34 ~~(b) Has))~~ has existing state forestlands encumbered with timber  
35 harvest deferrals, associated with wildlife species listed under the  
36 federal endangered species act, more than ~~((thirty))~~ 30 years in  
37 length.

38 (3) All lands in the land pool are state forestlands and must be  
39 managed in the same manner and with the same responsibilities as

1 other state forestlands. Proceeds from the state forestland pool  
2 must, except as provided in RCW 79.64.110, be distributed under RCW  
3 79.22.010 and 79.22.040.

4 (4) (a) A county may participate in the land pool only if it is  
5 eligible, as determined under subsection (2) of this section, and the  
6 board receives a written request to do so by the legislative  
7 authority of that county.

8 (b) The board shall end any further participation of a county in  
9 the land pool if it receives a written request to do so by the  
10 legislative authority of that county. If the board receives such a  
11 request, that county's interest in the land pool as a beneficiary  
12 remains, but no new contributions of asset value may be made to the  
13 land pool on behalf of the county and no new lands may be purchased  
14 in that county for the land pool.

15 (5) (a) If a land pool is created by the board, the department and  
16 the participating counties must develop a funding strategy for  
17 acquiring land to include in the land pool.

18 (b) The department and participating counties may pursue funding  
19 for the transfer of state forestland encumbered by long-term  
20 wildlife-related harvest deferrals within the participating counties  
21 into status as a natural resources conservation area under chapter  
22 79.71 RCW, and use the value of the transferred land to acquire  
23 working forestlands to include in the land pool.

24 (c) The department and participating counties may pursue other  
25 land acquisition funding strategies.

26 (6) (a) Replacement forestland may be acquired in counties  
27 proximate to the county or counties that will benefit from the  
28 replacement state forestland purchase if the proximate county in  
29 which the replacement lands will be purchased is willing to enter  
30 into a proximate county agreement.

31 (b) The proximate county agreement must stipulate that lands  
32 acquired within the proximate county for the benefit of encumbered  
33 lands counties will be offset by encumbered lands within the  
34 encumbered lands counties enrolled in department conservation  
35 programs as appropriate, and the corresponding payments in lieu of  
36 taxes will be paid to the proximate county annually. The proximate  
37 county agreement must also stipulate that the county where  
38 replacement state forestlands are purchased is prohibited from  
39 objecting or otherwise taking steps to prevent harvesting forest

1 products and other revenue-producing activity consistent with and  
2 commonplace on timber resource lands.

3 (7) If a county in which replacement state forestlands are  
4 purchased chooses to terminate a proximate county agreement, such a  
5 county is liable for the total value of the replacement state  
6 forestlands to the county or counties to which the benefits from the  
7 replacement state forestlands are directed.

8 NEW SECTION. Sec. 13. Sections 2 and 3 of this act are each  
9 added to chapter 79.17 RCW and codified with the subchapter heading  
10 "part 4, trust land transfer program."

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