
SUBSTITUTE HOUSE BILL 2243

State of Washington

68th Legislature

2024 Regular Session

By House Agriculture and Natural Resources (originally sponsored by Representatives Reeves, Waters, Chapman, Walen, Reed, Springer, and Doglio; by request of Department of Natural Resources)

READ FIRST TIME 01/31/24.

1 AN ACT Relating to creating the children's social equity land
2 trust; amending RCW 79.02.010; reenacting and amending RCW 79.64.110;
3 adding a new section to chapter 43.31 RCW; and adding a new chapter
4 to Title 79 RCW.

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

6 NEW SECTION. **Sec. 1.** (1) The legislature finds that access to
7 affordable child care increases economic growth and labor force
8 participation because too many working parents are forced to reduce
9 their hours, decline promotional opportunities, or leave the
10 workforce completely due to a lack of affordable and appropriate
11 child care. This has, and continues to, disproportionately impact
12 working-age mothers and contributes to the gender pay gap. The
13 legislature recognizes that high quality, inclusive child care can
14 reduce the opportunity gap for low-income children and black,
15 indigenous, and children of color while consistently improving
16 outcomes for all children both inside and outside of the classroom.

17 (2) The legislature acknowledges that in 2019, the Washington
18 state child care collaborative task force found that 49 percent of
19 parents in the state found it difficult or very difficult to find,
20 afford, and keep child care. The lack of child care was projected to
21 cost the state \$2,080,000,000 in the direct cost of turnover and

1 missed work due to child care issues, with a total estimate of
2 \$6,500,000,000 in direct and opportunity costs due to employee child
3 care issues. The legislature further finds that for over the past
4 decade, the trend has been in the wrong direction, between 2010 and
5 2023, the state has seen a decrease of 2,000 family child care
6 providers and 300 centers, contributing to an increase in child care
7 deserts statewide. Child care deserts are most often in communities
8 that struggle with health and economic disparities. Not having access
9 to affordable child care is a further detriment that perpetuates
10 cycles of poverty and inequities.

11 (3) The legislature further finds that sustainably managed
12 forests enhance carbon sequestration and reduce the amount of
13 atmospheric carbon dioxide. Sustainably managed forests can also
14 provide a stream of revenue to support new and existing child care
15 resources in the areas of greatest need in the state.

16 (4) Accordingly, the legislature intends to create a permanent
17 children's social equity land trust that will utilize the trust
18 management expertise of the department of natural resources to
19 deliver much needed revenue for child care programs while
20 prioritizing funding for child care deserts to assist families with
21 access to child care where the need is greatest.

22 NEW SECTION. **Sec. 2.** (1) The department is authorized to locate
23 and acquire by gift or by purchase forested lands suitable to manage
24 for the purpose of revenue production. Acquisition by purchase of
25 these lands must be at no more than fair market value. In acquiring
26 lands pursuant to this section, the department may acquire only
27 forested lands at risk of conversion to nonforested uses. Any lands
28 purchased pursuant to this section must be located so as to be able
29 to be economically administered for commercial forestry.

30 (2) Lands acquired pursuant to this section must be held in trust
31 for the benefit of the department of commerce and revenue derived
32 from these lands must be expended to provide child care grants
33 authorized under section 6 of this act.

34 (3) The department shall manage, care for, and protect these
35 lands for the purpose of revenue generation for child care grants to
36 be awarded by the department of commerce under section 6 of this act.

37 (4) To the extent consistent with the requirements of this
38 chapter, the department shall manage lands acquired pursuant to this
39 section in compliance with policies established by the board and with

1 the procedures that govern the department's management of other
2 forested lands.

3 (5) To the extent consistent with the requirements of this
4 chapter, the department may manage the lands acquired pursuant to
5 this section in the same manner that it manages other state lands
6 with regard to leasing, contracting, licensing, permitting, and
7 granting easements and rights-of-way.

8 (6) With the approval of the board, the department may sell lands
9 acquired pursuant to this section in the same manner as other state
10 lands. Any revenue derived from any sale of lands acquired pursuant
11 to this section shall be deposited in the child care trust account
12 created in section 3 of this act.

13 (7) The department may sell valuable materials from these lands
14 in the same manner and purposes as the department is authorized to
15 sell valuable materials from other state lands.

16 (8) Following the deduction provided in RCW 79.64.110, revenue
17 generated from activities on these lands, including the revenue
18 derived from the sale of timber or other valuable materials from
19 lands acquired pursuant to this section must be deposited in the
20 child care trust account created in section 3 of this act.

21 NEW SECTION. **Sec. 3.** The child care trust account is created in
22 the state treasury. Subject to the deduction identified in RCW
23 79.64.110, revenue generated from activities on these lands,
24 including revenue derived from the management of lands described in
25 section 2 of this act, must be deposited into the account. Moneys in
26 the account may be spent only after appropriation and may be used
27 only for the grant program authorized in section 6 of this act.

28 NEW SECTION. **Sec. 4.** Revenue derived from all leases, sales,
29 contracts, licenses, permits, easements, and rights-of-way, on lands
30 acquired pursuant to section 2 of this act are subject to the
31 deduction in RCW 79.64.110 to cover the costs incurred by the
32 department in carrying out the purposes of this chapter. In the event
33 that the department sells logs using the contract harvesting process
34 described in RCW 79.15.500 through 79.15.530, the moneys received
35 subject to this section are the net proceeds from the contract
36 harvesting sale.

1 **Sec. 5.** RCW 79.64.110 and 2023 c 475 s 944 and 2023 c 383 s 8
2 are each reenacted and amended to read as follows:

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

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

10 (i) The expense incurred by the state for administration,
11 reforestation, and protection, not to exceed 25 percent, which rate
12 of percentage shall be determined by the board, must be returned to
13 the forest development account created in RCW 79.64.100. During the
14 2017-2019, 2019-2021, 2021-2023, and 2023-2025 fiscal biennia, the
15 board may increase the 25 percent limitation up to 27 percent.

16 (ii) Any balance remaining must be paid to the county in which
17 the land is located or, if the land acquired under RCW 79.22.040 was
18 exchanged, transferred, or disposed, payment must be made to the
19 county from which the land was exchanged, transferred, or disposed.
20 For counties participating in a land pool created under RCW
21 79.22.140, to each participating county proportionate to its
22 contribution of asset value to the land pool as determined by the
23 board. Payments made under this subsection are to be paid,
24 distributed, and prorated to the various funds in the same manner as
25 general taxes are paid and distributed during the year of payment.
26 However, a county may in its discretion pay, distribute, and prorate
27 payments made under this subsection of moneys derived from state
28 forestlands acquired by exchange or as replacement lands, for lands
29 acquired through RCW 79.22.040, in the same manner as general taxes
30 are paid and distributed during the year of payment for the former
31 state forestlands that were subject to the exchange.

32 (iii) Any balance remaining, paid to a county with a population
33 of less than 16,000, must first be applied to the reduction of any
34 indebtedness existing in the current expense fund of the county
35 during the year of payment.

36 (iv) With regard to moneys remaining under this subsection
37 (1)(a), within seven working days of receipt of these moneys, the
38 department shall certify to the state treasurer the amounts to be
39 distributed to the counties. The state treasurer shall distribute

1 funds to the counties four times per month, with no more than 10 days
2 between each payment date.

3 (b) For state forestlands acquired through RCW 79.22.010 or by
4 exchange or as replacement lands for lands acquired through RCW
5 79.22.010, except as provided in RCW 79.64.120:

6 (i) Fifty percent shall be placed in the forest development
7 account.

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

26 (c) For state forestlands acquired under chapter 79.--- RCW (the
27 new chapter created in section 8 of this act) or by exchange or as
28 replacement lands for lands acquired under chapter 79.--- RCW (the
29 new chapter created in section 8 of this act):

30 (i) 30 percent must be placed in the forest development account
31 created in RCW 79.64.100; and

32 (ii) 70 percent must be placed in the child care trust account
33 created in section 3 of this act.

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

37 NEW SECTION. Sec. 6. A new section is added to chapter 43.31
38 RCW to read as follows:

1 (1) Subject to the availability of amounts appropriated for this
2 specific purpose, the department of commerce shall establish a grant
3 program to retain and expand child care in child care deserts. Grants
4 may be used for one-time costs associated with the opening of a child
5 care site, including program costs, for providers who are newly
6 licensed or are in the process of becoming licensed, or for
7 supporting established child care sites that are in jeopardy of
8 closure due to financial reasons.

9 (2) In awarding grants, the department of commerce must
10 prioritize applications in a manner that supports racial equity
11 across the state and must also prioritize applications that include
12 funding for one or more of the following purposes:

13 (a) Personnel costs, including compensation, benefits, health
14 care premium pay, or paid leave;

15 (b) Rent or mortgage payments;

16 (c) Copayment or tuition waivers for families receiving care,
17 including refunds or credits to families who are not attending but
18 are paying tuition in order to maintain a child's spot in the
19 facility;

20 (d) Child care for historically disadvantaged populations;

21 (e) Child care during nonstandard hours and periods of the year;

22 (f) Outreach to families who may have stopped attending due to
23 cost; and

24 (g) Mental health supports for children and employees.

25 (3) In addition to other indicators identified by the department
26 of commerce, the department may use the child care industry insights
27 dashboard from the child care industry assessment as a tool to
28 identify areas in which additional investments are needed in order to
29 expand existing child care capacity to meet family demand and reduce
30 child care deserts.

31 **Sec. 7.** RCW 79.02.010 and 2018 c 258 s 1 are each amended to
32 read as follows:

33 The definitions in this section apply throughout this title
34 unless the context clearly requires otherwise.

35 (1) "Aquatic lands" means all state-owned tidelands, shorelands,
36 harbor areas, and the beds of navigable waters as defined in RCW
37 79.105.060 that are administered by the department.

38 (2) "Board" means the board of natural resources.

39 (3) "Commissioner" means the commissioner of public lands.

- 1 (4) "Community and technical college forest reserve lands" means
2 lands managed under RCW 79.02.420.
- 3 (5) "Community forest trust lands" means those lands acquired and
4 managed under the provisions of chapter 79.155 RCW.
- 5 (6) "Department" means the department of natural resources.
- 6 (7) (a) "Forest biomass" means the by-products of: Current forest
7 management activities; current forest protection treatments
8 prescribed or permitted under chapter 76.04 RCW; or the by-products
9 of forest health treatment prescribed or permitted under chapter
10 76.06 RCW.
- 11 (b) "Forest biomass" does not include wood pieces that have been
12 treated with chemical preservatives such as: Creosote,
13 pentachlorophenol, or copper-chrome-arsenic; wood from existing old
14 growth forests; wood required to be left on-site under chapter 76.09
15 RCW, the state forest practices act; and implementing rules, and
16 other legal and contractual requirements; or municipal solid waste.
- 17 (8) "Good neighbor agreement" means an agreement entered into
18 between the state and the United States forest service or United
19 States bureau of land management to conduct forestland, watershed,
20 and rangeland restoration activities on federal lands, as originally
21 authorized by the 2014 farm bill (P.L. 113-79).
- 22 (9) "Improvements" means anything considered a fixture in law
23 placed upon or attached to lands administered by the department that
24 has changed the value of the lands or any changes in the previous
25 condition of the fixtures that changes the value of the lands.
- 26 (10) "Land bank lands" means lands acquired under RCW 79.19.020.
- 27 (11) "Person" means an individual, partnership, corporation,
28 association, organization, cooperative, public or municipal
29 corporation, or agency of a federal, state, or local governmental
30 unit, however designated.
- 31 (12) "Public lands" means lands of the state of Washington
32 administered by the department including but not limited to state
33 lands, state forestlands, lands included in a state forestland pool,
34 and aquatic lands.
- 35 (13) "State forestland pool" or "land pool" means state
36 forestlands acquired and managed under RCW 79.22.140.
- 37 (14) "State forestlands" means lands acquired under RCW
38 79.22.010, 79.22.040, and 79.22.020.
- 39 (15) "State lands" includes:

- 1 (a) School lands, that is, lands held in trust for the support of
2 the common schools;
- 3 (b) University lands, that is, lands held in trust for university
4 purposes;
- 5 (c) Agricultural college lands, that is, lands held in trust for
6 the use and support of agricultural colleges;
- 7 (d) Scientific school lands, that is, lands held in trust for the
8 establishment and maintenance of a scientific school;
- 9 (e) Normal school lands, that is, lands held in trust for state
10 normal schools;
- 11 (f) Capitol building lands, that is, lands held in trust for the
12 purpose of erecting public buildings at the state capital for
13 legislative, executive, and judicial purposes;
- 14 (g) Institutional lands, that is, lands held in trust for state
15 charitable, educational, penal, and reformatory institutions; ~~((and))~~
- 16 (h) Land bank, escheat, donations, and all other lands, except
17 aquatic lands, administered by the department that are not devoted to
18 or reserved for a particular use by law; and
- 19 (i) Lands held in the child care trust established in chapter
20 79.--- RCW (the new chapter created in section 8 of this act).
- 21 (16) "Valuable materials" means any product or material on the
22 lands, such as forest products, forage or agricultural crops, stone,
23 gravel, sand, peat, and all other materials of value except: (a)
24 Mineral, coal, petroleum, and gas as provided for under chapter 79.14
25 RCW; and (b) forest biomass as provided for under chapter 79.150 RCW.

26 NEW SECTION. **Sec. 8.** Sections 1 through 4 of this act
27 constitute a new chapter in Title 79 RCW.

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