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**HOUSE BILL 2243**

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**State of Washington**

**68th Legislature**

**2024 Regular Session**

**By** Representatives Reeves, Waters, Chapman, Walen, Reed, Springer, and Doglio; by request of Department of Natural Resources

Read first time 01/09/24. Referred to Committee on Agriculture and Natural Resources.

1 AN ACT Relating to creating the children's social equity land  
2 trust; amending RCW 43.216.602 and 79.02.010; reenacting and amending  
3 RCW 79.64.110; and adding a new chapter to Title 79 RCW.

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

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

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

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

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

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

21 NEW SECTION. **Sec. 2.** (1) The department is authorized to locate  
22 and acquire by gift or by purchase forested lands suitable to manage  
23 for the dual purposes of enhancing carbon sequestration and revenue  
24 production, or lands suitable for the development of alternative  
25 energies, including solar or wind. Acquisition by purchase of these  
26 lands must be at no more than fair market value. Any lands purchased  
27 pursuant to this section must be located so as to be able to be  
28 economically administered for commercial forestry, renewable energy,  
29 marketable for carbon sequestration credit sale purposes, or be  
30 viable for responsibly developed alternative energy projects. The  
31 department will consult with any impacted or interested tribal  
32 nations regarding acquisition of lands for potential alternative  
33 energy development prior to acquisition.

34 (2)(a) Lands acquired pursuant to this section must be held in  
35 trust for the benefit of the department of children, youth, and  
36 families, and revenue derived from these lands must be expended to  
37 provide child care grants authorized under RCW 43.216.602.

38 (b) In managing forestlands acquired pursuant to this section,  
39 the department is not required to maximize revenue generation and may

1 balance revenue generation with enhancement of natural carbon  
2 sequestration afforded by sustainable management of forests.

3 (3) The department shall manage, care for, and protect these  
4 lands for the purposes of commercial forestry, which includes both  
5 carbon sequestration and revenue generation for child care grants to  
6 be awarded by the department of children, youth, and families under  
7 RCW 43.216.602.

8 (4) To the extent consistent with the requirements of this  
9 chapter, the department shall manage lands acquired pursuant to this  
10 section in compliance with policies established by the board and with  
11 the procedures that govern the department's management of other  
12 forested lands.

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

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

23 (7) The department may sell valuable materials from these lands  
24 in the same manner and purposes as the department is authorized to  
25 sell valuable materials from other state lands. In addition, the  
26 department is authorized to enter into contracts for payment for  
27 ecosystem service projects on public lands acquired under this  
28 section, on terms and conditions acceptable to the department, after  
29 approval by the board.

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

35 NEW SECTION. **Sec. 3.** The child care trust account is created in  
36 the state treasury. Subject to the deduction identified in RCW  
37 79.64.110, revenue generated from activities on these lands,  
38 including revenue derived from the management of lands described in  
39 section 2 of this act, must be deposited into the account. Moneys in

1 the account may be spent only after appropriation and may be used  
2 only for the grant program authorized in RCW 43.216.602.

3 NEW SECTION. **Sec. 4.** Revenue derived from all leases, sales,  
4 contracts, licenses, permits, easements, and rights-of-way, on lands  
5 acquired pursuant to section 2 of this act are subject to the  
6 deduction in RCW 79.64.110 to cover the costs incurred by the  
7 department in carrying out the purposes of this chapter. In the event  
8 that the department sells logs using the contract harvesting process  
9 described in RCW 79.15.500 through 79.15.530, the moneys received  
10 subject to this section are the net proceeds from the contract  
11 harvesting sale.

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

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

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

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

27 (ii) Any balance remaining must be paid to the county in which  
28 the land is located or, if the land acquired under RCW 79.22.040 was  
29 exchanged, transferred, or disposed, payment must be made to the  
30 county from which the land was exchanged, transferred, or disposed.  
31 For counties participating in a land pool created under RCW  
32 79.22.140, to each participating county proportionate to its  
33 contribution of asset value to the land pool as determined by the  
34 board. Payments made under this subsection are to be paid,  
35 distributed, and prorated to the various funds in the same manner as  
36 general taxes are paid and distributed during the year of payment.  
37 However, a county may in its discretion pay, distribute, and prorate  
38 payments made under this subsection of moneys derived from state

1 forestlands acquired by exchange or as replacement lands, for lands  
2 acquired through RCW 79.22.040, in the same manner as general taxes  
3 are paid and distributed during the year of payment for the former  
4 state forestlands that were subject to the exchange.

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

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

15 (b) For state forestlands acquired through RCW 79.22.010 or by  
16 exchange or as replacement lands for lands acquired through RCW  
17 79.22.010, except as provided in RCW 79.64.120:

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

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

38 (c) For state forestlands acquired under chapter 79.--- RCW (the  
39 new chapter created in section 8 of this act) or by exchange or as

1 replacement lands for lands acquired under chapter 79.--- RCW (the  
2 new chapter created in section 8 of this act):

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

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

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

10 **Sec. 6.** RCW 43.216.602 and 2021 c 199 s 314 are each amended to  
11 read as follows:

12 (1) Subject to the availability of amounts appropriated for this  
13 specific purpose, the department shall establish a grant program to  
14 retain and expand child care in child care deserts. Grants ((must))  
15 may be used for one-time costs associated with the opening of a child  
16 care site, including program costs, for providers who are newly  
17 licensed or are in the process of becoming licensed, or for  
18 supporting established child care sites that are in jeopardy of  
19 closure for financial reasons.

20 (2) ((The)) In awarding grants, the department must prioritize  
21 applications in a manner that supports racial equity across the state  
22 and must also prioritize applications that include funding for one or  
23 more of the following purposes:

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

26 (b) Rent or mortgage payments;

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

31 (d) Child care for historically disadvantaged populations;

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

33 (f) Outreach to families who may have stopped attending due to  
34 cost; and

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

36 (3) In addition to other indicators identified by the department,  
37 the department ((must)) may use the child care industry insights  
38 dashboard from the child care industry assessment as a tool to  
39 identify areas in which additional investments are needed in order to

1 expand existing child care capacity to meet family demand and reduce  
2 child care deserts.

3 (~~(3) This section expires June 30, 2026.~~)

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

6 The definitions in this section apply throughout this title  
7 unless the context clearly requires otherwise.

8 (1) "Aquatic lands" means all state-owned tidelands, shorelands,  
9 harbor areas, and the beds of navigable waters as defined in RCW  
10 79.105.060 that are administered by the department.

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

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

13 (4) "Community and technical college forest reserve lands" means  
14 lands managed under RCW 79.02.420.

15 (5) "Community forest trust lands" means those lands acquired and  
16 managed under the provisions of chapter 79.155 RCW.

17 (6) "Department" means the department of natural resources.

18 (7) (a) "Forest biomass" means the by-products of: Current forest  
19 management activities; current forest protection treatments  
20 prescribed or permitted under chapter 76.04 RCW; or the by-products  
21 of forest health treatment prescribed or permitted under chapter  
22 76.06 RCW.

23 (b) "Forest biomass" does not include wood pieces that have been  
24 treated with chemical preservatives such as: Creosote,  
25 pentachlorophenol, or copper-chrome-arsenic; wood from existing old  
26 growth forests; wood required to be left on-site under chapter 76.09  
27 RCW, the state forest practices act; and implementing rules, and  
28 other legal and contractual requirements; or municipal solid waste.

29 (8) "Good neighbor agreement" means an agreement entered into  
30 between the state and the United States forest service or United  
31 States bureau of land management to conduct forestland, watershed,  
32 and rangeland restoration activities on federal lands, as originally  
33 authorized by the 2014 farm bill (P.L. 113-79).

34 (9) "Improvements" means anything considered a fixture in law  
35 placed upon or attached to lands administered by the department that  
36 has changed the value of the lands or any changes in the previous  
37 condition of the fixtures that changes the value of the lands.

38 (10) "Land bank lands" means lands acquired under RCW 79.19.020.

1 (11) "Person" means an individual, partnership, corporation,  
2 association, organization, cooperative, public or municipal  
3 corporation, or agency of a federal, state, or local governmental  
4 unit, however designated.

5 (12) "Public lands" means lands of the state of Washington  
6 administered by the department including but not limited to state  
7 lands, state forestlands, lands included in a state forestland pool,  
8 and aquatic lands.

9 (13) "State forestland pool" or "land pool" means state  
10 forestlands acquired and managed under RCW 79.22.140.

11 (14) "State forestlands" means lands acquired under RCW  
12 79.22.010, 79.22.040, and 79.22.020.

13 (15) "State lands" includes:

14 (a) School lands, that is, lands held in trust for the support of  
15 the common schools;

16 (b) University lands, that is, lands held in trust for university  
17 purposes;

18 (c) Agricultural college lands, that is, lands held in trust for  
19 the use and support of agricultural colleges;

20 (d) Scientific school lands, that is, lands held in trust for the  
21 establishment and maintenance of a scientific school;

22 (e) Normal school lands, that is, lands held in trust for state  
23 normal schools;

24 (f) Capitol building lands, that is, lands held in trust for the  
25 purpose of erecting public buildings at the state capital for  
26 legislative, executive, and judicial purposes;

27 (g) Institutional lands, that is, lands held in trust for state  
28 charitable, educational, penal, and reformatory institutions; (~~and~~)

29 (h) Land bank, escheat, donations, and all other lands, except  
30 aquatic lands, administered by the department that are not devoted to  
31 or reserved for a particular use by law; and

32 (i) Lands held in the child care trust established in chapter  
33 79.--- RCW (the new chapter created in section 8 of this act).

34 (16) "Valuable materials" means any product or material on the  
35 lands, such as forest products, forage or agricultural crops, stone,  
36 gravel, sand, peat, and all other materials of value except: (a)  
37 Mineral, coal, petroleum, and gas as provided for under chapter 79.14  
38 RCW; and (b) forest biomass as provided for under chapter 79.150 RCW.



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

--- **END** ---