
SUBSTITUTE SENATE BILL 5385

State of Washington

55th Legislature

1997 Regular Session

By Senate Committee on Natural Resources & Parks (originally sponsored by Senators Oke and Prentice; by request of Commissioner of Public Lands and Department of Natural Resources)

Read first time 02/24/97.

1 AN ACT Relating to eliminating the pooling of the resource
2 management cost account and removing reference to agricultural college
3 lands; amending RCW 79.64.030, 79.01.136, 79.64.010, 79.64.020, and
4 79.64.040; adding a new section to chapter 79.64 RCW; providing an
5 effective date; and declaring an emergency.

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

7 **Sec. 1.** RCW 79.64.030 and 1993 c 460 s 2 are each amended to read
8 as follows:

9 Funds in the account derived from the gross proceeds of leases,
10 sales, contracts, licenses, permits, easements, and rights of way
11 issued by the department and affecting school lands, university lands,
12 (~~agricultural college lands,~~) scientific school lands, normal school
13 lands, capitol building lands, or institutional lands shall be (~~pooled~~
14 ~~and~~) expended by the department solely for the purpose of defraying
15 the costs and expenses necessarily incurred in managing and
16 administering (~~all of the trust lands enumerated in this section~~)
17 state lands of the same trust. Such funds may be used for similar
18 costs and expenses in managing and administering other lands managed by
19 the department provided that such expenditures that have been or may be

1 made on such other lands shall be repaid to the resource management
2 cost account together with interest at a rate determined by the board
3 of natural resources.

4 An accounting shall be made annually of the accrued expenditures
5 from the ((pooled)) trust funds in the account. In the event the
6 accounting determines that expenditures have been made from moneys
7 derived from certain trust lands for the benefit of another trust or
8 other lands, such expenditure shall be considered a debt and an
9 encumbrance against the property or trust funds benefited, including
10 property held under chapter 76.12 RCW. The results of the accounting
11 shall be reported to the legislature at the next regular session. The
12 state treasurer is authorized, upon request of the department, to
13 transfer funds between the forest development account and the resource
14 management cost account solely for purpose of repaying loans pursuant
15 to this section.

16 **Sec. 2.** RCW 79.01.136 and 1979 ex.s. c 109 s 5 are each amended to
17 read as follows:

18 Before any state lands are offered for sale, or lease, or are
19 assigned, the department of natural resources may establish the fair
20 market value of those authorized improvements not owned by the state.
21 In the event that agreement cannot be reached between the state and the
22 lessee on the fair market value, such valuation shall be submitted to
23 a review board of appraisers. The board shall be as follows: One
24 member to be selected by the lessee and his or her expense shall be
25 borne by the lessee; one member selected by the state and his or her
26 expense shall be borne by the state; these members so selected shall
27 mutually select a third member and his or her expenses shall be shared
28 equally by the lessee and the state. The majority decision of this
29 appraisal review board shall be binding on both parties. For this
30 purpose "fair market value" is defined as: The highest price in terms
31 of money which a property will bring in a competitive and open market
32 under all conditions of a fair sale, the buyer and seller, each
33 prudently knowledgeable and assuming the price is not affected by undue
34 stimulus. All damages and wastes committed upon such lands and other
35 obligations due from the lessee shall be deducted from the appraised
36 value of the improvements(~~(:—PROVIDED, That))~~). However, the
37 department of natural resources on behalf of the respective trust may
38 purchase at fair market value those improvements if it appears to be in

1 the best interest of the state (~~((from the RMCA of the general fund))~~).
2 Payment for the improvements may be made with funds held on behalf of
3 the trust in the resource management cost account established under RCW
4 79.64.020.

5 **Sec. 3.** RCW 79.64.010 and 1967 ex.s. c 63 s 1 are each amended to
6 read as follows:

7 Unless a different meaning is plainly required by the context, the
8 following words and phrases as hereinafter used in this chapter shall
9 have the following meanings:

10 (1) "Account" means the resource management cost account in the
11 state general fund.

12 (2) "Department" means the department of natural resources.

13 (3) "Board" means the board of natural resources of the department
14 of natural resources.

15 (4) "Rule" means rule as (~~((the same))~~) that term is defined by RCW
16 34.05.010.

17 (5) The definitions set forth in RCW 79.01.004 shall be applicable.

18 (6) "Agricultural college lands" means all public lands awarded to
19 the state of Washington under the Omnibus Enabling Act (25 Stat. 180)
20 and all lands acquired as the result of the sale or exchange of the
21 lands.

22 **Sec. 4.** RCW 79.64.020 and 1993 c 460 s 1 are each amended to read
23 as follows:

24 A resource management cost account in the state treasury is hereby
25 created to be used solely for the purpose of defraying the costs and
26 expenses necessarily incurred by the department in managing and
27 administering public lands, and the making and administering of leases,
28 sales, contracts, licenses, permits, easements, and rights of way on or
29 with respect to such lands as authorized under the provisions of this
30 title. Appropriations from the account to the department shall be
31 expended for no other purposes. The resource management cost account
32 may receive and accept funds that are to be used for such purposes from
33 any source. Funds in the account produced by a trust may be
34 appropriated or transferred by the legislature (~~((for the benefit of all~~
35 ~~of the trusts from which the funds were derived))~~) only for the benefit
36 of the trust.

1 NEW SECTION. **Sec. 5.** A new section is added to chapter 79.64 RCW
2 to read as follows:

3 No part of the gross proceeds from leases, sales, contracts,
4 licenses, permits, easements, and rights of way on or relating to the
5 agricultural college lands may be used to defray costs or expenses
6 incurred in managing and administering the lands, and all such gross
7 proceeds shall be made available to the beneficiary of the agricultural
8 college lands.

9 **Sec. 6.** RCW 79.64.040 and 1981 2nd ex.s. c 4 s 3 are each amended
10 to read as follows:

11 The board shall determine the amount deemed necessary in order to
12 achieve the purposes of this chapter and shall provide by rule for the
13 deduction of this amount from the gross proceeds of all leases, sales,
14 contracts, licenses, permits, easements, and rights of way issued by
15 the department and affecting public lands other than the agricultural
16 college lands. Moneys received with respect to such lands as deposits
17 from successful bidders, advance payments, and security under RCW
18 79.01.132 and 79.01.204 prior to December 1, 1981, which have not been
19 subjected to deduction under this section are not subject to deduction
20 under this section. The deductions authorized under this section shall
21 in no event exceed twenty-five percent of the total sum received by the
22 department in connection with any one transaction pertaining to public
23 lands other than second class tide and shore lands and the beds of
24 navigable waters, and fifty percent of the total gross proceeds
25 received by the department pertaining to second class tide and shore
26 lands and the beds of navigable waters.

27 NEW SECTION. **Sec. 7.** This act is necessary for the immediate
28 preservation of the public peace, health, or safety, or support of the
29 state government and its existing public institutions, and takes effect
30 July 1, 1997.

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