
SUBSTITUTE HOUSE BILL 1595

State of Washington 61st Legislature 2009 Regular Session

By House Agriculture & Natural Resources (originally sponsored by Representatives Blake and Chandler)

READ FIRST TIME 02/13/09.

1 AN ACT Relating to creating a mechanism to transfer state forest
2 lands with harvest encumbrances located in counties with a certain
3 population to a different public land status; amending RCW 79.22.060
4 and 79.64.110; creating new sections; and providing an expiration date.

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

6 NEW SECTION. **Sec. 1.** (1) The legislature finds that the revenue
7 generated from state forest lands is a vital component of the operating
8 budget in many rural counties. The dependence on a natural resource-
9 based economy is especially underscored in counties with lower
10 population levels and large holdings of public land. The high cost of
11 compliance with the federal endangered species act on state forest
12 lands within these smaller counties is disproportionately burdensome
13 when compared to their total county budgets.

14 (2) The intent of this act is to provide sustainable revenue to
15 smaller counties that are heavily dependent on state forest land
16 revenues while promoting long-term protection, conservation, and
17 recovery of marbled murrelets and northern spotted owls. This act
18 provides the necessary tools for the state to maintain long-term

1 working forests by replacing state forest lands with endangered
2 species-based harvest encumbrances with productive, working forest
3 lands.

4 **Sec. 2.** RCW 79.22.060 and 2003 c 334 s 221 are each amended to
5 read as follows:

6 (1) With the approval of the board, the department may directly
7 transfer or dispose of state forest lands without public auction, if
8 ~~((such))~~ the lands:

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

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

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

15 (2) Disposal under this section may only occur in the following
16 circumstances:

17 (a) Transfers in lieu of condemnation; ~~((and))~~

18 (b) Transfers to resolve trespass and property ownership disputes;
19 or

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

22 ~~((+2))~~ (3) Real property to be transferred or disposed of under
23 this section shall be transferred or disposed of only after appraisal
24 and for at least fair market value, and only if ~~((such))~~ the
25 transaction is in the best interest of the state or affected trust.
26 Valuable materials attached to lands transferred to public agencies
27 under subsection (2)(c) of this section must be appraised at the fair
28 market value without consideration of management or regulatory
29 encumbrances associated with wildlife species listed under the federal
30 endangered species act.

31 ~~((+3))~~ (4) The proceeds from real property transferred or disposed
32 of under this section shall be deposited into the park land trust
33 revolving fund and be solely used to buy replacement land within the
34 same county as the property transferred or disposed. In counties with
35 a population of twenty-five thousand or less, the portion of the
36 proceeds associated with valuable materials on the transferred land
37 must be distributed as provided in RCW 79.64.110.

1 **Sec. 3.** RCW 79.64.110 and 2007 c 503 s 1 are each amended to read
2 as follows:

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

8 (1) State forest lands acquired through RCW 79.22.040 or by
9 exchange for lands acquired through RCW 79.22.040:

10 (a) The expense incurred by the state for administration,
11 reforestation, and protection, not to exceed twenty-five percent, which
12 rate of percentage shall be determined by the board, must be returned
13 to the forest development account in the state general fund.

14 (b) Any balance remaining must be paid to the county in which the
15 land is located to be paid, distributed, and prorated, except as
16 otherwise provided in this section, to the various funds in the same
17 manner as general taxes are paid and distributed during the year of
18 payment.

19 (c) Any balance remaining, paid to a county with a population of
20 less than sixteen thousand, must first be applied to the reduction of
21 any indebtedness existing in the current expense fund of the county
22 during the year of payment.

23 (d) With regard to moneys remaining under this subsection (1),
24 within seven working days of receipt of these moneys, the department
25 shall certify to the state treasurer the amounts to be distributed to
26 the counties. The state treasurer shall distribute funds to the
27 counties four times per month, with no more than ten days between each
28 payment date.

29 (2) State forest lands acquired through RCW 79.22.010 or by
30 exchange for lands acquired through RCW 79.22.010, except as provided
31 in RCW 79.64.120:

32 (a) Fifty percent shall be placed in the forest development
33 account.

34 (b) Fifty percent shall be prorated and distributed to the state
35 general fund, to be dedicated for the benefit of the public schools,
36 and the county in which the land is located according to the relative
37 proportions of tax levies of all taxing districts in the county. The
38 portion to be distributed to the state general fund shall be based on

1 the regular school levy rate under RCW 84.52.065 and the levy rate for
2 any maintenance and operation special school levies. With regard to
3 the portion to be distributed to the counties, the department shall
4 certify to the state treasurer the amounts to be distributed within
5 seven working days of receipt of the money. The state treasurer shall
6 distribute funds to the counties four times per month, with no more
7 than ten days between each payment date. The money distributed to the
8 county must be paid, distributed, and prorated to the various other
9 funds in the same manner as general taxes are paid and distributed
10 during the year of payment.

11 (3) A school district may transfer amounts deposited in its debt
12 service fund pursuant to this section into its capital projects fund as
13 authorized in RCW 28A.320.330.

14 NEW SECTION. **Sec. 4.** (1) By October 31, 2010, the department of
15 natural resources shall prepare a report to the appropriate committees
16 of the legislature detailing the procedure and timeline, and estimating
17 the costs, of full implementation of the intent of this act.

18 (2) The report required by this section must include a recommended
19 process to transfer state forest lands encumbered by long-term
20 endangered species-based harvest deferrals, associated with wildlife
21 species listed under the federal endangered species act, through the
22 trust land transfer program into a natural resource conservation area
23 status. This element of the report must assume the following:

24 (a) Encumbered property would be transferred at a specified
25 biennial rate designed to provide sustainable revenue to the impacted
26 counties;

27 (b) The value of the land and timber would be bifurcated, with the
28 timber value being distributed to the county as timber revenue, and the
29 land value being utilized to purchase replacement working forest land
30 within the affected county and placed in the appropriate trust
31 designation; and

32 (c) The land and timber value of the parcels identified for
33 transfer will be appraised at full market value, without consideration
34 of the devaluing effect of harvest encumbrances associated with
35 wildlife species listed under the federal endangered species act.

1 (3) This section expires June 30, 2011.

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