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HOUSE BILL 1595

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State of Washington

61st Legislature

2009 Regular Session

By Representatives Blake and Chandler

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 sixteen thousand  
12 or less that is encumbered with timber harvest deferrals greater than  
13 thirty years in length. ~~((Such))~~

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

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

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

19 (c) In counties with a population of sixteen thousand or less,  
20 transfers to public agencies.

21 ~~((+2))~~ (3) Real property to be transferred or disposed of under  
22 this section shall be transferred or disposed of only after appraisal  
23 and for at least fair market value, and only if ~~((such))~~ the  
24 transaction is in the best interest of the state or affected trust.  
25 Valuable materials attached to lands transferred to public agencies  
26 under subsection (2)(c) of this section must be appraised at the fair  
27 market value without consideration or management or regulatory  
28 encumbrances.

29 ~~((+3))~~ (4) The proceeds from real property transferred or disposed  
30 of under this section shall be deposited into the park land trust  
31 revolving fund and be solely used to buy replacement land within the  
32 same county as the property transferred or disposed. In counties with  
33 a population of sixteen thousand or less, the portion of the proceeds  
34 associated with valuable materials on the transferred land must be  
35 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 through the trust land  
21 transfer program into a natural resource conservation area status.  
22 This element of the report must assume the following:

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

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

31 (c) The land and timber value of the parcels identified for  
32 transfer will be appraised at full market value, without consideration  
33 of the devaluing effect of harvest encumbrances.

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

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