
SENATE BILL 6127

State of Washington

61st Legislature

2009 Regular Session

By Senators Sheldon, Hargrove, and Hatfield

Read first time 03/23/09. Referred to Committee on Natural Resources,
Ocean & Recreation.

1 AN ACT Relating to extending normal timber harvest termination
2 dates; amending RCW 79.15.100; providing an effective date; providing
3 an expiration date; and declaring an emergency.

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

5 **Sec. 1.** RCW 79.15.100 and 2004 c 177 s 5 are each amended to read
6 as follows:

7 (1) Valuable materials may be sold separately from the land as a
8 "lump sum sale" or as a "scale sale."

9 (a) "Lump sum sale" means any sale offered with a single total
10 price applying to all the material conveyed.

11 (b) "Scale sale" means any sale offered with per unit prices to be
12 applied to the material conveyed.

13 (2) Payment for lump sum sales must be made as follows:

14 (a) Lump sum sales under five thousand dollars appraised value
15 require full payment on the day of sale.

16 (b) Lump sum sales appraised at over five thousand dollars but
17 under one hundred thousand dollars may require full payment on the day
18 of sale.

1 (c) Lump sum sales requiring full payment on the day of sale may be
2 paid in cash or by certified check, cashier's check, bank draft, or
3 money order, all payable to the department.

4 (3) Except for sales paid in full on the day of sale or sales with
5 adequate bid bonds, an initial deposit not to exceed twenty-five
6 percent of the actual or projected purchase price shall be made on the
7 day of sale.

8 (a) Sales with bid bonds are subject to the day of sale payment and
9 replacement requirements prescribed by RCW 79.15.110.

10 (b) The initial deposit must be maintained until all contract
11 obligations of the purchaser are satisfied. However, all or a portion
12 of the initial deposit may be applied as the final payment for the
13 valuable materials in the event the department determines that adequate
14 security exists for the performance or fulfillment of any remaining
15 obligations of the purchaser under the sale contract.

16 (4) Advance payments or other adequate security acceptable to the
17 department is required for valuable materials sold on a scale sale
18 basis or a lump sum sale not requiring full payment on the day of sale.

19 (a) The purchaser must notify the department before any operation
20 takes place on the sale site.

21 (b) Upon notification as provided in (a) of this subsection, the
22 department must require advanced payment or may allow purchasers to
23 submit adequate security.

24 (c) The amount of advanced payments or security must be determined
25 by the department and must at all times equal or exceed the value of
26 timber cut and other valuable materials processed or removed until paid
27 for.

28 (d) Security may be bank letters of credit, payment bonds,
29 assignments of savings accounts, assignments of certificates of
30 deposit, or other methods acceptable to the department as adequate
31 security.

32 (5) All valuable material must be removed from the sale area within
33 the period specified in the contract.

34 (a) The specified period may not exceed five years from date of
35 purchase except for stone, sand, gravel, fill material, or building
36 stone.

37 (b) The specified period for stone, sand, gravel, fill material, or
38 building stone may not exceed thirty years.

1 (c) In all cases, any valuable material not removed from the land
2 within the period specified in the contract reverts to the state.

3 (6) The department may extend a contract beyond the normal
4 termination date specified in the sale contract as the time for removal
5 of valuable materials when, in the department's judgment, the purchaser
6 is acting in good faith and endeavoring to remove the materials. The
7 extension is contingent upon payment of the fees specified below.

8 (a) The extended time for removal shall not exceed:

9 (i) Forty years from date of purchase for stone, sand, gravel, fill
10 material, or building stone;

11 (ii) A total of ten years beyond the original termination date for
12 all other valuable materials.

13 (b) An extension fee fixed by the department will be charged based
14 on the estimated loss of income per acre to the state resulting from
15 the granting of the extension plus interest on the unpaid portion of
16 the contract. The board must periodically fix and adopt by rule the
17 interest rate, which shall not be less than six percent per annum.

18 (c) The sale contract shall specify:

19 (i) The applicable rate of interest as fixed at the day of sale and
20 the maximum extension payment; and

21 (ii) The method for calculating the unpaid portion of the contract
22 upon which interest is paid.

23 (d) The minimum extension fee is fifty dollars per extension plus
24 interest on the unpaid portion of the contract.

25 (e) Moneys received for any extension must be credited to the same
26 fund in the state treasury as was credited the original purchase price
27 of the valuable material sold.

28 (7) The department may, in addition to any other securities,
29 require a performance security to guarantee compliance with all
30 contract requirements. The security is limited to those types listed
31 in subsection (4) of this section. The value of the performance
32 security will, at all times, equal or exceed the value of work
33 performed or to be performed by the purchaser.

34 (8)(a) For timber sale contracts, the department shall, upon
35 request of the purchaser, extend by no more than two years the normal
36 termination dates that fall between July 1, 2009, and June 30, 2011.
37 These extensions are not subject to a fee and do not prevent a

1 purchaser from removing valuable materials within the two-year
2 extension.

3 (b) For the purposes of this subsection:

4 (i) "Normal termination date" means the date specified in the sale
5 contract as the time for removal of valuable materials.

6 (ii) "Timber" has the same meaning as defined in RCW 84.33.035.

7 (9) The provisions of this section apply unless otherwise provided
8 by statute.

9 NEW SECTION. Sec. 2. Section 1 of this act expires June 30, 2011.

10 NEW SECTION. Sec. 3. This act is necessary for the immediate
11 preservation of the public peace, health, or safety, or support of the
12 state government and its existing public institutions, and takes effect
13 July 1, 2009.

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