

---

SENATE BILL 6166

---

State of Washington                      61st Legislature                      2009 Regular Session

By Senators Hargrove, Ranker, Rockefeller, Jacobsen, and Morton

1            AN ACT Relating to the sale of timber from state trust lands;  
2 amending RCW 79.15.510 and 79.15.520; adding a new section to chapter  
3 79.15 RCW; creating a new section; and providing an expiration date.

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

5            NEW SECTION.    **Sec. 1.** The legislature finds that it is in the best  
6 interest of the trust beneficiaries to capture additional revenues  
7 while providing for additional environmental protection and improving  
8 forest health on state trust lands. Further, the legislature finds  
9 that contract harvesting is one method to achieve these desired  
10 outcomes while also providing the department of natural resources with  
11 the ability to offer opportunities to merchandize high value wood.

12            **Sec. 2.** RCW 79.15.510 and 2004 c 218 s 6 are each amended to read  
13 as follows:

14            (1) The department may establish a contract harvesting program for  
15 directly contracting for the removal of timber and other valuable  
16 materials from state lands and for conducting silvicultural treatments  
17 consistent with RCW 79.15.540.

1 (2) The contract requirements must be compatible with the office of  
2 financial management's guide to public service contracts.

3 (3) The department may not use contract harvesting for more than  
4 (~~ten~~) twenty percent of the total annual volume of timber offered for  
5 sale. However, volume removed primarily to address an identified  
6 forest health issue under RCW 79.15.540 may not be included in  
7 calculating the ten percent annual limit of contract harvesting sales.

8 **Sec. 3.** RCW 79.15.520 and 2004 c 218 s 7 are each amended to read  
9 as follows:

10 (1) The contract harvesting revolving account is created in the  
11 custody of the state treasurer. All receipts from the gross proceeds  
12 of the sale of logs from a contract harvesting sale must be deposited  
13 into the account. Expenditures from the account may be used only for  
14 the payment of harvesting costs incurred on contract harvesting sales  
15 and for payment of costs incurred from silvicultural treatments  
16 necessary to improve forest health conducted under RCW 79.15.540. Only  
17 the commissioner or the commissioner's designee may authorize  
18 expenditures from the account. The board of natural resources has  
19 oversight of the account, and the commissioner must periodically report  
20 to the board of natural resources as to the status of the account, its  
21 disbursement, and receipts. The account is subject to allotment  
22 procedures under chapter 43.88 RCW, but an appropriation is not  
23 required for expenditures.

24 (2) When the logs from a contract harvesting sale are sold, the  
25 gross proceeds must be deposited into the contract harvesting revolving  
26 account. Moneys equal to the harvesting costs must be retained in the  
27 account and be deducted from the gross proceeds to determine the net  
28 proceeds. The net proceeds from the sale of the logs must be  
29 distributed in accordance with RCW 43.30.325(1)(b). The final receipt  
30 of gross proceeds on a contract harvesting sale must be retained in the  
31 contract harvesting revolving account until all required costs for that  
32 sale have been paid. The contract harvesting revolving account is an  
33 interest-bearing account and the interest must be credited to the  
34 account. The account balance may not exceed (~~one~~) five million  
35 dollars at the end of each (~~fiscal~~) calendar year. Moneys in excess  
36 of (~~one~~) five million dollars must be disbursed according to RCW  
37 79.22.040, 79.22.050, and 79.64.040. If the department permanently

1 discontinues the use of contract harvesting sales, any sums remaining  
2 in the contract harvesting revolving account must be returned to the  
3 resource management cost account and the forest development account in  
4 proportion to each account's contribution to the initial balance of the  
5 contract harvesting revolving account.

6 NEW SECTION. **Sec. 4.** A new section is added to chapter 79.15 RCW  
7 to read as follows:

8 (1) The department is directed, to the extent possible under  
9 current law consistent with its responsibility to the trust  
10 beneficiaries, to consider requests from purchasers for timber sale  
11 extensions and to provide flexibility in timber sale contract  
12 administration to help mitigate against the potential for contract  
13 default.

14 (2) By December 1, 2009, the department shall report to the  
15 appropriate committees of the legislature on the status of existing  
16 contracts, contract extensions, contract defaults, and shall provide a  
17 timber market forecast for 2010 and 2011.

18 NEW SECTION. **Sec. 5.** This act expires January 1, 2014.

--- END ---