

SENATE BILL REPORT

2SSB 5574

As Passed Senate, March 15, 1995

Title: An act relating to the return of state forest board transfer lands back to counties.

Brief Description: Concerning the return of state forest board transfer land.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Hargrove, A. Anderson, Snyder, McDonald, Owen, Long, Rasmussen, Swecker, Heavey, Morton, Deccio, Johnson, Loveland, Hale, Sutherland, Strannigan, Palmer, Moyer, Hochstatter, West, Drew, Haugen, Quigley, Bauer and Roach).

Brief History:

Committee Activity: Natural Resources: 2/24/95, 2/28/95 [DPS-WM].

Ways & Means: 3/2/95, 3/6/95 [DP2S, DNP].

Passed Senate, 3/15/95, 45-4.

SENATE COMMITTEE ON NATURAL RESOURCES

Majority Report: That Substitute Senate Bill No. 5574 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Drew, Chair; Spanel, Vice Chair; A. Anderson, Hargrove, Haugen, Morton, Oke, Owen, Snyder, Strannigan and Swecker.

Staff: Vic Moon (786-7469)

Background: In the early 1900s, and up through the 1930s, counties took possession of a number of forest land parcels as a result of tax delinquencies. In many cases, the timber had already been harvested from these lands prior to the forfeiture of the property to the counties.

During this same time, the Legislature grew concerned about reforestation in the state. In 1927, and again in 1935, the Legislature determined that forest lands forfeited to the counties should be deeded to the state and become part of state forest lands. Some 540,000 acres of land were thus transferred to state management. These are called forest board transfer lands.

Forest board transfer lands are held and administered by the Department of Natural Resources. The state may not sell these lands; however, the lands may be leased, and timber and other products may be sold. Up to 25 percent of the gross income from leases and product sales goes into the forest development account. The remainder goes back to the county and is distributed in the same manner as general tax revenues are distributed.

Summary of Bill: The Legislature directs that the Legislative Budget Committee, in consultation with the Washington State members of the Western States Legislatures Forestry Task Force and the chairs of the Senate and House of Representatives Committees on Natural Resources, conduct a study of the county forest board timber lands.

The study includes the role of the lands in the state's sustained yield calculation and the effect of removing all or part of these lands, the appropriate levels of management for forest board lands, the economic and forest practice implications of separating the forest lands from the total lands managed by the department, the effects of transfer to the counties on county expenditures on a county-by-county basis, the effect of the transfer on public access, recreation and management of other private and public lands, and the long-term effects on private timber manufacturing.

The study includes a comparison of forest management procedures and costs between Grays Harbor County and similar forest board and state trust lands. Potential changes in state and county employment due to changes in management must be analyzed. A comparison of the present and past costs of reforestation and management on the state forest board lands and state trust lands are compared. The Legislative Budget Committee must examine the best possible methods and procedures to transfer the forest board lands to the counties. The report is submitted to the Legislature on December 1, 1995.

If specific funding is not included in the budget, the act is null and void.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: Grays Harbor County already has management control over its lands and other counties would like to manage their forest lands themselves. The Department of Natural Resources spends more money managing these lands than adjacent state trust lands and the counties could save money and receive more benefit if they managed the lands themselves in a professional manner.

Testimony Against: (original bill): Provisions are not made allowing counties to manage the lands. There is no log export provision and it's not clear where the revenue from the sale of timber is going to go. The Department of Natural Resources will have more difficulty in gaining access to its lands if the lands are transferred and sold.

Testified: PRO: Richard Graham, Glenn Huntingford, Lewis County; Phil Kitchell, Clallam County; Carl Hemenway, Lewis County Commissioner; Pat Hamilton, Pacific County Commissioner; John Jones, Quinault Valley School District #402; Brando Blore, Pulp and Paper Workers Resource Council; CON: Judy Turpin, Washington Environmental Council; Larry Swift, Washington State School Directors Association; Art Sterns, Stan Biles, Department of Natural Resources.

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Second Substitute Senate Bill No. 5574 be substituted therefor, and the second substitute bill do pass.

Signed by Senators Rinehart, Chair; Loveland, Vice Chair; Cantu, Drew, Finkbeiner, Gaspard, Hargrove, Hochstatter, Johnson, Long, Moyer, Pelz, Roach, Sheldon, Strannigan, West and Winsley.

Minority Report: Do not pass.

Signed by Senator Fraser.

Staff: Tracy Cox (786-7437)

Testimony For: Grays Harbor County already has management control over its lands and other counties would like to manage their forest lands themselves. The Department of Natural Resources spends more money managing these lands than adjacent state trust lands and the counties could save money and receive more benefit if they managed the lands themselves in a professional manner.

Testimony Against: If some counties reacquire their lands, the remaining counties in state-managed trust will suffer. The state management provides economies of scale that the counties will not be able to achieve, so there may be a loss of revenue.

Testified: Jennifer Belcher, Commissioner of Public Lands (con); Bill Vogler, Washington Association of Counties (pro).

House Amendment(s): A joint select legislative committee is created to study the issue rather than the Legislative Budget Committee. The null and void clause is removed.