
HOUSE BILL 2583

State of Washington

55th Legislature

1998 Regular Session

By Representatives Buck, Regala, Schoesler and Chandler; by request of
Commissioner of Public Lands

Read first time 01/15/98. Referred to Committee on Natural Resources.

1 AN ACT Relating to the management expenses for the agricultural
2 college trust lands managed by the department of natural resources;
3 amending RCW 79.64.020, 79.64.030, and 79.64.040; adding a new section
4 to chapter 79.64 RCW; and providing an effective date.

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

6 **Sec. 1.** RCW 79.64.020 and 1993 c 460 s 1 are each amended to read
7 as follows:

8 A resource management cost account in the state treasury is hereby
9 created to be used solely for the purpose of defraying the costs and
10 expenses necessarily incurred by the department in managing and
11 administering public lands and the making and administering of leases,
12 sales, contracts, licenses, permits, easements, and rights of way as
13 authorized under the provisions of this title. The resource management
14 cost account may receive and accept funds for trust management purposes
15 from any source. Appropriations from the account to the department
16 shall be expended for no other purposes. Funds in the account may be
17 appropriated or transferred by the legislature for the benefit of ((all
18 of)) the trust((s)) from which the funds were derived.

1 **Sec. 2.** RCW 79.64.030 and 1993 c 460 s 2 are each amended to read
2 as follows:

3 Funds in the account derived from the gross proceeds of leases,
4 sales, contracts, licenses, permits, easements, and rights of way
5 issued by the department and affecting school lands, university lands,
6 (~~agricultural college lands,~~) scientific school lands, normal school
7 lands, capitol building lands, or institutional lands shall be (~~pooled~~
8 ~~and~~) expended by the department solely for the purpose of defraying
9 the costs and expenses necessarily incurred in managing and
10 administering (~~all of the trust lands enumerated in this section~~)
11 state lands of the same trust. Such funds may be used for similar
12 costs and expenses in managing and administering other lands managed by
13 the department provided that such expenditures that have been or may be
14 made on such other lands shall be repaid to the resource management
15 cost account together with interest at a rate determined by the board
16 of natural resources. Costs and expenses necessarily incurred in
17 managing and administering agricultural college lands shall not be
18 deducted from proceeds derived from the sale of agricultural college
19 lands including the sale of resources that are part of those lands.
20 Costs and expenses incurred in managing and administering agricultural
21 college lands shall be funded by appropriation from the state general
22 fund, which shall be deposited into the resource management cost
23 account.

24 An accounting shall be made annually of the accrued expenditures
25 from the (~~pooled~~) trust funds in the account. In the event the
26 accounting determines that expenditures have been made from moneys
27 derived from trust lands for the benefit of another trust or other
28 lands, such expenditure shall be considered a debt and an encumbrance
29 against the property or trust funds benefited, including property held
30 under chapter 76.12 RCW. The results of the accounting shall be
31 reported to the legislature at the next regular session. The state
32 treasurer is authorized, upon request of the department, to transfer
33 funds between the forest development account and the resource
34 management cost account solely for purpose of repaying loans pursuant
35 to this section.

36 **Sec. 3.** RCW 79.64.040 and 1981 2nd ex.s. c 4 s 3 are each amended
37 to read as follows:

1 For the trust lands identified in RCW 79.64.030 other than the
2 agricultural college lands, the board shall determine the amount deemed
3 necessary in order to achieve the purposes of this chapter and shall
4 provide by rule for the deduction of this amount from the gross
5 proceeds of all leases, sales, contracts, licenses, permits, easements,
6 and rights of way issued by the department and affecting public lands.
7 Moneys received as deposits from successful bidders, advance payments,
8 and security under RCW 79.01.132 and 79.01.204 prior to December 1,
9 1981, which have not been subjected to deduction under this section are
10 not subject to deduction under this section. The deductions authorized
11 under this section shall in no event exceed twenty-five percent of the
12 total sum received by the department in connection with any one
13 transaction pertaining to public lands other than second class tide and
14 shore lands and the beds of navigable waters, and fifty percent of the
15 total gross proceeds received by the department pertaining to second
16 class tide and shore lands and the beds of navigable waters.

17 NEW SECTION. **Sec. 4.** A new section is added to chapter 79.64 RCW
18 to read as follows:

19 (1) The legislature shall create a ten-year endowment sufficient in
20 amount to cover costs and expenses reasonably incurred by the
21 department in managing and administering the agricultural college
22 lands. The need for a funding horizon longer than a biennium relates
23 to the business practices associated with managing trust lands
24 including but not limited to long-term leases, multiyear timber sale
25 contracts, and the cyclical nature of the timber market. The
26 legislature shall appropriate from the state general fund nine million
27 four hundred fifty thousand dollars to fund the ten-year endowment,
28 over the period July 1, 1998, to June 30, 2008.

29 (2) This endowment shall be deposited in the resource management
30 cost account and shall be expended solely for the purpose of defraying
31 the costs and expenses necessarily incurred in managing and
32 administering the agricultural college trust lands.

33 (3) The department shall submit a request during the 2008
34 legislative session to replenish the endowment.

35 NEW SECTION. **Sec. 5.** This act takes effect July 1, 1998.

1 NEW SECTION. **Sec. 6.** If any provision of this act or its
2 application to any person or circumstance is held invalid, the
3 remainder of the act or the application of the provision to other
4 persons or circumstances is not affected.

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