

CERTIFICATION OF ENROLLMENT

SUBSTITUTE HOUSE BILL 1826

Chapter 448, Laws of 1997

(partial veto)

55th Legislature
1997 Regular Session

ADMINISTRATION OF MONEYS DERIVED FROM PUBLIC LANDS

EFFECTIVE DATE: 7/27/97

Passed by the House April 21, 1997
Yeas 73 Nays 25

CLYDE BALLARD
**Speaker of the
House of Representatives**

Passed by the Senate April 15, 1997
Yeas 43 Nays 5

BRAD OWEN
President of the Senate

Approved May 20, 1997, with the
exception of sections 1 and 2, which
are vetoed.

GARY LOCKE
Governor of the State of Washington

CERTIFICATE

I, Timothy A. Martin, Chief Clerk of
the House of Representatives of the
State of Washington, do hereby certify
that the attached is **SUBSTITUTE HOUSE
BILL 1826** as passed by the House of
Representatives and the Senate on the
dates hereon set forth.

TIMOTHY A. MARTIN
Chief Clerk

FILED

May 20, 1997 - 4:31 p.m.

**Secretary of State
State of Washington**

SUBSTITUTE HOUSE BILL 1826

Passed Legislature - 1997 Regular Session

AS AMENDED BY THE SENATE

State of Washington

55th Legislature

1997 Regular Session

By House Committee on Natural Resources (originally sponsored by Representatives Thompson, Sheldon, DeBolt and Schoesler)

Read first time 03/05/97.

1 AN ACT Relating to the moneys derived from public lands managed by
2 the commissioner of public lands; amending RCW 76.12.030 and 79.01.744;
3 and reenacting and amending RCW 76.12.120.

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

5 **Sec. 1. RCW 76.12.030 and 1991 c 363 s 151 are each amended to*
6 *read as follows:*

7 *If any land acquired by a county through foreclosure of tax liens,*
8 *or otherwise, comes within the classification of land described in RCW*
9 *76.12.020 and can be used as state forest land and if the department*
10 *deems such land necessary for the purposes of this chapter, the county*
11 *shall, upon demand by the department, deed such land to the department*
12 *and the land shall become a part of the state forest lands.*

13 *Such land shall be held in trust and administered and protected by*
14 *the department as other state forest lands. Any moneys derived from*
15 *the lease of such land or from the sale of forest products, oils,*
16 *gases, coal, minerals, or fossils therefrom, shall be distributed as*
17 *follows:*

18 *(1) The expense incurred by the state for administration,*
19 *reforestation, and protection, not to exceed (~~twenty-five~~) twenty-two*

1 percent, which rate of percentage shall be determined by the board of
2 natural resources, shall be returned to the forest development account
3 in the state general fund. By June 30th of each year, the board of
4 natural resources must establish the percentage and a budget for the
5 following fiscal year in such a manner that the balance in the account
6 does not exceed the amount necessary for six months of operating
7 expenses for administration, reforestation, and protection. The board
8 of natural resources must set the level of the balance of the account
9 in cooperation with the counties that have forest board transfer lands.

10 (2) Any balance remaining after the distribution under subsection
11 (1) of this section shall be paid to the county in which the land is
12 located to be paid, distributed, and prorated, except as hereinafter
13 provided, to the various funds in the same manner as general taxes are
14 paid and distributed during the year of payment((:—PROVIDED, That)).
15 Within seven working days of receipt of these moneys, the department
16 shall certify to the state treasurer the amounts to be distributed to
17 the counties. The state treasurer shall distribute funds to the
18 counties four times per month, with no more than ten days between each
19 payment date. Any such balance remaining paid to a county with a
20 population of less than nine thousand shall first be applied to the
21 reduction of any indebtedness existing in the current expense fund of
22 such county during the year of payment.

23 *Sec. 1 was vetoed. See message at end of chapter.

24 *Sec. 2. RCW 76.12.120 and 1988 c 128 s 32 and 1988 c 70 s 1 are
25 each reenacted and amended to read as follows:

26 All land, acquired or designated by the department as state forest
27 land, shall be forever reserved from sale, but the timber and other
28 products thereon may be sold or the land may be leased in the same
29 manner and for the same purposes as is authorized for state granted
30 land if the department finds such sale or lease to be in the best
31 financial interests of the (~~state and approves the terms and~~
32 ~~conditions thereof~~) respective county trust beneficiaries.

33 Except as provided in RCW 79.12.035, all money derived from the
34 sale of timber or other products, or from lease, or from any other
35 source from the land, except where the Constitution of this state or
36 RCW 76.12.030 requires other disposition, shall be disposed of as
37 follows:

1 (1) *Fifty percent shall be placed in the forest development*
2 *account.*

3 (2) *Fifty percent shall be prorated and distributed to the state*
4 *general fund, to be dedicated for the benefit of the public schools,*
5 *and the county in which the land is located according to the relative*
6 *proportions of tax levies of all taxing districts in the county. The*
7 *portion to be distributed to the state general fund shall be based on*
8 *the regular school levy rate under RCW 84.52.065 as now or hereafter*
9 *amended and the levy rate for any maintenance and operation special*
10 *school levies. With regard to the portion to be distributed to the*
11 *counties, the department shall certify to the state treasurer the*
12 *amounts to be distributed within seven working days of receipt of the*
13 *money. The state treasurer shall distribute funds to the counties four*
14 *times per month, with no more than ten days between each payment date.*
15 *The money distributed to the county shall be paid, distributed, and*
16 *prorated to the various other funds in the same manner as general taxes*
17 *are paid and distributed during the year of payment.*

18 *Sec. 2 was vetoed. See message at end of chapter.

19 **Sec. 3.** RCW 79.01.744 and 1987 c 505 s 76 are each amended to read
20 as follows:

21 (1) It shall be the duty of the commissioner of public lands to
22 report, and recommend, to each session of the legislature, any changes
23 in the law relating to the methods of handling the public lands of the
24 state that he may deem advisable.

25 (2) The commissioner of public lands shall provide a comprehensive
26 biennial report to reflect the previous fiscal period. The report
27 shall include, but not be limited to, descriptions of all department
28 activities including: Revenues generated, program costs, capital
29 expenditures, personnel, special projects, new and ongoing research,
30 environmental controls, cooperative projects, intergovernmental
31 agreements, the adopted sustainable harvest compared to the sales
32 program, and outlines of ongoing litigation, recent court decisions and
33 orders on major issues with the potential for state liability. The
34 report shall describe the status of the resources managed and the
35 recreational and commercial utilization. The report shall be given to
36 the chairs of the house and senate committees on ways and means and the
37 house and senate committees on natural resources, including one copy to

1 the staff of each of the committees, and shall be made available to the
2 public.

3 (3) The commissioner of public lands shall provide annual reports
4 to the respective trust beneficiaries, including each county. The
5 report shall include, but not be limited to, the following: Acres
6 sold, acres harvested, volume from those acres, acres planted, number
7 of stems per acre, acres precommercially thinned, acres commercially
8 thinned, acres partially cut, acres clear cut, age of final rotation
9 for acres clear cut, and the total number of acres off base for harvest
10 and an explanation of why those acres are off base for harvest.

Passed the House April 21, 1997.

Passed the Senate April 15, 1997.

Approved by the Governor May 20, 1997, with the exception of
certain items that were vetoed.

Filed in Office of Secretary of State May 20, 1997.

1 Note: Governor's explanation of partial veto is as follows:

2 "I am returning herewith, without my approval as to sections 1 and
3 2, Substitute House Bill No. 1826 entitled:

4 "AN ACT Relating to the moneys derived from public lands managed by
5 the commissioner of public lands;"

6 Substitute House Bill No. 1826 makes changes to the management of
7 state Forest Board Lands. I have concerns about two sections.

8 Section 1 reduces the maximum percentage of revenue from state
9 Forest Board Lands that can be retained in the Forest Development
10 Account (FDA) from 25 percent to 22 percent. In addition, the Board of
11 Natural Resources is to establish a budget that maintains no greater
12 than six months' operating expenses for the FDA. This would result in
13 a one-time windfall of approximately \$19 million to the trust
14 beneficiaries in Fiscal Year 1999. However, by Fiscal Year 2001
15 revenues would not be able to keep pace with current agency management
16 activities. This provision would limit current and future revenue
17 generating abilities. The Board of Natural Resources has already
18 reduced the percentage of revenue retained by the FDA to 22 percent.
19 It is preferable to allow the Board of Natural Resources to retain
20 management flexibility.

21 Section 2 changes the management objectives for state Forest Board
22 Lands from the best interest of the state to the best financial
23 interest of the respective county trust beneficiaries. This is a
24 fundamental change in state policy. Although counties do receive
25 significant financial benefit from these lands, local schools and the
26 state General Fund also receive revenue from these lands. These
27 changes are not in the best interests of the citizens of our state.

28 For these reasons, I have vetoed sections 1 and 2 of Substitute
29 House Bill No. 1826.

30 With the exception of sections 1 and 2, Substitute House Bill No.
31 1826 is approved."