

CERTIFICATION OF ENROLLMENT

SUBSTITUTE SENATE BILL 5653

Chapter 116, Laws of 1997

55th Legislature
1997 Regular Session

DIRECT SALE OF TIMBER FROM STATE-OWNED LAND--PROCEDURES

EFFECTIVE DATE: 7/27/97

Passed by the Senate March 14, 1997
YEAS 47 NAYS 0

BRAD OWEN

President of the Senate

Passed by the House April 10, 1997
YEAS 96 NAYS 0

CLYDE BALLARD

**Speaker of the
House of Representatives**

Approved April 21, 1997

CERTIFICATE

I, Mike O Connell, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SUBSTITUTE SENATE BILL 5653** as passed by the Senate and the House of Representatives on the dates hereon set forth.

MIKE O'CONNELL

Secretary

FILED

April 21, 1997 - 4:36 p.m.

GARY LOCKE

Governor of the State of Washington

**Secretary of State
State of Washington**

SUBSTITUTE SENATE BILL 5653

Passed Legislature - 1997 Regular Session

State of Washington 55th Legislature 1997 Regular Session

By Senate Committee on Natural Resources & Parks (originally sponsored by Senators Oke and Snyder; by request of Commissioner of Public Lands and Department of Natural Resources)

Read first time 03/03/97.

1 AN ACT Relating to the establishment of procedures for direct sale
2 of timber from state-owned land; and amending RCW 79.01.132 and
3 79.01.184.

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

5 **Sec. 1.** RCW 79.01.132 and 1989 c 148 s 1 are each amended to read
6 as follows:

7 When any timber, fallen timber, stone, gravel, or other valuable
8 material on state lands is sold separate from the land, it may be sold
9 as a lump sum sale or as a scale sale. Lump sum sales under five
10 thousand dollars appraised value shall be paid for in cash. The
11 initial deposits required in RCW 79.01.204, not to exceed twenty-five
12 percent of the actual or projected purchase price, but in the case of
13 lump sum sales over five thousand dollars not less than five thousand
14 dollars, shall be made on the day of the sale, and in the case of those
15 sales appraised below the amount specified in RCW 79.01.200, the
16 department of natural resources may require full cash payment on the
17 day of sale. The purchaser shall notify the department of natural
18 resources before any timber is cut and before removal or processing of
19 any valuable materials on the sale area, at which time the department

1 of natural resources may require, in the amount determined by the
2 department, advance payment for the removal, processing, and/or cutting
3 of timber or other valuable materials, or bank letters of credit,
4 payment bonds, or assignments of savings accounts acceptable to the
5 department as adequate security. The amount of such advance payments
6 and/or security shall at all times equal or exceed the value of timber
7 cut and other valuable materials processed or removed until paid for.
8 The initial deposit shall be maintained until all contract obligations
9 of the purchaser are satisfied: PROVIDED HOWEVER, That all or a
10 portion of said initial deposit may be applied as the final payment for
11 said materials in the event the department of natural resources
12 determines that adequate security exists for the performance or
13 fulfillment of any remaining obligations of the purchaser under the
14 sale contract.

15 In all cases where timber, fallen timber, stone, gravel, or other
16 valuable material is sold separate from the land, the same shall revert
17 to the state if not removed from the land within the period specified
18 in the sale contract. Said specified period shall not exceed five
19 years from the date of the purchase thereof: PROVIDED, That the
20 specified periods in the sale contract for stone, sand, fill material,
21 or building stone shall not exceed twenty years: PROVIDED FURTHER,
22 That in all cases where, in the judgment of the department of natural
23 resources, the purchaser is acting in good faith and endeavoring to
24 remove such materials, the department of natural resources may extend
25 the time for the removal thereof for any period not exceeding twenty
26 years from the date of purchase for the stone, sand, fill material or
27 building stone or for a total of ten years beyond the normal
28 termination date specified in the original sale contract for all other
29 material, upon payment to the state of a sum to be fixed by the
30 department of natural resources, based on the estimated loss of income
31 per acre to the state resulting from the granting of the extension but
32 in no event less than fifty dollars per extension, plus interest on the
33 unpaid portion of the contract. The interest rate shall be fixed, from
34 time to time, by rule adopted by the board of natural resources and
35 shall not be less than six percent per annum. The applicable rate of
36 interest as fixed at the date of sale and the maximum extension payment
37 shall be set forth in the contract. The method for calculating the
38 unpaid portion of the contract upon which such interest shall be paid
39 by the purchaser shall be set forth in the contract. The department of

1 natural resources shall pay into the state treasury all sums received
2 for such extension and the same shall be credited to the fund to which
3 was credited the original purchase price of the material so sold((+
4 ~~AND PROVIDED FURTHER, That any sale of valuable materials of an~~
5 ~~appraised value of one thousand dollars or less may be sold directly to~~
6 ~~the applicant for cash at full appraised value without notice or~~
7 ~~advertising)). However, a direct sale of valuable materials may be
8 sold to the applicant for cash at full appraised value without notice
9 or advertising. The board of natural resources shall, by resolution,
10 establish the value amount of a direct sale not to exceed twenty
11 thousand dollars in appraised sale value, and establish procedures to
12 assure that competitive market prices and accountability will be
13 guaranteed.~~

14 The provisions of this section apply unless otherwise provided by
15 statute.

16 The board of natural resources shall establish procedures to
17 protect against cedar theft and to ensure adequate notice is given for
18 persons interested in purchasing cedar.

19 **Sec. 2.** RCW 79.01.184 and 1989 c 148 s 2 are each amended to read
20 as follows:

21 When the department of natural resources shall have decided to sell
22 any state lands or valuable materials thereon, or with the consent of
23 the board of regents of the University of Washington, or by legislative
24 directive, shall have decided to sell any lot, block, tract, or tracts
25 of university lands, or the timber, fallen timber, stone, gravel, or
26 other valuable material thereon it shall be the duty of the department
27 to forthwith fix the date, place, and time of sale, and no sale shall
28 be had on any day which is a legal holiday.

29 The department shall give notice of the sale by advertisement
30 published not less than two times during a four week period prior to
31 the time of sale in at least one newspaper of general circulation in
32 the county in which the whole, or any part of any lot, block, or tract
33 of land to be sold, or the material upon which is to be sold is
34 situated, and by causing a copy of said notice to be posted in a
35 conspicuous place in the department's Olympia office and the region
36 headquarters administering such sale and in the office of the county
37 auditor of such county, which notice shall specify the place and time
38 of sale, the appraised value thereof, and describe with particularity

1 each parcel of land to be sold, or from which valuable materials are to
2 be sold, and in case of material sales the estimated volume thereof,
3 and specify that the terms of sale will be posted in the region
4 headquarters and the department's Olympia office(~~(: PROVIDED, That any~~
5 ~~sale of valuable materials of an appraised value of one thousand~~
6 ~~dollars or less may be sold directly to the applicant for cash at the~~
7 ~~full appraised value without notice or advertising)). However, a
8 direct sale of valuable materials may be sold to the applicant for cash
9 at full appraised value without notice or advertising. The board of
10 natural resources shall, by resolution, establish the value amount of
11 a direct sale not to exceed twenty thousand dollars in appraised sale
12 value, and establish procedures to assure that competitive market
13 prices and accountability will be guaranteed.~~

Passed the Senate March 14, 1997.

Passed the House April 10, 1997.

Approved by the Governor April 21, 1997.

Filed in Office of Secretary of State April 21, 1997.