

CERTIFICATION OF ENROLLMENT

SUBSTITUTE SENATE BILL 5651

Chapter 51, Laws of 1999

56th Legislature
1999 Regular Session

TIMBER SALES--TAX PAYMENTS BEFORE RELEASE OF PERFORMANCE BOND

EFFECTIVE DATE: 7/25/99

Passed by the Senate March 13, 1999
YEAS 45 NAYS 0

BRAD OWEN
President of the Senate

Passed by the House April 7, 1999
YEAS 91 NAYS 0

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

FRANK CHOPP
**Speaker of the
House of Representatives**

Approved April 20, 1999

GARY LOCKE
Governor of the State of Washington

CERTIFICATE

I, Tony M. Cook, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SUBSTITUTE SENATE BILL 5651** as passed by the Senate and the House of Representatives on the dates hereon set forth.

TONY M. COOK
Secretary

FILED

April 20, 1999 - 3:16 p.m.

**Secretary of State
State of Washington**

SUBSTITUTE SENATE BILL 5651

Passed Legislature - 1999 Regular Session

State of Washington 56th Legislature 1999 Regular Session

By Senate Committee on Natural Resources, Parks & Recreation
(originally sponsored by Senators Winsley and Loveland)

Read first time 02/15/1999.

1 AN ACT Relating to timber sales; and amending RCW 79.01.132.

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

3 **Sec. 1.** RCW 79.01.132 and 1997 c 116 s 1 are each amended to read
4 as follows:

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

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

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

1 was credited the original purchase price of the material so sold.
2 However, a direct sale of valuable materials may be sold to the
3 applicant for cash at full appraised value without notice or
4 advertising. The board of natural resources shall, by resolution,
5 establish the value amount of a direct sale not to exceed twenty
6 thousand dollars in appraised sale value, and establish procedures to
7 assure that competitive market prices and accountability will be
8 guaranteed.

9 Any time that the department of natural resources sells timber by
10 contract that includes a performance bond, the department shall require
11 the purchaser to present proof of any and all taxes paid prior to the
12 release of the performance bond. Within thirty days of payment of
13 taxes due by the timber purchaser, the county treasurer shall provide
14 certified evidence of taxes paid, clearly disclosing the sale contract
15 number.

16 The provisions of this section apply unless otherwise provided by
17 statute.

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

Passed the Senate March 13, 1999.

Passed the House April 7, 1999.

Approved by the Governor April 20, 1999.

Filed in Office of Secretary of State April 20, 1999.