

# SENATE BILL REPORT

## SB 5538

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As of January 31, 2001

**Title:** An act relating to the trust land transfer program.

**Brief Description:** Creating the trust land transfer program as a statutory entity.

**Sponsors:** Senators Haugen and Jacobsen.

**Brief History:**

**Committee Activity:** Natural Resources, Parks & Shorelines: 2/5/01.

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### SENATE COMMITTEE ON NATURAL RESOURCES, PARKS & SHORELINES

**Staff:** Victor Moon (786-7469)

**Background:** The Legislature has funded trust land transfers since 1989, and the authority for such transfers has been authorized through the biennial budget. The program is intended to protect state trust lands that have significant natural, park, recreational, scientific, or natural benefits. The program provides money to the school construction account and acquires other lands to be placed into the trust status to improve revenues to the trust in the future. The program deposits the timber value of the transferred properties into the trust accounts, and provides funding to replace transferred lands with lands of equal value that has a better income producing potential. As of 2001, the Legislature has provided \$372 million for trust land transfers. \$237 million has been allocated to school construction funding and the remainder has been for the purpose of replacing lands for the school trusts. At the present time, the trust land transfer program applies to the common school trust only.

**Summary of Bill:** The Legislature finds the trust land transfer program is an innovative and important program that benefits both the environment and the common school trusts. The trust transfer program is established within the Department of Natural Resources and the Board of Natural Resources must adopt procedures for the department to identify, evaluate, and submit to the board the listing of lands appropriate for funding under the program.

The Board of Natural Resources must develop criteria for increasing the ability of the trust to provide revenue for the beneficiaries, consider lands in which revenue generating capacity is constrained by local, state, or federal law, and review lands that provide significant value for purposes other than maximizing revenue for the timber harvest. Such uses could include parks, recreation, natural areas conservation, fish and wildlife habitat conservation, scenic enjoyment, and protection of water supplies and water quality.

On July 1 of each even-numbered year, the Department of Natural Resources develops a prioritized list of properties eligible for trust land transfer. The list ranks the projects in the order of priority and clearly identifies the reasons each property is being recommended for transfer. The Board of Natural Resources must schedule one or more public meetings with citizens to provide their comments on the ranked list and upon other trust lands that may be

recommended. By September 15 of each even-numbered year, the board must recommend to the Governor a prioritized list of properties eligible for the trust land transfer process.

Property under the trust land transfer program must be appraised and transferred at fair market value. Trust land transfers may be accomplished by either a transfer of the fee interest in the land or conveying a lease, easement, or other interest that restricts timber harvest on transferred properties for a minimum of 30 years. Prior to the transfer of the land, the receiving agency must demonstrate the ability to manage the transfer lands according to state and local laws regarding public safety, weed and fire control, and other public land management requirements. The Department of Natural Resources may not expend funds or obligate funds for trust land transfers until the Legislature has approved the funds for a specific list of projects.

**Appropriation:** None.

**Fiscal Note:** Requested on January 31, 2001.

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