

SENATE BILL REPORT

SB 5574

As Reported By Senate Committee On:
Natural Resources, February 28, 1995
Ways & Means, March 6, 1995

Title: An act relating to the return of state forest board transfer lands back to counties.

Brief Description: Concerning the return of state forest board transfer land.

Sponsors: Senators Hargrove, A. Anderson, Snyder, McDonald, Owen, Long, Rasmussen, Swecker, Heavey, Morton, Deccio, Johnson, Loveland, Hale, Sutherland, Strannigan, Palmer, Moyer, Hochstatter, West, Drew, Haugen, Quigley, Bauer and Roach.

Brief History:

Committee Activity: Natural Resources: 2/24/95, 2/28/95 [DPS-WM].
Ways & Means: 3/2/95, 3/6/95 [DP2S, DNP].

SENATE COMMITTEE ON NATURAL RESOURCES

Majority Report: That Substitute Senate Bill No. 5574 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Drew, Chair; Spanel, Vice Chair; A. Anderson, Hargrove, Haugen, Morton, Oke, Owen, Snyder, Strannigan and Swecker.

Staff: Vic Moon (786-7469)

Background: In the early 1900s, and up through the 1930s, counties took possession of a number of forest land parcels as a result of tax delinquencies. In many cases, the timber had already been harvested from these lands prior to the forfeiture of the property to the counties.

During this same time, the Legislature grew concerned about reforestation in the state. In 1927, and again in 1935, the Legislature determined that forest lands forfeited to the counties should be deeded to the state and become part of state forest lands. Some 540,000 acres of land were thus transferred to state management. These are called forest board transfer lands.

Forest board transfer lands are held and administered by the Department of Natural Resources. The state may not sell these lands; however, the lands may be leased, and timber and other products may be sold. Up to 25 percent of the gross income from leases and product sales goes into the forest development account. The remainder goes back to the county and is distributed in the same manner as general tax revenues are distributed.

Summary of Substitute Bill: A board of county commissioners has the option of reacquiring total control of all or part of the State Forest Board transfer of lands within their county.

The department must return all records pertaining to the lands to the counties. The records include legal descriptions, stand inventories, listing of expenditures and other records.

The county board of commissioners files an application and the Department of Natural Resources provides public notice of the impending transfer. The department reconveys the forest lands as long as the lands are kept in forest lands or are traded and are kept in commercial forest status.

The language requiring counties to transfer tax delinquent lands to the Department of Natural Resources is optional. The legislative authority of a county has the option of reacquiring total control of all or part of State Forest Board transfer lands. When the lands are transferred to the county, upon request, they are retained in a trust status and administered and protected as other state forest lands. The Department of Natural Resources returns records pertaining to the lands to the respective counties. The department reconveys the forest lands as long as the forest lands are kept or traded and are left in commercial forest status.

The revenue from the sale of timber and other forest products from the lands transferred to the counties is distributed according to the general tax distribution of the county. Counties can deduct a fee of up to 25 percent of the revenues to cover management. Any state or federal restrictions on log export apply to county forest lands.

Counties manage the forest lands using state of the art silvicultural practices. Management of the lands may be contracted with private professional foresters and the counties may jointly manage lands with a written agreement between the county legislative authorities.

County forest lands may be traded to other public or private parties on a value for value basis, as long as all lands are kept in commercial forest status.

Counties must allow public access when consistent with forest practice requirements and allow access to other public or private lands by agreement when the access is needed for forest management programs or for other purposes specified by an agreement between the county and the landowner.

Substitute Bill Compared to Original Bill: Authority to use the lands is more limited in the substitute bill and the authority of the county to manage the lands are specifically limited. Language relating to school equalization is removed from the original bill.

Appropriation: None.

Fiscal Note: Not requested.

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

Testimony For: Grays Harbor County already has management control over its lands and other counties would like to manage their forest lands themselves. The Department of Natural Resources spends more money managing these lands than adjacent state trust lands and the counties could save money and receive more benefit if they managed the lands themselves in a professional manner.

Testimony Against: (original bill): Provisions are not made allowing counties to manage the lands. There is no log export provision and it's not clear where the revenue from the sale of timber is going to go. The Department of Natural Resources will have more difficulty in gaining access to its lands if the lands are transferred and sold.

Testified: PRO: Richard Graham, Glenn Huntingford, Lewis County; Phil Kitchell, Clallam County; Carl Hemenway, Lewis County Commissioner; Pat Hamilton, Pacific County Commissioner; John Jones, Quinault Valley School District #402; Brando Blore, Pulp and Paper Workers Resource Council; CON: Judy Turpin, Washington Environmental Council; Larry Swift, Washington State School Directors Association; Art Sterns, Stan Biles, Department of Natural Resources.

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Second Substitute Senate Bill No. 5574 be substituted therefor, and the second substitute bill do pass.

Signed by Senators Rinehart, Chair; Loveland, Vice Chair; Cantu, Drew, Finkbeiner, Gaspard, Hargrove, Hochstatter, Johnson, Long, Moyer, Pelz, Roach, Sheldon, Strannigan, West and Winsley.

Minority Report: Do not pass.

Signed by Senator Fraser.

Staff: Tracy Cox (786-7437)

Second Substitute Bill Compared to Substitute Bill: The LBC is directed to conduct a study of the economic impacts of transferring Forest Board transfer lands back to the counties. A null and void section is added.

Testimony For: Grays Harbor County already has management control over its lands and other counties would like to manage their forest lands themselves. The Department of Natural Resources spends more money managing these lands than adjacent state trust lands and the counties could save money and receive more benefit if they managed the lands themselves in a professional manner.

Testimony Against: If some counties reacquire their lands, the remaining counties in state-managed trust will suffer. The state management provides economies of scale that the counties will not be able to achieve, so there may be a loss of revenue.

Testified: Jennifer Belcher, Commissioner of Public Lands (con); Bill Vogler, Washington Association of Counties (pro).