

# SENATE BILL REPORT

## ESSB 6774

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As Passed Senate, February 29, 1996

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

**Brief Description:** Establishing clear guidelines for the trust land transfer program.

**Sponsors:** Senate Committee on Natural Resources (originally sponsored by Senators Drew, Hargrove, Oke, Snyder, Rinehart, Loveland, McDonald, Spanel and Fraser).

**Brief History:**

**Committee Activity:** Natural Resources: 2/20/96, 2/23/96 [DPS].  
Passed Senate, 2/29/96, 40-5.

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### SENATE COMMITTEE ON NATURAL RESOURCES

**Majority Report:** That Substitute Senate Bill No. 6774 be substituted therefor, and the substitute bill do pass.

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

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

**Background:** The Department of Natural Resources manages the common school trust land transfer program to provide revenue for public school construction statewide and also manages the charitable, educational, penal, and reformatory trusts. Since some of the school lands have limited possibilities for income production, they are being traded to infuse money into the common school construction account and to protect the properties with significant natural park or recreation attributes. The replacement lands for the trust properties being purchased are being acquired to produce long-term revenue for the trusts.

**Summary of Bill:** It is the intent of the Legislature to establish a public process and clear guidelines for the trust land transfer programs. Revenue is provided for construction of public schools and the replacement properties purchased have better income potential for the common school trust beneficiaries. In addition, the transfers protect and place into different ownership lands with significant natural park or recreational attributes which are difficult to manage for production of income. The department must also manage the charitable trust in a consistent manner.

The Board of Natural Resources must develop criteria to remove lands from trust status. Two categories of land may be removed from trust: lands where the cumulative financial costs of harvesting timber exceeds the projected stumpage value, and where land constrained by environmental mandates under state or federal law; and lands that may not be harvested because of other values include where there is an important public use, such as recreation, conservation, or where environmental fish and wildlife use is not mandated but is deemed important.

The Board of Natural Resources must establish two prioritized lists of lands, one for each category. The Department of Natural Resources attempts to maintain a ratio of approximately 85 to 15 timber to land value. Underground exchanges between common school and other trusts may occur if the exchange is in the best interest of the trust.

The department must make a determination as to which public entity receives the transfer property and guarantee that the receiving entity demonstrate the ability to manage the property. Land and timber covered by this program is appraised and purchased at full market value. The proceeds are deposited by the department in the same manner as timber revenues from other common school trust lands, without any deduction for management. Lands are managed under existing statutes in RCW 79.68, 79.70 and 79.71, as determined by the Board of Natural Resources.

An advisory committee is appointed to advise the department on trust land transfers.

The Board of Natural Resources must submit lists for requests for transfer by November 1 of each year. Public hearings must be held in the area impacted by the transfer, with prior notice being given to abutting landowners or lessees and county commissioners or county legislative authority members.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** The bill contains an emergency clause and takes effect immediately.

**Testimony For:** This bill is really needed to set legislative policy for the trust transfer program. It needs some technical changes but does not have too many problems.

**Testimony Against:** None.

**Testified:** PRO: Stan Biles, DNR; Ralph Mackey, City of Everett; Pat Harper, Pacific Lumber.