
ENGROSSED SUBSTITUTE SENATE BILL 6774

State of Washington

54th Legislature

1996 Regular Session

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

Read first time 02/23/96.

1 AN ACT Relating to the trust land transfer program; and adding a
2 new chapter to Title 79 RCW.

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

4 NEW SECTION. **Sec. 1.** It is the intent of the legislature to
5 ensure a public process and clear guidelines for the trust land
6 transfer program, including transfers of land held in trust for
7 charitable, educational, penal, and reformatory purposes. Since 1989,
8 the trust land transfer program has provided an innovative way to
9 infuse money into the common school construction revolving account,
10 protect properties with significant natural, park, or recreational
11 attributes, transfer ownership of trust lands that cannot be managed
12 effectively for revenue production, and acquire replacement trust
13 properties better suited to produce revenue for the trusts. The
14 program:

15 (1) Provides revenue for the construction of public schools by
16 depositing the timber value of the transfer properties into the common
17 school construction account, while not actually harvesting the timber;

18 (2) Deposits into the common school construction revolving account
19 the proceeds associated with the land value that are then used to

1 purchase replacement properties that have better revenue production
2 potential for common school trust beneficiaries; and

3 (3) Transfers to more appropriate ownership common school trust
4 lands with very significant natural, park, or recreational attributes,
5 that are difficult to manage for revenue production.

6 NEW SECTION. **Sec. 2.** The board of natural resources shall develop
7 criteria to remove lands from trust status and to implement this
8 chapter and shall periodically review, and if appropriate, revise these
9 criteria. The primary consideration in determining suitability of
10 lands to be transferred under the criteria is increasing the ability of
11 the trust to produce revenue for its beneficiaries. The criteria shall
12 be submitted to the appropriate standing committees of the legislature
13 for their review by August 15, 1996.

14 Following legislative review, the board of natural resources shall
15 hold public hearings throughout the state on the criteria. The
16 criteria shall be adopted by the board of natural resources by rule by
17 December 31, 1996.

18 There are two major categories of lands that may be removed from
19 trust:

20 (1) Lands that cannot be economically harvested:

21 (a) That the cumulative financial costs of harvesting exceed the
22 projected full stumpage of the timber; and

23 (b) Lands constrained by environmental mandates under state or
24 federal law.

25 (2) Lands that are difficult to manage for revenue production
26 because of significant values such as recreation, scenic
27 considerations, conservation, or fish or wildlife habitat.

28 NEW SECTION. **Sec. 3.** The department of natural resources must
29 establish two lists of properties that are eligible for transfer under
30 the criteria for removing lands from trust under section 2 of this act.
31 There must be a clear identification of the reasons each property is
32 being considered for transfer. The department of natural resources
33 must set up a property selection process. The department of natural
34 resources must develop a prioritized list of properties that the
35 receiving agencies may choose from. The receiving agencies may only
36 choose potential transfer properties from the lists.

1 The department of natural resources shall establish the following
2 lists:

- 3 (1) Lands that cannot be economically harvested; and
- 4 (2) Lands that are difficult to manage for revenue production
5 because of significant values.

6 NEW SECTION. **Sec. 4.** The department of natural resources shall
7 attempt to maintain a minimum aggregate ratio of approximately eighty-
8 five to fifteen timber-to-land value in the transactions authorized by
9 this chapter. If the aggregate value of timber-to-land varies by more
10 than plus or minus five percent of that ratio, individual land
11 transfers may be dropped in order to maintain the approximate ratio.
12 Intergrant exchanges between common school and other trust lands of
13 equal value may occur if the exchange is in the interest of each trust,
14 as determined by the board of natural resources.

15 NEW SECTION. **Sec. 5.** There must be a determination as to which
16 public entity receives the transfer property. Eligible entities are
17 state parks, the department of fish and wildlife, the department of
18 natural resources, local agencies, and appropriate federal agencies.
19 A process for including local and federal agencies should be developed
20 and encouraged as a means to maximize public recreation and
21 conservation and to include agencies that may have better means of
22 addressing the ongoing maintenance and operation needs of the property
23 once it is removed from trust status.

24 The receiving entity should demonstrate the ability to manage the
25 property according to state and local weed, fire, and safety criteria.

26 NEW SECTION. **Sec. 6.** (1) The land and timber covered by this
27 chapter shall be appraised and purchased at full market value.

28 (2) The proceeds of the sales attributed to timber value shall be
29 deposited by the department of natural resources in the same manner as
30 timber revenues from other common school trust lands except that no
31 deductions shall be made for the resource management cost account under
32 RCW 79.64.040.

33 (3) The proceeds of the sales attributed to land value shall be
34 deposited into the natural resources real property replacement account
35 authorized by RCW 43.30.265. These funds shall be used by the
36 department of natural resources to acquire replacement land with an

1 emphasis on timberland of equal value to be managed as common school
2 trust land.

3 (4) All reasonable costs incurred by the department of natural
4 resources to implement this chapter, including all costs of acquiring
5 real property to replace the trust lands transferred, are authorized to
6 be paid from appropriations implementing this chapter.

7 (5) The department of natural resources shall develop standards to
8 implement section 5 of this act.

9 NEW SECTION. **Sec. 7.** The department of natural resources shall
10 appoint an advisory committee within thirty days of the effective date
11 of this chapter. The department of natural resources shall work
12 regularly with the advisory committee on the trust land transfer
13 program. The advisory committee shall include a representative for
14 each of the following:

15 (1) The common school trust;

16 (2) The county governments of timber counties located in eastern
17 Washington;

18 (3) The county governments of timber counties located in western
19 Washington;

20 (4) The parks and recreation commission; and

21 (5) The department of fish and wildlife.

22 NEW SECTION. **Sec. 8.** (1) The criteria required under this chapter
23 shall be used for the evaluation of lands and resources. By November
24 1st of each year, the department of natural resources, after approval
25 by the board of natural resources, shall submit a list of any trust
26 land transfer property requests to the legislature for its
27 consideration in the capital budget.

28 (2) The approximately five hundred seventy-five acres of the
29 greater Western state hospital campus not a part of the central
30 institutional campus shall be managed as a part of the charitable,
31 educational, penal, and reformatory institution account. No transfer
32 of any or all of such property shall be accomplished except in
33 compliance with the procedures of this chapter, and specific submittal
34 to the legislature as required by this section.

35 NEW SECTION. **Sec. 9.** The department of natural resources must
36 hold a public hearing in an area impacted by the land transfer. Prior

1 notice must be given by the department of natural resources to abutting
2 landowners or lessees concerning all transfers covered by this chapter.

3 NEW SECTION. **Sec. 10.** (1) Each county commissioner of a county or
4 member of a county legislative authority with public land or timber
5 that is affected by a proposed change in status of land or timber must
6 be notified.

7 (2) Public land or timber transfers covered by this chapter must be
8 carried out in cooperation with other interested state, local, and
9 federal agencies.

10 NEW SECTION. **Sec. 11.** Except for section 6 of this act, this
11 chapter shall not apply to trust lands approved prior to July 1, 1996,
12 by the legislature for transfer.

13 NEW SECTION. **Sec. 12.** Sections 1 through 11 of this act shall
14 constitute a new chapter in Title 79 RCW.

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