

2 SHB 1418 - S COMM AMD

3 By Committee on Natural Resources & Parks

4 ADOPTED 4/7/97

5 Strike everything after the enacting clause and insert the
6 following:

7 "Sec. 1. RCW 79.64.030 and 1993 c 460 s 2 are each amended to read
8 as follows:

9 Funds in the account derived from the gross proceeds of leases,
10 sales, contracts, licenses, permits, easements, and rights of way
11 issued by the department and affecting school lands, university lands,
12 (~~agricultural college lands,~~) scientific school lands, normal school
13 lands, capitol building lands, or institutional lands shall be (~~pooled~~
14 ~~and~~) expended by the department solely for the purpose of defraying
15 the costs and expenses necessarily incurred in managing and
16 administering (~~all of the trust lands enumerated in this section~~)
17 state lands of the same trust. Such funds may be used for similar
18 costs and expenses in managing and administering other lands managed by
19 the department provided that such expenditures that have been or may be
20 made on such other lands shall be repaid to the resource management
21 cost account together with interest at a rate determined by the board
22 of natural resources.

23 An accounting shall be made annually of the accrued expenditures
24 from the (~~pooled~~) trust funds in the account. In the event the
25 accounting determines that expenditures have been made from moneys
26 derived from certain trust lands for the benefit of another trust or
27 other lands, such expenditure shall be considered a debt and an
28 encumbrance against the property or trust funds benefited, including
29 property held under chapter 76.12 RCW. The results of the accounting
30 shall be reported to the legislature at the next regular session. The
31 state treasurer is authorized, upon request of the department, to
32 transfer funds between the forest development account and the resource
33 management cost account solely for purpose of repaying loans pursuant
34 to this section.

1 **Sec. 2.** RCW 79.01.136 and 1979 ex.s. c 109 s 5 are each amended to
2 read as follows:

3 Before any state lands are offered for sale, or lease, or are
4 assigned, the department of natural resources may establish the fair
5 market value of those authorized improvements not owned by the state.
6 In the event that agreement cannot be reached between the state and the
7 lessee on the fair market value, such valuation shall be submitted to
8 a review board of appraisers. The board shall be as follows: One
9 member to be selected by the lessee and his or her expense shall be
10 borne by the lessee; one member selected by the state and his or her
11 expense shall be borne by the state; these members so selected shall
12 mutually select a third member and his or her expenses shall be shared
13 equally by the lessee and the state. The majority decision of this
14 appraisal review board shall be binding on both parties. For this
15 purpose "fair market value" is defined as: The highest price in terms
16 of money which a property will bring in a competitive and open market
17 under all conditions of a fair sale, the buyer and seller, each
18 prudently knowledgeable and assuming the price is not affected by undue
19 stimulus. All damages and wastes committed upon such lands and other
20 obligations due from the lessee shall be deducted from the appraised
21 value of the improvements(~~(:—PROVIDED, That)~~). However, the
22 department of natural resources on behalf of the respective trust may
23 purchase at fair market value those improvements if it appears to be in
24 the best interest of the state ((from the RMCA of the general fund)).
25 Payment for the improvements may be made with funds held on behalf of
26 the trust in the resource management cost account established under RCW
27 79.64.020.

28 **Sec. 3.** RCW 79.64.010 and 1967 ex.s. c 63 s 1 are each amended to
29 read as follows:

30 Unless a different meaning is plainly required by the context, the
31 following words and phrases as hereinafter used in this chapter shall
32 have the following meanings:

33 (1) "Account" means the resource management cost account in the
34 state general fund.

35 (2) "Department" means the department of natural resources.

36 (3) "Board" means the board of natural resources of the department
37 of natural resources.

1 (4) "Rule" means rule as (~~the same~~) that term is defined by RCW
2 34.05.010.

3 (5) The definitions set forth in RCW 79.01.004 shall be applicable.

4 (6) "Agricultural college lands" means all public lands awarded to
5 the state of Washington under section 16 of the Omnibus Enabling Act
6 (25 Stat. 180) and all lands acquired as the result of the sale or
7 exchange of the lands.

8 **Sec. 4.** RCW 79.64.020 and 1993 c 460 s 1 are each amended to read
9 as follows:

10 A resource management cost account in the state treasury is hereby
11 created to be used solely for the purpose of defraying the costs and
12 expenses necessarily incurred by the department in managing and
13 administering public lands, and the making and administering of leases,
14 sales, contracts, licenses, permits, easements, and rights of way on or
15 with respect to such lands as authorized under the provisions of this
16 title. Appropriations from the account to the department shall be
17 expended for no other purposes. The resource management cost account
18 may receive and accept funds that are to be used for such purposes from
19 any source. Funds in the account produced by a trust may be
20 appropriated or transferred by the legislature (~~for the benefit of all~~
21 ~~of the trusts from which the funds were derived~~) only for the benefit
22 of the trust.

23 NEW SECTION. **Sec. 5.** A new section is added to chapter 79.64 RCW
24 to read as follows:

25 No part of the gross proceeds from leases, sales, contracts,
26 licenses, permits, easements, and rights of way on or relating to the
27 agricultural college lands may be used to defray costs or expenses
28 incurred in managing and administering the lands, and all such gross
29 proceeds shall be made available to the beneficiary of the agricultural
30 college lands.

31 **Sec. 6.** RCW 79.64.040 and 1981 2nd ex.s. c 4 s 3 are each amended
32 to read as follows:

33 The board shall determine the amount deemed necessary in order to
34 achieve the purposes of this chapter and shall provide by rule for the
35 deduction of this amount from the gross proceeds of all leases, sales,
36 contracts, licenses, permits, easements, and rights of way issued by

1 the department and affecting public lands other than the agricultural
2 college lands. Moneys received with respect to such lands as deposits
3 from successful bidders, advance payments, and security under RCW
4 79.01.132 and 79.01.204 prior to December 1, 1981, which have not been
5 subjected to deduction under this section are not subject to deduction
6 under this section. The deductions authorized under this section shall
7 in no event exceed twenty-five percent of the total sum received by the
8 department in connection with any one transaction pertaining to public
9 lands other than second class tide and shore lands and the beds of
10 navigable waters, and fifty percent of the total gross proceeds
11 received by the department pertaining to second class tide and shore
12 lands and the beds of navigable waters.

13 NEW SECTION. **Sec. 7.** This act is necessary for the immediate
14 preservation of the public peace, health, or safety, or support of the
15 state government and its existing public institutions, and takes effect
16 July 1, 1997."

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20 On page 1, line 3 of the title, after "lands;" strike the remainder
21 of the title and insert "amending RCW 79.64.030, 79.01.136, 79.64.010,
22 79.64.020, and 79.64.040; adding a new section to chapter 79.64 RCW;
23 providing an effective date; and declaring an emergency."

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