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SENATE BILL 5826

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State of Washington

55th Legislature

1997 Regular Session

By Senator Morton; by request of Washington State University

Read first time 02/14/97. Referred to Committee on Natural Resources & Parks.

1 AN ACT Relating to Morrill act trust lands and other public trusts;  
2 amending RCW 79.01.088, 79.01.136, 79.01.724, 79.64.010, 79.64.020,  
3 79.64.030, 79.64.040, 79.66.050, 79.66.060, and 79.90.100; adding a new  
4 section to chapter 79.64 RCW; and declaring an emergency.

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

6 **Sec. 1.** RCW 79.01.088 and 1982 1st ex.s. c 21 s 151 are each  
7 amended to read as follows:

8 Any person desiring to purchase any state lands, or to purchase any  
9 timber, fallen timber, stone, gravel, or other valuable materials  
10 situated on state lands, or to lease any state lands, shall file in the  
11 office of the commissioner of public lands an application, on the  
12 proper form which shall be accompanied by reasonable fees to be  
13 prescribed by the board of natural resources in an amount sufficient to  
14 defray the cost of performing or otherwise providing for the  
15 processing, review, or inspection of the applications or activities  
16 permitted pursuant to the applications for each category of services  
17 performed. If the proposed activity involves Morrill act lands as  
18 defined by RCW 79.64.010(6), these fees shall be used to defray any  
19 costs or expenses incurred in the management or administration of such

1 lands. If the proposed activity involves public lands other than the  
2 Morrill act lands, these fees shall be credited to the resource  
3 management cost account ((RMCA)) fund as established under RCW  
4 79.64.010 ((in the general fund)).

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

7 Before any state lands are offered for sale, or lease, or are  
8 assigned, the department of natural resources may establish the fair  
9 market value of those authorized improvements not owned by the state.  
10 In the event that agreement cannot be reached between the state and the  
11 lessee on the fair market value, such valuation shall be submitted to  
12 a review board of appraisers. The board shall be as follows: One  
13 member to be selected by the lessee and ~~((his))~~ the member's expense  
14 shall be borne by the lessee; one member selected by the state and  
15 ~~((his))~~ the member's expense shall be borne by the state; these members  
16 so selected shall mutually select a third member and ~~((his))~~ the  
17 member's expenses shall be shared equally by the lessee and the state.  
18 The majority decision of this appraisal review board shall be binding  
19 on both parties. For this purpose "fair market value" is defined as:  
20 The highest price in terms of money which a property will bring in a  
21 competitive and open market under all conditions of a fair sale, the  
22 buyer and seller, each prudently knowledgeable and assuming the price  
23 is not affected by undue stimulus. All damages and wastes committed  
24 upon such lands and other obligations due from the lessee shall be  
25 deducted from the appraised value of the improvements: PROVIDED, That  
26 the department of natural resources on behalf of the respective trust  
27 may purchase at fair market value those improvements if it appears to  
28 be in the best interest of the state ~~((from the RMCA of the general~~  
29 ~~fund))~~. If the respective trust does not include Morrill act lands as  
30 defined in RCW 79.64.010(6), then payment for such improvements may be  
31 made with funds held on behalf of such trust in the resource management  
32 cost account established under RCW 79.64.020.

33 **Sec. 3.** RCW 79.01.724 and 1979 ex.s. c 109 s 19 are each amended  
34 to read as follows:

35 The commissioner of public lands shall keep a fee book, in which  
36 shall be entered all fees received by ~~((him))~~ the commissioner, with  
37 the date paid and the name of the person paying the same, and the

1 nature of the services rendered for which the fee is charged, which  
2 book shall be verified monthly by ~~((his))~~ the commissioner's affidavit  
3 entered ~~((therein, and all fees collected by him))~~ in the book. If the  
4 activity for which the fee is assessed involves Morrill act lands as  
5 defined by RCW 79.64.010(6), these fees shall be used to defray any  
6 expenses incurred in the management or administration of such lands.  
7 If the activity for which the fee is assessed involves public lands  
8 other than the Morrill act lands, these fees shall be credited to the  
9 resource management cost account fund as established under RCW  
10 79.64.010 in the general fund. All fees payable to the resource  
11 management cost account shall be paid into the state treasury ~~((to the~~  
12 RMCA within the general fund and the receipt of)). The state treasurer  
13 ~~((taken therefor and))~~ shall provide a receipt, and the receipt shall  
14 be retained in the office of the commissioner of public lands as a  
15 voucher.

16 **Sec. 4.** RCW 79.64.010 and 1967 ex.s. c 63 s 1 are each amended to  
17 read as follows:

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

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

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

24 (3) "Board" means the board of natural resources of the department  
25 of natural resources.

26 (4) "Rule" means rule as the same is defined by RCW 34.05.010.

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

28 (6) "Morrill act lands" means all public lands awarded to the state  
29 of Washington under section 16 of the Omnibus Enabling Act, 25 U.S.  
30 Statutes at Large, c 180 p 676, and all lands acquired as the result of  
31 the sale or exchange of such lands.

32 **Sec. 5.** RCW 79.64.020 and 1993 c 460 s 1 are each amended to read  
33 as follows:

34 A resource management cost account in the state treasury is hereby  
35 created to be used solely for the purpose of defraying the costs and  
36 expenses necessarily incurred by the department in managing and  
37 administering public lands other than the Morrill act lands, and the

1 making and administering of leases, sales, contracts, licenses,  
2 permits, easements, and rights of way on or with respect to such lands  
3 as authorized under the provisions of this title. Appropriations from  
4 the account to the department shall be expended for no other purposes.  
5 Funds in the account produced by a trust may be appropriated or  
6 transferred by the legislature (~~((for the benefit of all of the trusts~~  
7 ~~from which the funds were derived))~~) only for the benefit of such trust.

8 NEW SECTION. Sec. 6. A new section is added to chapter 79.64 RCW  
9 to read as follows:

10 All costs and expenses necessarily incurred by the department in  
11 managing and administering the Morrill act lands shall be funded from  
12 the general fund. No part of the gross proceeds from leases, sales,  
13 contracts, licenses, permits, easements, and rights of way on or  
14 relating to the Morrill act lands may be used to defray any costs or  
15 expenses incurred in managing and administering such lands, and all  
16 such gross proceeds shall be made available to the beneficiary of the  
17 Morrill act lands.

18 Sec. 7. RCW 79.64.030 and 1993 c 460 s 2 are each amended to read  
19 as follows:

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

34 An accounting shall be made annually of the accrued expenditures  
35 from the (~~((pooled))~~) trust funds in the account. In the event the  
36 accounting determines that expenditures have been made from moneys  
37 derived from certain trust lands for the benefit of another trust or

1 other lands, such expenditure shall be considered a debt and an  
2 encumbrance against the property or trust benefited, including property  
3 held under chapter 76.12 RCW. The results of the accounting shall be  
4 reported to the legislature at the next regular session. The state  
5 treasurer is authorized, upon request of the department, to transfer  
6 funds between the forest development account and the resource  
7 management cost account solely for purpose of repaying loans pursuant  
8 to this section.

9       **Sec. 8.** RCW 79.64.040 and 1981 2nd ex.s. c 4 s 3 are each amended  
10 to read as follows:

11       The board shall determine the amount deemed necessary in order to  
12 achieve the purposes of this chapter and shall provide by rule for the  
13 deduction of this amount from the gross proceeds of all leases, sales,  
14 contracts, licenses, permits, easements, and rights of way issued by  
15 the department and affecting public lands other than the Morrill act  
16 lands. Moneys received with respect to such lands as deposits from  
17 successful bidders, advance payments, and security under RCW 79.01.132  
18 and 79.01.204 prior to December 1, 1981, which have not been subjected  
19 to deduction under this section are not subject to deduction under this  
20 section. The deductions authorized under this section shall in no  
21 event exceed twenty-five percent of the total sum received by the  
22 department in connection with any one transaction pertaining to public  
23 lands other than second class tide and shore lands and the beds of  
24 navigable waters, and fifty percent of the total gross proceeds  
25 received by the department pertaining to second class tide and shore  
26 lands and the beds of navigable waters.

27       **Sec. 9.** RCW 79.66.050 and 1984 c 222 s 5 are each amended to read  
28 as follows:

29       The legislature may authorize (~~(appropriation)~~) the loan of funds  
30 from the forest development account or the resource management cost  
31 account for the purposes of this chapter. Income from the sale or  
32 management of property in the land bank shall be returned as a  
33 recovered expense to the forest development account or the resource  
34 management cost account, and any surplus may be used to acquire  
35 property under RCW 79.66.020.

1       **Sec. 10.** RCW 79.66.060 and 1984 c 222 s 6 are each amended to read  
2 as follows:

3       The department of natural resources shall be reimbursed for actual  
4 costs and expenses incurred in managing and administering the land bank  
5 program under this chapter from the forest development account or the  
6 resource management cost account in an amount not to exceed the limits  
7 provided in RCW 79.64.040. Reimbursement shall occur at such time as  
8 the property held in the land bank is transferred to a public land  
9 trust, at which time funds held on behalf of such trust by the forest  
10 development account or the resource management cost account may be  
11 used. Reimbursement from proceeds of sales shall be limited to  
12 marketing costs provided in RCW 79.01.612.

13       **Sec. 11.** RCW 79.90.100 and 1982 1st ex.s. c 21 s 16 are each  
14 amended to read as follows:

15       Any person desiring to purchase any tide or shore lands belonging  
16 to the state, otherwise permitted under RCW 79.94.150 to be sold, or to  
17 purchase any valuable material situated thereon, or to lease any  
18 aquatic lands, shall file with the department of natural resources an  
19 application, on the proper form which shall be accompanied by  
20 reasonable fees to be prescribed by the board of natural resources in  
21 its rules and regulations, in an amount sufficient to defray the cost  
22 of performing or otherwise providing for the processing, review, or  
23 inspection of the applications or activities permitted pursuant to the  
24 applications for each category of services performed. If the proposed  
25 activity involves Morrill act lands as defined by RCW 79.64.010(6),  
26 these fees shall be used to defray any costs or expenses incurred in  
27 the management or administration of such lands. If the activity for  
28 which the fee is assessed involves public lands other than Morrill act  
29 lands, these fees shall be credited to the resource management cost  
30 account ((~~RMCA~~) fund in the general) fund as established under RCW  
31 79.64.010.

32       NEW SECTION. **Sec. 12.** This act is necessary for the immediate  
33 preservation of the public peace, health, or safety, or support of the  
34 state government and its existing public institutions, and takes effect  
35 immediately.

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