

# SENATE BILL REPORT

## SB 5817

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As of February 15, 2005

**Title:** An act relating to the state granted lands sales program.

**Brief Description:** Creating the state granted lands sales program.

**Sponsors:** Senators Doumit and Jacobsen.

**Brief History:**

**Committee Activity:** Natural Resources, Ocean & Recreation: 2/14/05.

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### SENATE COMMITTEE ON NATURAL RESOURCES, OCEAN & RECREATION

**Staff:** Curt Gavigan (786-7437)

**Background:** At statehood, the federal government provided Washington with approximately 3.2 million acres of land. The state subsequently sold a portion of these granted lands and approximately 2.2 million acres remain in the state's control. These lands are widely dispersed and contain a variety of land types, such as forest and agricultural lands. These lands are held by the state in trust for beneficiaries, including common schools, state colleges and universities, and charitable and penal institutions.

In 1957, the Department of Natural Resources (Department) was created by the Legislature. The Department manages more than 5 million acres of state-owned land, including granted lands. The Department is allowed to exchange, transfer, acquire, and replace trust lands.

**Summary of Bill:** The State Granted Lands Sales Program is created. By December 31, 2010, the Department must update appraisals of the fair market value of granted trust lands managed for forestry, grazing, and agricultural purposes.

The Department must develop a plan for the public sale of granted lands managed for forestry, grazing, and agricultural purposes over a period not to exceed 50 years. The plan must seek to maximize the revenue from the sale of these lands for the trust beneficiaries. The Department must present the plan to the Legislature by December 31, 2006, and begin implementation of the plan by December 31, 2007.

Revenue from the sale of granted lands must be deposited in the appropriate permanent funds for the trust beneficiaries. Each beneficiary's permanent fund must be compensated for any amount by which the appraised market value of trust lands sold exceeds the sale price of such lands.

The Granted Lands Sales Account is created to compensate trust beneficiaries for granted lands sold for less than appraised market value. The Granted Lands Sales Management Account is created to fund the management of the Granted Lands Sales Program.

**Appropriation:** None.

**Fiscal Note:** Requested on February 7, 2005.

**Committee/Commission/Task Force Created:** No.

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

**Testimony For:** Current returns to trust beneficiaries from the trust lands are estimated at less than 2 percent. Shifting trust assets to investments outside of land management would likely provide greater returns for the beneficiaries.

**Testimony Against:** Selling trust lands into private hands would cut the trust beneficiaries off from increases in the value of such lands. Placing trust lands into private hands might also cut off habitat conservation plan responsibilities. Selling trust lands off too quickly would cause a decrease in the value of forest land in general, reducing the value of acreage sold. DNR employs many people, whose jobs might be impacted by changes in trust land management. Additionally, current forest practices can protect the environment while providing strong economic returns to the trust beneficiaries.

**Who Testified:** PRO: Larry Ganders, Washington State University.

OTHER: Bill Robinson, The Nature Conservancy.

CON: Bruce Mackey, Department of Natural Resources; Lynn Maier, Washington Public Employees Association; Becky Kelley, Washington Environmental Council; Mitch Friedman, NW Ecosystem Alliance.