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**Capital Budget Committee**

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**HB 2119**

**Brief Description:** Concerning the distribution of moneys derived from certain state forestlands.

**Sponsors:** Representatives Morris and Lekanoff; by request of Department of Natural Resources.

**Brief Summary of Bill**

- Authorizes a county to prorate payments from the exchange of certain state forest lands in the same manner as general taxes are paid and distributed.

**Hearing Date:** 2/25/19

**Staff:** Christine Thomas (786-7142).

**Background:**

The Department of Natural Resources (DNR) manages more than 600,000 acres of state forestlands, which were acquired primarily through tax foreclosures in the 1920s and 1930s, and to a lesser extent through purchases by the state or gifts to the state. State forestlands are managed for the benefit of taxing districts that provide public services such as roads, schools, hospitals, libraries, and fire districts in the counties in which the lands are located. Revenues generated by state forestlands are distributed to the counties in the same manner as general taxes are paid and distributed to the various taxing districts.

The 2018 Supplemental Capital Budget contained a provision in the Trust Land Transfer appropriation that directed the DNR to exchange land within the Common School Trust for state forestlands of equal value known as the Harriet A. Spanel State Forest by June 30, 2019. The taxing districts of the former Common School Trust land may change as a result of the inter-trust land exchange.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

**Summary of Bill:**

In order to test county flexibility in distributing state forestland revenue, a county may pay, distribute, and prorate payments of moneys derived from the former Common School Trust land exchanged into the State Forestlands Trust in the same manner as general taxes are paid for the former state forestlands that were subject to the exchange.

**Appropriation:** None.

**Fiscal Note:** Requested on February 23, 2019.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.