

HOUSE BILL REPORT

HB 2119

As Reported by House Committee On: Capital Budget

Title: An act relating to the distribution of moneys derived from certain state forestlands.

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 History:

Committee Activity:

Capital Budget: 2/25/19, 2/26/19 [DP].

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.

HOUSE COMMITTEE ON CAPITAL BUDGET

Majority Report: Do pass. Signed by 21 members: Representatives Tharinger, Chair; Doglio, Vice Chair; Peterson, Vice Chair; DeBolt, Ranking Minority Member; Smith, Assistant Ranking Minority Member; Steele, Assistant Ranking Minority Member; Callan, Corry, Davis, Dye, Eslick, Gildon, Irwin, Leavitt, Lekanoff, Maycumber, Morgan, Riccelli, Santos, Sells and Stonier.

Minority Report: Do not pass. Signed by 1 member: Representative Walsh.

Minority Report: Without recommendation. Signed by 1 member: Representative Jenkin.

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,

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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.

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: Preliminary fiscal note available.

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

Staff Summary of Public Testimony:

(In support) This bill at the request of the DNR will finalize the Harriet A. Spanel/Blanchard Working Forest (Blanchard) strategy. This final action is needed to ensure that the trust beneficiaries and other stakeholders who worked collaboratively are made whole. The bill is temporary, but provides flexibility for maintaining revenue streams to affected stakeholders. Since private lands are also being purchased within the time period set in the bill, there will be lost revenue. Because the Blanchard situation is unique, the bill should make it clear that the intent is for the Blanchard land exchange only. The DNR is working closely with counties to communicate the intent of the bill while the bill permits counties to determine the distribution of revenues to the junior taxing districts.

(Opposed) None.

Persons Testifying: Joanna Eide, Department of Natural Resources; and Heath Heikkila, American Forest Resource Council.

Persons Signed In To Testify But Not Testifying: None.