

SENATE BILL REPORT

SB 5254

As of January 23, 2023

Title: An act relating to the leasing of state lands.

Brief Description: Concerning the leasing of state lands.

Sponsors: Senators Van De Wege, Braun, Mullet, Muzzall, Rolfes, Wagoner and Wilson, L..

Brief History:

Committee Activity: Agriculture, Water, Natural Resources & Parks: 1/23/23.

Brief Summary of Bill

- Requires the Board of Natural Resources to approve certain leases of state lands or state forestlands involving 250 acres or more of land.

SENATE COMMITTEE ON AGRICULTURE, WATER, NATURAL RESOURCES & PARKS

Staff: Jeff Olsen (786-7428)

Background: The Department of Natural Resources (DNR) manages a number of different categories of land, each for a specific purpose and under different management requirements. These include approximately 3 million acres of federally-granted lands and state forest lands, which DNR manages to support common schools, counties, and other public institutions.

The DNR has the authority to lease state lands for various purposes, including commercial, industrial, residential, agricultural, and recreational uses, in order to obtain a fair-market rental return to the state or appropriate trust. The DNR also manages more than 600,000 acres of state forest lands, 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 forest lands are managed for the benefit of the counties in which the lands are located.

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

The Board of Natural Resources (Board) sets policies to guide how DNR manages the state's lands and resources. The Board consists of six members including the Governor or the Governor's designee, the Superintendent of Public Instruction, the Commissioner of Public Lands, the director of the University of Washington School of Forestry, the dean of the Washington State College of Agricultural, Human, and Natural Resource Sciences, and a representative of a timber county. The Board has several responsibilities including approve or disapprove trust land timber and mineral sales, establish the sustainable harvest level for forested trust lands, approve or disapprove sales or exchanges of trust lands, and guide DNR's stewardship of state Natural Area Preserves, Natural Resources Conservation Areas, and aquatic or submerged lands.

Summary of Bill: Except for agricultural or grazing leases, any lease involving 250 acres or more of state lands or state forestlands is subject to approval by the Board.

Appropriation: None.

Fiscal Note: Requested on January 14, 2023.

Creates Committee/Commission/Task Force that includes Legislative members: No.

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

Staff Summary of Public Testimony: PRO: The Commissioner of Public Lands has proposed a 10,000 acre lease for carbon sequestration, without having to seek approval from the Board. This bill will require that larger, non-agricultural leases are sent to the Board for approval, allowing for more public input, increased transparency and more accountability. Every timber sale regardless of size already goes before the Board for approval. Leases of thousands of acres of public land should include a robust public process. Major decisions should be made by the Board, that has a diverse background of six members. Impacts to trust beneficiaries, including schools, ports, and other local districts need to be considered. Lease decisions with impacts to the sustainable harvest calculation should be considered by the Board.

CON: This bill is related to the carbon project, and is too broad as drafted and impacts other leases including clean energy. By impacting all leases, it add costs, extra oversight, and uncertainty. If the bill is limited to review of carbon projects it would not be an issue. DNR is able to negotiate directly on complex leases. This bill adds time and uncertainty, and many leases may be lost. Lease negotiations are difficult when the decision maker is a Board rather than a single decision maker.

Persons Testifying: PRO: Senator Kevin Van De Wege, Prime Sponsor; Heath Curtiss, Hampton Lumber; Thomas Lannen, County Government; Heath Heikkila, American Forest Resource Council; James McEntire; Dave Arbaugh, Sierra Pacific Industries; Connie

Beauvais, Port of Port Angeles.

CON: Brian Considine, Washington Department of Natural Resources; Duane Emmons, Washington Department of Natural Resources.

Persons Signed In To Testify But Not Testifying: No one.