

FINAL BILL REPORT

ESB 6161

C 167 L 92

SYNOPSIS AS ENACTED

Brief Description: Allowing the nonpermanent disposition of public lands.

SPONSORS: Senators Oke and Sutherland; by request of Department of Natural Resources

SENATE COMMITTEE ON ENVIRONMENT & NATURAL RESOURCES

HOUSE COMMITTEE ON NATURAL RESOURCES & PARKS

BACKGROUND:

The Department of Natural Resources (DNR) may sell, lease, or exchange public lands. Statutory procedures provide that these land sales must be accomplished through public auction at no less than the appraised value. Leases may be accomplished through public auction for new leases or by negotiation for existing leases and leases related to commercial, industrial, or residential uses. Generally, land exchanges can occur only after public notice and hearing in the county in which the land is located.

In addition to the general procedures for the sale, lease, and exchange of public lands, DNR may purchase and sell land through the state land bank. DNR may acquire land of greater income generating potential and place it in the land bank for subsequent replacement of less desirable land. Thus, the total amount of publicly owned land base remains the same. A few problems exist in the land bank's facilitation of land replacement. The total acreage held in the land bank may not exceed 1,500 acres, thereby limiting the size of land transactions. In addition, when urban land is exchanged for land bank properties, government agencies are afforded preferential rights to acquire the urban land; however, other provisions of the land bank statute may preclude such exchanges without public auction, thereby complicating or negating a public agency's preferential rights.

The Legislature has occasionally budgeted appropriations to the Department of Natural Resources to allow the transfer or sale of state lands for particular public purposes. Lands are to be replaced so that the state land base will not be reduced. The department does not have an account to hold funds during the sale and alternate land transaction process.

SUMMARY:

The Department of Natural Resources is given an accounting mechanism to account for funds from the Legislature or land transfer or land disposition funds.

With the approval of the Board of Natural Resources, DNR may transfer or dispose of real property without public auction when transferring in lieu of condemnations, transferring to public agencies, or transferring to resolve trespass and property ownership disputes, if such transfer or disposition is nonpermanent. Transfers or dispositions can be made only after appraisal and must obtain fair market value. The consideration paid for such transfer or disposition must be used for replacement property.

Funds received for real property transfers and dispositions are to be deposited to the real property replacement account which is created as a new separate account in the State Treasurer's office.

VOTES ON FINAL PASSAGE:

Senate	47	0	
House	96	0	(House amended)
Senate	45	0	(Senate concurred)

EFFECTIVE: April 1, 1992