
SENATE BILL 6292

State of Washington 56th Legislature 2000 Regular Session

By Senators Morton, Rasmussen, Jacobsen and Rossi

Read first time . Referred to Committee on .

1 AN ACT Relating to timber sales; and adding a new chapter to Title
2 79 RCW.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 NEW SECTION. **Sec. 1.** (1) The legislature finds that:

5 (a) State forests are a valuable resource to the people of the
6 state, providing employment opportunities and a significant source of
7 income to the state and endowed state institutions;

8 (b) The commissioner of public lands is entrusted with managing
9 state forests in such a manner as will secure the maximum long-term
10 financial return to the institution to which granted or to the state if
11 not specifically granted;

12 (c) Maximum long-term financial returns to the institutions to
13 which land is granted or to the state if not specifically granted with
14 state forests is derived from processing within Washington timber from
15 state forests because this sustains a healthy forest products industry
16 in the state, thereby ensuring a sufficient number of bidders to
17 compete for the timber, generating increased financial returns for it;

1 (d) A stable supply of timber for the Washington forest products
2 industry will induce businesses to invest in processing facilities in
3 Washington, providing more jobs to Washington's people; and

4 (e) That the growth of the forest products industry in Washington
5 produced by a stable timber supply will contribute to the maximum
6 long-term financial return to the institution or to the state by
7 generating increased corporate and individual property taxes.

8 (2) It is declared that the purposes of this chapter are to:

9 (a) Promote wood processing and manufacturing in Washington to
10 generate related business and employment opportunities, creating
11 additional corporate and individual property taxes for the state and
12 its endowed institutions; and

13 (b) Act as a market participant in the timber market in a way that
14 helps enhance the long-term maximum value of state forests by ensuring
15 that an adequate proportion of the total sales of timber sold by the
16 state of Washington is sold to qualified purchasers within Washington.

17 NEW SECTION. **Sec. 2.** The definitions in this section apply
18 throughout this chapter unless the context clearly requires otherwise.

19 (1) "Board" means the board of natural resources created in RCW
20 43.30.040.

21 (2) "Person" means any individual, association, partnership,
22 corporation, trust, or other legal entity.

23 (3) "Qualified bidder" means a person who has neither processed
24 outside of Washington, nor sold to another person who has processed
25 outside of Washington, five percent or more of the cumulative total of
26 the timber from state forests he or she has purchased. However, the
27 purchase and disposition of pulp logs, as such logs are defined by the
28 board, shall not be considered in determining whether a purchaser is
29 qualified.

30 (4) "State forests" means all forest lands owned by the state of
31 Washington, including those lands granted to an institution by the
32 federal government, which are managed or controlled by the board.

33 (5) "Wood processing or manufacturing" means the conversion of logs
34 into finished wood products generally recognized as consumer goods,
35 including, but not limited to: Paper, shakes, lumber, shingles,
36 plywood and panel products, utility and other finished poles, and posts
37 and other fence products. Wood processing or manufacturing shall not

1 include removing bark and the immediate underlying surfaces of logs
2 thereby producing cants for export outside the boundaries of the state.

3 NEW SECTION. **Sec. 3.** (1) Each fiscal year, the board shall offer
4 ninety-five percent of the total volume of the year's timber sales from
5 state forests, exclusive of estimated pulp log volumes from state
6 forests, for sale to qualified bidders. The remaining five percent of
7 the total volume of the year's timber sales shall be offered for sale
8 to all persons, regardless of whether they are qualified bidders under
9 this chapter.

10 (2) Notwithstanding the provisions of subsection (1) of this
11 section, the board shall, if it finds after consideration of
12 unanticipated dislocations in local timber supplies that timber from
13 state forests in certain regions of the state will not be needed by
14 qualified bidders, offer such timber for sale to all persons without
15 regard to whether they are qualified bidders. In addition, if the
16 board determines that a purchaser who has previously acquired state
17 timber is adversely affected by a market dislocation, such purchaser
18 may dispose of his or her timber without affecting his or her qualified
19 bidder status.

20 (3) In the event qualified bidders do not purchase timber offered
21 for sale exclusively to them, the board, if it finds after
22 consideration of the reasons the timber was not sold, that it is in the
23 best interests of the state and the endowed institutions, may offer the
24 timber for sale to all bidders, without regard to whether they are
25 qualified bidders as defined in section 2 of this act. The purchase
26 and disposition of the timber shall not be considered in determining
27 whether a person is a qualified bidder for subsequent timber sales.

28 NEW SECTION. **Sec. 4.** A person must be certified by the board as
29 qualified prior to participating in any bidding for state forest timber
30 offered for sale under the provisions of this chapter. In support of
31 such certification, each bidder shall present at the request of the
32 board the timber purchase and disposition records described in this
33 section. The records shall show the cumulative annual purchases and
34 disposition of timber from state forests for the years preceding the
35 date of the timber sale. However, in no event shall the disposition of
36 timber from a sale prior to the effective date of this section be
37 considered. Any person seeking certification who has not previously

1 purchased timber from state forests shall provide the board with the
2 names and addresses of all persons who have any financial interest in
3 the purchase or disposition of the timber, whether the interest results
4 from open loans, mortgages, conditional sales, contracts, silent
5 partnerships, trusts, or any other basis other than trade accounts
6 incurred in the ordinary course of business, and the amounts of the
7 interests. Persons seeking certification shall further provide any
8 other information the board reasonably requires to determine whether
9 such a person is a qualified bidder as defined in section 2 of this
10 act. In determining the status of a person, the board may take into
11 consideration other evidence, such as scaling records, load tickets for
12 vehicles transporting forest products, and other written and oral
13 testimony. The information received pursuant to this section shall not
14 be available to the general public unless the person seeking to become
15 a qualified bidder authorizes a release of the information.

16 NEW SECTION. **Sec. 5.** The board shall maintain a current list of
17 all certified bidders. The board shall immediately remove from its
18 list of certified bidders any person who ceases to meet the definition
19 of a qualified bidder as defined in section 2 of this act. A person
20 removed from the list of qualified bidders is ineligible for a period
21 of five years to participate in any bidding on timber sales reserved
22 for qualified bidders. The board shall retain the power to make the
23 final determination upon a bidder's status.

24 NEW SECTION. **Sec. 6.** (1) The attorney general is directed to take
25 any action he or she deems necessary to determine the federal and state
26 constitutionality of this chapter. Pending the resolution of the
27 attorney general's actions, timber sales shall be made under the
28 provisions of this chapter. If, however, for any reason the state
29 cannot sell its timber under the provisions of this chapter, the board
30 shall carry out its timber sale program under other existing statutes
31 and rules.

32 (2) The board shall adopt those rules necessary to implement and
33 administer the provisions of this chapter.

34 NEW SECTION. **Sec. 7.** If any provision of this act or its
35 application to any person or circumstance is held invalid, the

1 remainder of the act or the application of the provision to other
2 persons or circumstances is not affected.

3 NEW SECTION. **Sec. 8.** Sections 1 through 7 of this act constitute
4 a new chapter in Title 79 RCW.

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