
**Agriculture & Natural
Resources Committee**

SSB 5751

Brief Description: Concerning the sale of valuable material from state lands.

Sponsors: Senate Committee on Natural Resources, Energy & Water (originally sponsored by Senator Hargrove).

Brief Summary of Substitute Bill

- Authorizes the Board of Natural Resources to set the maximum dollar amount for directly sold valuable materials, without a \$20,000 cap.
- Enlarges the \$100,000 cap for valuable material sales that are eligible for alternative notice to \$250,000, and allows valuable material sales that are appraised at less than \$250,000 to be excluded from the DNR's pamphlet of sales.

Hearing Date: 3/25/03

Staff: Jason Callahan (786-7117).

Background:

The Department of Natural Resources (DNR) has express authority to sell timber and other valuable resources from state lands. The DNR sells a variety of valuable materials from state lands, including timber, stone, gravel, and geoducks. Before valuable materials can be sold, the sale must be properly noticed so that the maximum number of potential buyers are aware of the pending sale. The DNR is required to publish notice of sales in newspapers no less than twice within the four-week period leading up to a sale. In addition, the notice of sale must be posted in the DNR's Olympia office, and in both the DNR's regional office and the county auditor's office for the county in which the sale is occurring. The notice must include the exact location of each parcel offered for sale and the estimated volume of all valuable materials to be sold.

There is an exception to the notice requirement for the sale of valuable materials appraised at less than \$100,000. These sales may go forward after published notice no less than 10 days before the sale.

In addition to the notice requirement for potential sales, the DNR is required to a list of all public lands and valuable materials that are going to be sold. The list must be published in a pamphlet and arranged alphabetically by county.

Most sales conducted by the DNR must be done at public auction and offered to the highest responsible bidder. However, the DNR does have the authority to offer a direct sale without notice or advertising for sales appraised at \$20,000 or less. Direct sales may only go forward after the DNR has established procedures that ensure competitive market prices and accountability.

Summary of Bill:

The Board of Natural Resources (Board) may set the maximum dollar amount for directly sold valuable materials. The Board is no longer constrained by the \$20,000 cap.

In addition, the \$100,000 cap for valuable material sales that are eligible for the alternative notice is enlarged to \$250,000, and valuable material sales that are appraised at less than \$250,000 are not required to be included in the DNR's pamphlet of sales. The Commissioner of Public Lands is also given the express authority to use the internet for maximizing the number of prospective buyers for valuable material sales.

Appropriation: None.

Fiscal Note: Not Requested.

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