
Agriculture & Natural Resources
Committee

SSB 5957

Brief Description: Regarding the department of natural resources' authority for transactions involving certain commercial lands, natural resource lands, or forest lands at risk of development.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Jacobsen and Fraser).

Brief Summary of Substitute Bill

- Prohibits the Department of Natural Resources (DNR) from purchasing commercial urban properties and requires a long-term plan for the divestiture of urban properties.
- Provides the DNR with the authority to sell development rights from state lands.
- Makes permanent a temporary authorization to exchange land for land and proceeds.
- Expands the authority of the DNR to exchange lands without a public auction.
- Specifies the level of harvest in for some parcels within the DNR land bank.
- Requires a series of legislative reports.

Hearing Date: 3/17/09

Staff: Jason Callahan (786-7117)

Background:

Uplands Managed by the Department of Natural Resources.

Upon its admission to the United States in 1889, Washington received approximately 3.2 million acres of land from the federal government to support public institutions, including schools, public buildings, and higher education. Washington has retained the majority of these granted

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lands and now manages about 2.25 million federally granted acres. The state also manages approximately 626,000 acres of state forest lands, beneficiaries of which include counties and junior taxing districts. The Legislature has directed the Department of Natural Resources (DNR) to manage these lands.

Land Bank.

The DNR manages a state land bank. The land bank provides a mechanism used for the purchase, sale, and transfer of land that allows the DNR to replace less productive land with more productive land while maintaining the trust land base. Lands held in the land bank may not exceed 1,500 acres.

Other DNR Land Management Authorities.

The DNR may exchange state lands for land of equal value for certain purposes. These purposes include the facilitation of marketing forest products on state land, consolidation of state lands, the acquisition of county-owned lands, and the acquisition of certain urban properties. For the 2007-2009 biennium, the DNR may exchange state lands for land and proceeds of equal value for the purpose of maintaining working lands and acquiring natural resource lands at risk of development.

In certain circumstances, the DNR may dispose of or lease lands without public auction. These circumstances include transfers to public agencies and transfers to resolve property disputes. The DNR may only transfer such property for fair market value and in the best interest of the trust.

Summary of Bill:

Urban Properties.

The DNR is prohibited from acquiring any additional urban commercial properties. Any existing urban commercial properties owned by the DNR must be subject to a long-term strategy to dispose of the properties. The proceeds from the sale of urban properties must be reinvested into working natural resource lands that are either at the risk of conversion to a different land use or that will protect and enhance the value of existing trust land holdings.

The investment return for lands acquired that are at risk of conversion to a different land use must be calculated so that the investment value of the land is calculated separately from the development value.

The DNR is provided with the authority to sell the development rights of state lands at risk of conversion. The sale of development rights may only occur on state lands with a low potential for income-generating natural resource management.

Land Exchanges.

The authorization for the 2007-2009 biennium that allows the DNR to exchange state lands for land and proceeds intended to maintain working lands and acquire natural resource lands at risk of development is made permanent.

Land Transfers Without Auction.

The authority of the DNR to make certain transfers without a public auction is expanded to include the authority to offer leases to public agencies without holding an auction. In addition, the DNR is given the authority to convey currently leased homesites to the lessee. Transfer of title may be done without a public auction.

Land Bank Management.

All lands in the DNR land bank must be managed under the Sustainable Harvest Plan (Plan). If the DNR sells the development rights to a parcel in the land bank, then that parcel must be managed at a level equal to or greater than 75 percent of the expected harvest under the Plan.

Legislative Reports.

The status of the divestiture of urban properties must be reported to the Legislature on 2012, and again every five years. A listing of all purchases made by the DNR of land at risk of conversion, including the differences among investment values for selling, transferring, or leasing the development rights for the land, must be reported by December 1, 2009, and again every other year.

Each biennial budget request must identify any added purchase costs from lands due to the investment in development values and any shortfalls in income from lands managed at 75 percent of the Plan.

Appropriation: None.

Fiscal Note: Requested on March 16, 2009.

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