

# SENATE BILL REPORT

## SHB 1595

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As Reported by Senate Committee On:  
Natural Resources, Ocean & Recreation, March 23, 2009

**Title:** An act relating to creating a mechanism to transfer state forest lands with harvest encumbrances located in counties with a certain population to a different public land status.

**Brief Description:** Regarding the transfer of certain state forest lands.

**Sponsors:** House Committee on Agriculture & Natural Resources (originally sponsored by Representatives Blake and Chandler).

**Brief History:** Passed House: 3/04/09, 95-0.

**Committee Activity:** Natural Resources, Ocean & Recreation: 3/16/09, 3/23/09 [DPA].

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### SENATE COMMITTEE ON NATURAL RESOURCES, OCEAN & RECREATION

**Majority Report:** Do pass as amended.

Signed by Senators Jacobsen, Chair; Ranker, Vice Chair; Morton, Ranking Minority Member; Fraser, Hargrove, Hatfield, Stevens and Swecker.

**Staff:** Sherry McNamara (786-7402)

**Background:** The Department of Natural Resources (DNR) manages certain lands for the benefit of the county where the lands are located. Revenues from these lands are divided between the county and the DNR.

Current law allows DNR to transfer or dispose of certain lands without public auction if the lands are ten acres or less in size or valued at less than \$25,000 or if the transfer is designed to settle trespass issues or take the place of condemnation. Proceeds from any transfers are deposited into the Park Land Trust Revolving Fund and are used to buy replacement lands within the same county.

DNR's Trust Land Transfer Program, which is authorized and funded in the biennial Capital Budget, is generally used to reposition less productive lands with lands that can sustain a higher timber yield.

**Summary of Bill (Recommended Amendments):** DNR is authorized to transfer lands to another public agency without an auction if the lands are located in a county with a

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population of 25,000 or less and if the lands are encumbered with timber harvest deferrals associated with wildlife species listed under the federal Endangered Species Act. To qualify, the timber deferrals in a county must be for a period of 30 years or longer.

Appraisals for the valuable materials located on the lands must be based on the fair market value of the land without consideration of the management or regulatory encumbrances. Any proceeds associated with the valuable materials located on the transferred lands must be distributed between the county where the transferred land is located and the DNR.

By October 31, 2010, the DNR must report to the Legislature the procedure and timeline, and the estimated costs of conducting the transfers from the qualifying counties. The report must assume that transfers will occur through the trust land transfer program, and that the transferred lands will become natural resource conservation areas.

Recommendations and estimates in the report must also assume that the land transfer will occur at a specified biennial rate designed to provide sustainable revenues to the affected counties and that the land and timber values will be distributed separately, with timber revenues directed to the county and land revenues use to fund future land purchases.

**EFFECT OF CHANGES MADE BY NATURAL RESOURCES, OCEAN & RECREATION COMMITTEE (Recommended Amendments):** Adds language to the Park Land Trust Revolving Fund that requires the proceeds from the transfer or disposal of property in this act to be used for purchasing replacement forest land that must be actively managed as working forest within the same county as the property transferred or disposed.

**Appropriation:** None.

**Fiscal Note:** Available.

**Committee/Commission/Task Force Created:** No.

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

**Staff Summary of Public Testimony on Substitute House Bill:** PRO: Smaller counties who are dependent on timber revenues are greatly impacted by the endangered species harvest restrictions. This bill provides a mechanism to provide a sustainable revenue stream to these small counties. It is important to balance two priorities: the protection of endangered species and revenue from timber harvest in small counties with state forest lands. In Wahkiakum County a large portion of our 13,000 acres has been locked up for years for the protection of the marbled murrelet. This has caused our county considerable financial challenges because our current revenue stream relies very heavily on timber. This bill would provide our county, as well as three others, the opportunity to transfer lands to provide a land base that could fund our local government services.

**Persons Testifying:** PRO: Clay Sprague, DNR; Josh Weiss, Washington Association of Counties; Paul Pearce, Skamania County Commissioner; Dan Cothren, Wahkiakum County.