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**Agriculture & Natural Resources  
Committee**

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**SB 5315**

**Brief Description:** Concerning home site leases on lands managed by the department of natural resources.

**Sponsors:** Senators King, Baumgartner, Hawkins, Hobbs, Fortunato and Pearson.

**Brief Summary of Bill**

- Permits the Department of Natural Resources to transfer real property directly, without public auction, to lessees who are currently leasing the property for a home site.

**Hearing Date:** 3/9/17

**Staff:** Robert Hatfield (786-7117).

**Background:**

The Department of Natural Resources.

The Department of Natural Resources (DNR) manages a number of different categories of land, each for a specific purpose and under different management requirements.

State Trust Lands.

Upon statehood, the United States granted the State of Washington trust lands to support various public institutions. The DNR now manages approximately 3 million acres of federally granted trust lands that provide revenue for grade schools, state universities, buildings on the capitol campus, and correctional facilities.

State Forest Lands.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

The DNR also manages more than 600,000 acres of state forest lands, which were acquired primarily through tax foreclosures in the 1920s and 1930s, and to a lesser extent through purchases by the state or gifts to the state. State forest lands are managed for the benefit of the counties in which the lands are located.

#### Constitutional Requirements Concerning the Sale of Public Lands.

All of the lands granted by the United States to the State of Washington upon statehood are held in trust for the people of Washington, and such lands may not be disposed of unless the state obtains full market value for the property.

Article XVI, Section 2 of the Washington State Constitution provides that none of the land granted to the state for educational purposes may be sold other than at public auction to the highest bidder, and for no less than the appraised value of the land.

#### Statutory Requirements Concerning Land Transfers.

With the approval of the Board of Natural Resources, the DNR may transfer or dispose of real property, without public auction, in the following circumstances: transfers in lieu of condemnation; transfers to public agencies; and transfers to resolve trespass and property ownership disputes. Such transfers or disposals may occur only after appraisal, for no less than fair market value, and only if such transaction is in the best interest of the state or the affected trust.

#### Statutory Requirements Concerning Land Sales.

With specified exceptions, all sales of public land that is administered by the DNR must be at public auction, to the highest bidder, and for no less than the appraised value. There is an exception for land that the state has acquired other than through grant by the United States, such as through escheat, deed of sale, gift, devise, or through property tax foreclosure. Such land must initially be offered for sale either at public auction, or by direct sale to public agencies. If such lands are not sold at public auction, the DNR may, with the approval of the Board of Natural Resources, market such lands through a licensed real estate broker or other commercially feasible means, at a price not lower than the land's appraised value.

#### **Summary of Bill:**

The Department of Natural Resources (DNR) is authorized to transfer directly to a lessee, without going through public auction, land that the lessee is currently leasing from the DNR for purposes of a home site.

**Appropriation:** None.

**Fiscal Note:** Available.

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