

# FINAL BILL REPORT

## HB 1430

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Synopsis as Enacted

**Brief Description:** Concerning the duration of state upland leases for lands managed by the department of natural resources.

**Sponsors:** Representatives Kloba and Klicker; by request of Department of Natural Resources.

**House Committee on Rural Development, Agriculture & Natural Resources**

**House Committee on Capital Budget**

**Senate Committee on Agriculture, Water, Natural Resources & Parks**

### **Background:**

The Department of Natural Resources (DNR) manages a number of different categories of land, each for a specific purpose and under different management requirements. This includes approximately 3 million acres of federally granted lands and state forestlands, which the DNR manages to support common schools, counties, and other public institutions.

The DNR has the authority to lease state lands for various purposes, including commercial, industrial, residential, agricultural, and recreational uses, in order to obtain a fair-market rental return to the state or appropriate trust.

The DNR generally may not lease state lands for longer than 10 years, although longer leases are specifically authorized in multiple instances. Leases for general agricultural purposes may not exceed 25 years, and leases for tree fruit or grape production may be for up to 55 years. Leases for commercial, industrial, business, or recreational purposes may also be for up to 55 years.

### **Summary:**

The maximum length of a lease of land managed by the Department of Natural Resources, where the purpose of the lease is for commercial, industrial, or business purposes, is

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changed from 55 years to 99 years.

All leases for commercial, industrial, or business purposes that extend beyond 55 years must provide for periodic rental reevaluation and adjustment, except leases with rentals based on a percentage of income.

All leases for commercial, industrial, or business purposes that extend terms beyond 55 years must be reported to the Office of Financial Management and the appropriate committees of the Legislature within 30 days of the date of execution of the lease. The report must include a financial analysis that justifies the financial benefit for the added term and the schedule for periodic rental adjustments.

**Votes on Final Passage:**

House	95	0	
House	95	1	
Senate	47	2	(Senate amended)
House	96	1	(House concurred)

**Effective:** June 9, 2022