

SHB 1460 - S COMM AMD
By Committee on Ways & Means

ADOPTED AS AMENDED 04/08/2023

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** (1) The legislature finds that some state
4 lands and state forestlands have a low potential for natural resource
5 management or low income-generating potential or are inefficient for
6 the department of natural resources to manage due to geographic
7 location or other factors.

8 (2) The legislature further finds that some of these lands have
9 high ecological values and public benefits and should be maintained
10 in public ownership as a park, open space, nature preserve, or
11 similar designation to benefit the people of Washington.

12 (3) The legislature further finds that the department of natural
13 resources needs an effective program to transfer these lands out of
14 trust status to the natural areas program, other public agencies, or
15 tribes, and simultaneously acquire legislative funding to acquire
16 productive replacement lands to improve the revenue-generating
17 performance of the state lands and state forestlands it manages.

18 (4) The legislature further finds that the trust land transfer
19 program should be established within the department of natural
20 resources with adequate funds to cover the department's expenses for
21 administering the program and completing trust land transfers.

22 (5) The legislature further finds that there exists an interest
23 by the public and trust beneficiaries that the program be well-
24 documented and transparent, that each potential transfer be examined
25 by the department of natural resources to ensure it is in the best
26 interests of the trust beneficiaries, that an external advisory
27 committee place proposed transfers into a prioritized order using
28 standardized criteria, that the board of natural resources approve
29 submission of the list to the legislature, and that parcels be
30 transferred in order of priority.

1 NEW SECTION. **Sec. 2.** (1) The department is authorized to create
2 and manage a trust land transfer program. Real property available for
3 the trust land transfer program is economically under-performing
4 state land and state forestland with high ecological or public
5 benefit and deemed appropriate for state parks, fish and wildlife
6 habitats, natural area preserves, natural resources conservation
7 areas, community forests, recreation, or other public purposes.

8 (2) Underperforming state land and state forestland is land that
9 the department determines has limited potential to generate income in
10 the reasonably foreseeable future due to physical, legal, or access
11 constraints. The department may use the real property transfer
12 authorities under this chapter and chapter 79.22 RCW, as appropriate,
13 to complete transfers under the trust land transfer program.

14 (3) The department shall use legislative appropriations for
15 approved trust land transfers to acquire replacement real property
16 that will provide long-term, sustainable revenue to the trust
17 beneficiaries or is otherwise desirable to be added to the affected
18 trust and to pay for the department's administrative expenses to
19 complete the transfer, including the cost of department staff time,
20 appraisals, surveys, environmental reviews, and other similar costs
21 of the program.

22 (4) Transfers funded by legislative appropriation must be at fair
23 market value, including the value of land, timber, other valuable
24 materials, and improvements owned by the state. The legislative
25 appropriation must be deposited in the natural resources real
26 property replacement account created in RCW 79.17.210 and the
27 parkland trust revolving fund established in RCW 43.30.385, as
28 appropriate.

29 (5) The department shall prioritize the acquisition of working
30 farms and forests when acquiring replacement real property for state
31 lands transferred under this program when it can be demonstrated that
32 the trust fiduciary obligations can be better fulfilled with these
33 lands. The department shall endeavor to acquire replacement real
34 property as quickly as practicable.

35 (6) The department shall only submit real properties for trust
36 land transfers to the board or legislature through the process
37 created in section 3 of this act if at least 50 percent of all
38 previous appropriations provided after the effective date of this
39 section for purchase of replacement lands for the trust land transfer
40 program have been utilized to purchase replacement trust lands. The

1 list of properties submitted to the board or legislature for possible
2 trust land transfers through the process created in section 3 of this
3 act may not exceed \$30,000,000 in total property value for each year
4 the list is submitted.

5 NEW SECTION. **Sec. 3.** The department shall administer the trust
6 land transfer program as follows:

7 (1) Any citizen, state and federal agencies, counties, cities,
8 towns, tribes, nonprofit organizations, special purpose districts,
9 public development authorities, and other political subdivisions of
10 the state, may nominate a parcel of state land or state forestland
11 for the trust land transfer program. The nomination must be made to
12 the department on forms provided by the department and accompanied by
13 the fee provided under RCW 79.02.250.

14 (2) The department shall perform an initial review to determine
15 whether the transfer of a nominated parcel is in the best interest of
16 the trust for which the land is held and whether a public agency, as
17 defined in RCW 79.17.200, is willing to take ownership of the parcel
18 and is capable of managing the land for the public benefit. The
19 department may require prenomination review of parcels over 4,500
20 acres or parcels over an estimated appraised market value of
21 \$15,000,000, including the value of the land, valuable materials, and
22 improvements, if any.

23 (3) If the department determines through its initial review that
24 transfer would be in the best interest of the trust for which the
25 land is held and a public agency is willing and able to take
26 ownership and manage the land, the department shall consult with
27 potentially affected tribes, consistent with the department's
28 consultation policy to identify and address cultural resource issues.

29 (4) Following the department's initial review and tribal
30 consultation, the department may submit parcels to an advisory
31 committee that shall evaluate and prioritize nominated parcels
32 according to criteria approved by the board, including social,
33 ecological, economic, and other values. The advisory committee may
34 include representatives of trust beneficiaries, public agencies,
35 tribes, overburdened communities, and vulnerable populations as
36 defined in chapter 70A.02 RCW, and other stakeholders as determined
37 by the department.

38 (5) The department, with approval of the board, shall determine
39 the final, prioritized list of trust land transfer parcels to submit

1 to the legislature for funding. If a legislative appropriation
2 includes the full fair market value for the trust land transfer
3 parcel, and the board determines that the transfer is in the best
4 interest of the trust for which the land is held, the department
5 shall complete the transfer.

6 **Sec. 4.** RCW 79.17.020 and 2013 2nd sp.s. c 19 s 7035 are each
7 amended to read as follows:

8 (1) The board of county commissioners of any county and/or the
9 mayor and city council or city commission of any city or town and/or
10 the board shall have authority to exchange, each with the other, or
11 with the federal forest service, the federal government or any proper
12 agency thereof and/or with any private landowner, county land of any
13 character, land owned by municipalities of any character, and state
14 forestland owned by the state under the jurisdiction of the
15 department, for real property of equal value for the purpose of
16 consolidating and blocking up the respective landholdings of any
17 county, municipality, the federal government, or the state of
18 Washington or for the purpose of obtaining lands having commercial
19 recreational leasing potential. The board shall also have the
20 authority to exchange state forestland for the purpose of obtaining
21 land with greater natural resource or income-producing potential,
22 when in the best interest of the state or affected trust. State
23 forestland exchanged under this section may not be used to reduce the
24 publicly owned forestland base.

25 (2) ~~((a) During the biennium ending June 30, 2013, for the~~
26 ~~purposes of maintaining working farm and forest landscapes or~~
27 ~~acquiring natural resource lands at risk of development, the~~
28 ~~department, with approval of the board of natural resources, may~~
29 ~~exchange any state land and any timber thereon for any land and~~
30 ~~proceeds of equal value, when it can be demonstrated that the trust~~
31 ~~fiduciary obligations can be better fulfilled after an exchange is~~
32 ~~completed. Proceeds may be in the form of cash or services in order~~
33 ~~to achieve the purposes established in this section. Any cash~~
34 ~~received as part of an exchange transaction shall be deposited in the~~
35 ~~forest development account to pay for administrative expenses~~
36 ~~incurred in carrying out an exchange transaction. These~~
37 ~~administrative expenses include road maintenance and abandonment~~
38 ~~expenses. The amount of proceeds received from the exchange partner~~
39 ~~may not exceed five percent of the total value of the exchange. The~~

1 receipt of proceeds shall not change the character of the transaction
2 from an exchange to a sale.

3 ~~(b) During the biennium ending June 30, 2015, for the purposes of~~
4 ~~maintaining working farm and forest landscapes or acquiring natural~~
5 ~~resource lands at risk of development, the department, with approval~~
6 ~~of the board of natural resources, may exchange any state land and~~
7 ~~any timber thereon for any land and proceeds of equal value, when it~~
8 ~~can be demonstrated that the trust fiduciary obligations can be~~
9 ~~better fulfilled after an exchange is completed. Proceeds may be in~~
10 ~~the form of cash or services in order to achieve the purposes~~
11 ~~established in this section. Any cash received as part of an exchange~~
12 ~~transaction shall be deposited in the forest development account to~~
13 ~~pay for administrative expenses incurred in carrying out an exchange~~
14 ~~transaction. These administrative expenses include road maintenance~~
15 ~~and abandonment expenses. The amount of proceeds received from the~~
16 ~~exchange partner may not exceed five percent of the total value of~~
17 ~~the exchange. The receipt of proceeds shall not change the character~~
18 ~~of the transaction from an exchange to a sale.~~

19 ~~(3))~~ Prior to executing an exchange under this section, and in
20 addition to the public notice requirements set forth in RCW
21 79.17.050, the department shall consult with legislative members,
22 other state and federal agencies, local governments, tribes, local
23 stakeholders, conservation groups, and any other interested parties
24 to identify and address cultural resource issues, and the potential
25 of the state lands proposed for exchange to be used for open space,
26 park, school, or critical habitat purposes.

27 **Sec. 5.** RCW 79.17.210 and 2018 c 298 s 7005 are each amended to
28 read as follows:

29 (1) The legislature finds that the department has a need to
30 maintain the real property asset base it manages and needs an
31 accounting mechanism to complete transactions without reducing the
32 real property asset base.

33 (2) The natural resources real property replacement account is
34 created in the state treasury. This account shall consist of funds,
35 including the value of land, timber, other valuable materials, and
36 improvements owned by the state, transferred or paid for the disposal
37 or transfer of real property by the department under RCW 79.17.200
38 and the transfer of state lands or state forestlands into community
39 forest trust lands under RCW 79.155.040. The funds in this account

1 shall be used solely for the acquisition of replacement real property
2 and may be spent only when, and as, authorized by legislative
3 appropriation. (~~During the 2013-2015 fiscal biennium, funds in the~~
4 ~~account may also be appropriated for the land purchase in section~~
5 ~~3245, chapter 19, Laws of 2013 2nd sp. sess. under the provisions of~~
6 ~~section 3245, chapter 19, Laws of 2013 2nd sp. sess. and chapter 11,~~
7 ~~Laws of 2013 2nd sp. sess. During the 2017-2019 fiscal biennium,~~
8 ~~moneys in the account may also be appropriated for developing and~~
9 ~~constructing the pipeline in section 3061, chapter 298, Laws of 2018~~
10 ~~under the provisions of section 7004, chapter 298, Laws of 2018.))~~

11 **Sec. 6.** RCW 79.22.060 and 2012 c 166 s 7 are each amended to
12 read as follows:

13 (1) With the approval of the board, the department may directly
14 transfer or dispose of state forestlands without public auction, if
15 the ~~((lands))~~ transfers are:

- 16 ~~(a) ((Consist of ten contiguous acres or less;~~
- 17 ~~(b) Have a value of twenty-five thousand dollars or less; or~~
- 18 ~~(c) Are located in a county with a population of twenty-five~~
19 ~~thousand or less and are encumbered with timber harvest deferrals,~~
20 ~~associated with wildlife species listed under the federal endangered~~
21 ~~species act, greater than thirty years in length.~~

22 ~~(2) Disposal under this section may only occur in the following~~
23 ~~circumstances:~~

- 24 ~~(a) Transfers in lieu of condemnation;~~
- 25 ~~(b) Transfers to resolve trespass and property ownership~~
26 ~~disputes; or~~
- 27 ~~(c) In counties with a population of twenty-five thousand or~~
28 ~~less, transfers to public agencies.~~

29 ~~(3))~~ In lieu of condemnation or to resolve trespass and property
30 ownership disputes and the lands consist of 10 contiguous acres or
31 less or have a value of \$25,000 or less; or

32 (b) To public agencies as defined in RCW 79.17.200.

33 (2) Real property to be transferred or disposed of under this
34 section shall be transferred or disposed of only after appraisal and
35 for at least fair market value, and only if the transaction is in the
36 best interest of the state or affected trust. Valuable materials
37 attached to lands ~~((transferred to public agencies under subsection~~
38 ~~(2)(c) of this section)) to be transferred under subsection (1)(b) of~~
39 this section must be appraised at the fair market value without

1 consideration of management or regulatory encumbrances associated
2 with wildlife species listed under the federal endangered species
3 act, if any.

4 ~~((4))~~ (3)(a) Except as provided in ~~((b) of)~~ this subsection,
5 the proceeds from real property transferred or disposed of under this
6 section shall be deposited into the parkland trust revolving fund and
7 be solely used to buy replacement ~~((land within the same county as
8 the property transferred or disposed))~~ forestland for the benefit of
9 the county from which the property was transferred or disposed and
10 pay for the department's administrative expenses to complete the
11 transfer, including the cost of department staff time, appraisals,
12 surveys, environmental reviews, and other similar costs of the
13 transfer. The legislative authority of the county from which the real
14 property was transferred or disposed under subsection (1)(b) of this
15 section may request in writing that the department distribute a
16 percentage of the proceeds associated with valuable materials. Upon
17 such a request, and subject to prior approval by the board, the
18 department shall distribute the requested percentage of proceeds
19 associated with valuable materials as provided in RCW 79.64.110.

20 (b) The proceeds from real property transferred or disposed of
21 under ~~((subsections (1)(c) and (2)(c) of))~~ this section for the
22 purpose of participating in the state forestland pool created under
23 RCW 79.22.140 must be deposited into the parkland trust revolving
24 fund and used to buy replacement forestland for the benefit of that
25 county, as provided in RCW 79.64.110 and located within any county
26 participating in the land pool or under a county agreement as
27 provided in RCW 79.22.140.

28 (c) Except as otherwise provided in this subsection, in counties
29 with a population of ~~((twenty-five thousand))~~ 25,000 or less, the
30 portion of the proceeds associated with valuable materials on state
31 forestland transferred under ~~((subsections (1)(c) and (2)(c) of))~~
32 this section must be distributed as provided in RCW 79.64.110. If
33 requested in writing by the legislative authority of a county
34 participating in the state forestland pool created under RCW
35 79.22.140, the portion of the proceeds associated with valuable
36 materials on state forestland transferred under ~~((subsections (1)(c)
37 and (2)(c) of))~~ this section must be deposited in the parkland trust
38 revolving fund and used to buy replacement forestland for the benefit
39 of that county, as provided in RCW 79.64.110, and located within any

1 county participating in the land pool or under a county agreement as
2 provided in RCW 79.22.140.

3 **Sec. 7.** RCW 43.30.385 and 2014 c 32 s 2 are each amended to read
4 as follows:

5 (1) The parkland trust revolving fund is to be utilized by the
6 department for the purpose of acquiring real property, including all
7 reasonable costs associated with these acquisitions, as a replacement
8 for the property transferred to the state parks and recreation
9 commission, as directed by the legislature in order to maintain the
10 land base of the affected trusts or under RCW 79.22.060 and to
11 receive voluntary contributions for the purpose of operating and
12 maintaining public use and recreation facilities, including trails,
13 managed by the department.

14 (2)(a) Proceeds from transfers of real property to the state
15 parks and recreation commission or other proceeds identified from
16 transfers of real property as directed by the legislature shall be
17 deposited in the parkland trust revolving fund.

18 (b) (~~Except as otherwise provided in this subsection, the~~)
19 Subject to RCW 79.22.060(3), proceeds from real property transferred
20 or disposed under RCW 79.22.060 must be used solely to purchase
21 replacement forestland, that must be actively managed as a working
22 forest, (~~within the same county as the property~~) for the benefit of
23 the county from which the property was transferred or disposed. (~~If~~
24 ~~the real property was transferred under RCW 79.22.060 (1)(c) and~~
25 ~~(2)(c) from within a county participating in the state forestland~~
26 ~~pool created under RCW 79.22.140, replacement forestland may be~~
27 ~~located within any county participating in the land pool.~~)

28 (c) Disbursement from the parkland trust revolving fund to
29 acquire replacement property and for operating and maintaining public
30 use and recreation facilities shall be on the authorization of the
31 department.

32 (d) The proceeds from the recreation access pass account created
33 in RCW 79A.80.090 must be solely used for the purpose of operating
34 and maintaining public use and recreation facilities, including
35 trails, managed by the department.

36 (3) In order to maintain an effective expenditure and revenue
37 control, the parkland trust revolving fund is subject in all respects
38 to chapter 43.88 RCW, but no appropriation is required to permit
39 expenditures and payment of obligations from the fund.

1 (4) The department is authorized to solicit and receive voluntary
2 contributions for the purpose of operating and maintaining public use
3 and recreation facilities, including trails, managed by the
4 department. The department may seek voluntary contributions from
5 individuals and organizations for this purpose. Voluntary
6 contributions will be deposited into the parkland trust revolving
7 fund and used solely for the purpose of public use and recreation
8 facilities operations and maintenance. Voluntary contributions are
9 not considered a fee for use of these facilities.

10 **Sec. 8.** RCW 79.64.110 and 2021 c 334 s 995 and 2021 c 145 s 3
11 are each reenacted and amended to read as follows:

12 (1) Any moneys derived from the lease of state forestlands or
13 from the sale of valuable materials, oils, gases, coal, minerals, or
14 fossils from those lands, except as provided in RCW 79.64.130, or the
15 appraised value of these resources when transferred to a public
16 agency under RCW 79.22.060, (~~except as provided in RCW~~
17 ~~79.22.060(4),~~) must be distributed as follows:

18 (a) For state forestlands acquired through RCW 79.22.040 or by
19 exchange or as replacement for lands acquired through RCW 79.22.040:

20 (i) The expense incurred by the state for administration,
21 reforestation, and protection, not to exceed (~~twenty-five~~) 25
22 percent, which rate of percentage shall be determined by the board,
23 must be returned to the forest development account created in RCW
24 79.64.100. During the 2017-2019, 2019-2021, and 2021-2023 fiscal
25 biennia, the board may increase the (~~twenty-five~~) 25 percent
26 limitation up to (~~twenty-seven~~) 27 percent.

27 (ii) Any balance remaining must be paid to the county in which
28 the land is located or, (~~for~~) if the land acquired under RCW
29 79.22.040 was exchanged, transferred, or disposed, payment must be
30 made to the county from which the land was exchanged, transferred, or
31 disposed. For counties participating in a land pool created under RCW
32 79.22.140, to each participating county proportionate to its
33 contribution of asset value to the land pool as determined by the
34 board. Payments made under this subsection are to be paid,
35 distributed, and prorated(~~(, except as otherwise provided in this~~
36 ~~section,~~) to the various funds in the same manner as general taxes
37 are paid and distributed during the year of payment. However, (~~in~~
38 ~~order to test county flexibility in distributing state forestland~~
39 ~~revenue,~~) a county may in its discretion pay, distribute, and

1 prorate payments made under this subsection of moneys derived from
2 state forestlands acquired by exchange (~~(between July 28, 2019, and~~
3 ~~June 30, 2020))~~ or as replacement lands, for lands acquired through
4 RCW 79.22.040, (~~(within the same county,)~~) in the same manner as
5 general taxes are paid and distributed during the year of payment for
6 the former state forestlands that were subject to the exchange.

7 (iii) Any balance remaining, paid to a county with a population
8 of less than (~~(sixteen thousand)~~) 16,000, must first be applied to
9 the reduction of any indebtedness existing in the current expense
10 fund of the county during the year of payment.

11 (iv) With regard to moneys remaining under this subsection
12 (1)(a), within seven working days of receipt of these moneys, the
13 department shall certify to the state treasurer the amounts to be
14 distributed to the counties. The state treasurer shall distribute
15 funds to the counties four times per month, with no more than (~~(ten)~~)
16 10 days between each payment date.

17 (b) For state forestlands acquired through RCW 79.22.010 or by
18 exchange or as replacement lands for lands acquired through RCW
19 79.22.010, except as provided in RCW 79.64.120:

20 (i) Fifty percent shall be placed in the forest development
21 account.

22 (ii) Fifty percent shall be prorated and distributed to the state
23 general fund, to be dedicated for the benefit of the public schools,
24 to the county in which the land is located or, for counties
25 participating in a land pool created under RCW 79.22.140, to each
26 participating county proportionate to its contribution of asset value
27 to the land pool as determined by the board, and according to the
28 relative proportions of tax levies of all taxing districts in the
29 county. The portion to be distributed to the state general fund shall
30 be based on the regular school levy rate under RCW 84.52.065 (1) and
31 (2) and the levy rate for any school district enrichment levies. With
32 regard to the portion to be distributed to the counties, the
33 department shall certify to the state treasurer the amounts to be
34 distributed within seven working days of receipt of the money. The
35 state treasurer shall distribute funds to the counties four times per
36 month, with no more than (~~(ten)~~) 10 days between each payment date.
37 The money distributed to the county must be paid, distributed, and
38 prorated to the various other funds in the same manner as general
39 taxes are paid and distributed during the year of payment.

1 (2) A school district may transfer amounts deposited in its debt
2 service fund pursuant to this section into its capital projects fund
3 as authorized in RCW 28A.320.330.

4 **Sec. 9.** RCW 79.19.020 and 2003 c 334 s 526 are each amended to
5 read as follows:

6 The department, with the approval of the board, may purchase
7 property at fair market value to be held in a land bank, which is
8 hereby created within the department. Property so purchased shall be
9 property which would be desirable for addition to the public lands of
10 the state because of the potential for natural resource or income
11 production of the property. (~~The total acreage held in the land bank~~
12 ~~shall not exceed one thousand five hundred acres.~~)

13 **Sec. 10.** RCW 79.19.030 and 2004 c 199 s 215 are each amended to
14 read as follows:

15 The department, with the approval of the board, may:

16 (1) Exchange property held in the land bank for any other lands
17 of equal value administered by the department, including ~~((any))~~
18 state lands ((held in trust.)) and state forestlands;

19 (2) Exchange property held in the land bank for property of equal
20 or greater value which is owned publicly or privately, and which has
21 greater potential for natural resource or income production or which
22 could be more efficiently managed by the department, however, no
23 power of eminent domain is hereby granted to the department; ~~((and))~~

24 (3) ~~((Sell property held in the land bank in the manner provided~~
25 ~~by law for the sale of state lands))~~ Except as provided in subsection
26 (4) of this section, sell property that has been exchanged into and
27 is held in the land bank as provided under RCW 79.11.340 without any
28 requirement of platting and ((to)) use the proceeds to acquire
29 property for the land bank which has greater potential for natural
30 resource or income production or which would be more efficiently
31 managed by the department; and

32 (4) If a department lessee owns and resides in a house located on
33 land that has been exchanged into and is held in the land bank, sell
34 the land directly to the lessee for the appraised fair market value
35 of the land and use the proceeds of the sale as provided in
36 subsection (3) of this section. If the lessee does not purchase the
37 land for the appraised fair market value, the department shall sell
38 the land as provided under subsection (3) of this section.

1 **Sec. 11.** RCW 79.11.340 and 2003 c 334 s 399 are each amended to
2 read as follows:

3 (1) Except as provided in RCW 79.10.030(2), the department shall
4 manage and control all lands acquired by the state by escheat, deed
5 of sale, gift, devise, or under RCW 79.19.010 through 79.19.110,
6 except such lands that are conveyed or devised to the state for a
7 particular purpose.

8 (2) ~~((When))~~ Except as provided in RCW 79.19.030(4), when the
9 department determines to sell the lands, they ~~((shall))~~ may initially
10 be offered for sale either at public auction or direct ~~((sale))~~
11 transfer to public agencies as provided in this chapter.

12 (3) ~~((If the lands are not sold at public auction, the))~~ The
13 department may, with approval of the board, market the lands through
14 persons licensed under chapter 18.85 RCW or through other
15 commercially feasible means at a price not lower than the land's
16 appraised value.

17 (4) Necessary marketing costs may be paid from the sale proceeds.
18 For the purpose of this subsection, necessary marketing costs include
19 reasonable costs associated with advertising the property and paying
20 commissions.

21 (5) Proceeds of the sale shall be deposited into the appropriate
22 fund in the state treasury unless the grantor in any deed or the
23 testator in case of a devise specifies that the proceeds of the sale
24 be devoted to a particular purpose.

25 **Sec. 12.** RCW 79.22.140 and 2012 c 166 s 3 are each amended to
26 read as follows:

27 (1) The board may create a state forestland pool, to be managed
28 in accordance with this section, if the board determines that
29 creation of a land pool is in the best interest of the state or
30 affected trust, based on an analysis prepared by the department under
31 RCW 79.22.150. ~~((The land pool may not contain more than ten thousand
32 acres of state forestland at any one time.))~~

33 (2) A county is eligible to participate in a land pool if the
34 board determines it ~~((÷~~

35 ~~((a) Has a population of twenty-five thousand or less; and~~

36 ~~((b) Has))~~ has existing state forestlands encumbered with timber
37 harvest deferrals, associated with wildlife species listed under the
38 federal endangered species act, more than ~~((thirty))~~ 30 years in
39 length.

1 (3) All lands in the land pool are state forestlands and must be
2 managed in the same manner and with the same responsibilities as
3 other state forestlands. Proceeds from the state forestland pool
4 must, except as provided in RCW 79.64.110, be distributed under RCW
5 79.22.010 and 79.22.040.

6 (4) (a) A county may participate in the land pool only if it is
7 eligible, as determined under subsection (2) of this section, and the
8 board receives a written request to do so by the legislative
9 authority of that county.

10 (b) The board shall end any further participation of a county in
11 the land pool if it receives a written request to do so by the
12 legislative authority of that county. If the board receives such a
13 request, that county's interest in the land pool as a beneficiary
14 remains, but no new contributions of asset value may be made to the
15 land pool on behalf of the county and no new lands may be purchased
16 in that county for the land pool.

17 (5) (a) If a land pool is created by the board, the department and
18 the participating counties must develop a funding strategy for
19 acquiring land to include in the land pool.

20 (b) The department and participating counties may pursue funding
21 for the transfer of state forestland encumbered by long-term
22 wildlife-related harvest deferrals within the participating counties
23 into status as a natural area preserve under chapter 79.70 RCW or a
24 natural resources conservation area under chapter 79.71 RCW, and use
25 the value of the transferred land to acquire working forestlands to
26 include in the land pool.

27 (c) The department and participating counties may pursue other
28 land acquisition funding strategies.

29 (6) The department may acquire replacement state forestland
30 located outside of counties participating in a state forestland pool
31 when the department has transferred some or all of the encumbered
32 state forestlands of the counties to natural area status under
33 chapter 79.70 or 79.71 RCW.

34 (a) Counties participating in a state forestland pool that desire
35 to have the department acquire replacement lands in a designated
36 county not included in the state forestland pool shall provide the
37 department an agreement entered with the designated county that meets
38 the following requirements:

1 (i) The designated county shall not object to forest practices
2 undertaken on the replacement state forestland in conformity with all
3 applicable laws and rules;

4 (ii) The counties participating in the state forestland pool
5 acknowledge that they shall pass through the payment in lieu of taxes
6 to which they are entitled, under RCW 79.70.130 or 79.71.130, to the
7 designated county in which replacement lands are purchased, on an
8 acre for acre basis;

9 (iii) If the designated county desires to terminate the
10 agreement, the designated county shall be required to pay the
11 department the fair market value of the replacement forestlands,
12 including the value of valuable materials attached to the lands, at
13 the time of termination based on an appraisal accepted by the
14 department and approved by the board; and

15 (iv) The board of county commissioners for the designated county
16 and each county participating in the state forestland pool approves
17 the agreement in the manner provided by RCW 42.30.060.

18 (b) When the department receives an agreement meeting the
19 requirements of (a) of this subsection, the department shall make
20 reasonable efforts to acquire working forestlands within the
21 designated county to include in the state forestland pool.

22 (c) The counties participating in the state forestland pool shall
23 pass through the payment in lieu of taxes to which they are entitled
24 under RCW 79.70.130 or 79.71.130, based on the encumbered state
25 forestlands within their counties transferred to natural area status,
26 to the designated county in which the replacement state forestlands
27 are located, on an acre for acre basis.

28 (d) Whenever the board of county commissioners of the county in
29 which the replacement state forestlands are located determines to
30 terminate the agreement described in (a) of this subsection, the
31 board of county commissioners shall notify the department and the
32 counties participating in the state forestland pool. The department
33 shall transfer the replacement state forestlands to the county upon
34 receipt of the fair market value of the lands, including the value of
35 valuable materials attached to the lands, as determined by appraisal
36 and approved by the board. The proceeds shall be placed in the
37 parkland trust revolving fund and be solely used by the department to
38 buy replacement land within the counties participating in the subject
39 state forestland pool or another county with which the participating
40 counties have entered an agreement under (a) of this subsection.

1 (e) The authority provided by this subsection to acquire
2 replacement state forestlands located outside of the counties
3 participating in a state forestland pool does not preclude the
4 department from acquiring replacement lands within the counties
5 participating in the state forestland pool as necessary to fully
6 replace the encumbered state forestlands transferred under RCW
7 79.22.060(1)(b).

8 **Sec. 13.** RCW 79.19.050 and 2003 c 334 s 529 are each amended to
9 read as follows:

10 ~~((The legislature may authorize appropriation of funds from the~~
11 ~~forest development account or the resource management cost account~~
12 ~~for the purposes of this chapter.)) Income from the sale (~~(or~~~~

13 ~~management)) of property in the land bank shall be (~~(returned as a~~~~

14 ~~recovered expense to the forest development account or the resource~~

15 ~~management cost account)) deposited in the land bank account created~~

16 in section 14 of this act and may be used to acquire property under

17 RCW 79.19.020.

18 NEW SECTION. **Sec. 14.** A new section is added to chapter 79.19
19 RCW to read as follows:

20 The land bank account is created in the state treasury. To this
21 account shall be deposited such funds as the legislature directs or
22 appropriates. Expenditures from this account may be used only to
23 acquire property under RCW 79.19.020. Expenditures from this account
24 may be made only after appropriation.

25 NEW SECTION. **Sec. 15.** Sections 2 and 3 of this act are each
26 added to chapter 79.17 RCW and codified with the subchapter heading
27 "part 4, trust land transfer program."

SHB 1460 - S COMM AMD
By Committee on Ways & Means

ADOPTED AS AMENDED 04/08/2023

28 On page 1, line 2 of the title, after "management;" strike the
29 remainder of the title and insert "amending RCW 79.17.020, 79.17.210,
30 79.22.060, 43.30.385, 79.19.020, 79.19.030, 79.11.340, 79.22.140, and
31 79.19.050; reenacting and amending RCW 79.64.110; adding a new

1 section to chapter 79.19 RCW; adding new sections to chapter 79.17
2 RCW; and creating a new section."

EFFECT: Adds that for the trust land transfer (TLT) program, the department of natural resources (DNR) shall only submit properties to the board of natural resources (board) or the legislature if at least 50 percent of all previous appropriations after the effective date of the act have been used to purchase replacement trust lands. Removes policy and other constraints as factors the DNR may consider when determining if lands are underperforming for the TLT program. Requires that the TLT list of properties submitted to the board or the legislature not exceed \$30,000,000 in total property value each year the list is submitted. Adds that the DNR may complete a TLT transfer if the appropriation includes the full fair market value for the trust land transfer parcel. Specifies requirements for the DNR to acquire replacement state forestland located outside of counties participating in the state forestland pool, including agreements between counties addressing forest practices and payments in lieu of taxes. Removes language specifying how replacement forestlands may be acquired in counties proximate to the county that will benefit from the replacement state forestland.

Adds that if requested by a county, funds from valuable materials may be used to buy replacement forestlands subject to a county agreement.

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