



Trust Land Transfer Revitalization Phase 2

Taxing Districts Focus Group

Meeting #4

October 13, 2022
9-11 a.m.



Welcome and Introductions



- Name
- Affiliation
- Interest in trust land transfer



Agenda



Time	Topic	Lead
9:00 – 9:10 p.m.	Welcome <ul style="list-style-type: none">• Introductions• Goals	Sarah
9:10 – 10:40 p.m.	• Exploring Solution Implementation <ul style="list-style-type: none">○ Concerns and Potential Fixes○ What Needs to Change and Where?	Sarah
10:40 – 10:55 a.m.	Next Steps	Sarah
10:55 – 11:00 a.m.	Wrap-up	Sarah

Focus Group Goals



- Examine current options in the TLT tool and identify alternatives.
- Evaluate potential of options to avoid, minimize, and mitigate impacts.
- Suggest steps toward implementation of options.





Implementation:

- *Concerns and Potential Fixes*
- *What Needs to Change and Where?*

Cash for Timber



- DNR requests parcel's fair market value not actual value under DNR restrictions.
- Land replacement value goes to RPRA to fund replacement land.
- Funding in excess of that amount goes to counties as a one-time payment.
- Beneficiaries end up receiving more money for transferring the parcel than they would for harvesting it.

Cash for Timber



Concerns/Hurdles

- Intergenerational equity
- Decreased ability to buy replacement land over time

Suggestions

- More funding for replacement land - change the %

Direct Compensation to Counties



Transfer Lands

Compute land value, make one-time payment to county

- 75% of timber value
- 100% of excise tax

Annual loss reimbursement payment to county in perpetuity

Purchase Lands

Compute land value, make one-time payment to county

- 26.5% of timber value
- 100% of excise tax

Annual loss reimbursement payment to county in perpetuity

Direct Compensation to Counties



Concerns/Hurdles

- Intergenerational issue if the lands are operable, could apply to inoperable/encumbered lands
- Relies on change in statute, creation of a new account, and distribution to that account instead of the general fund
- Who tracks and distributes funds – DNR not able to do this

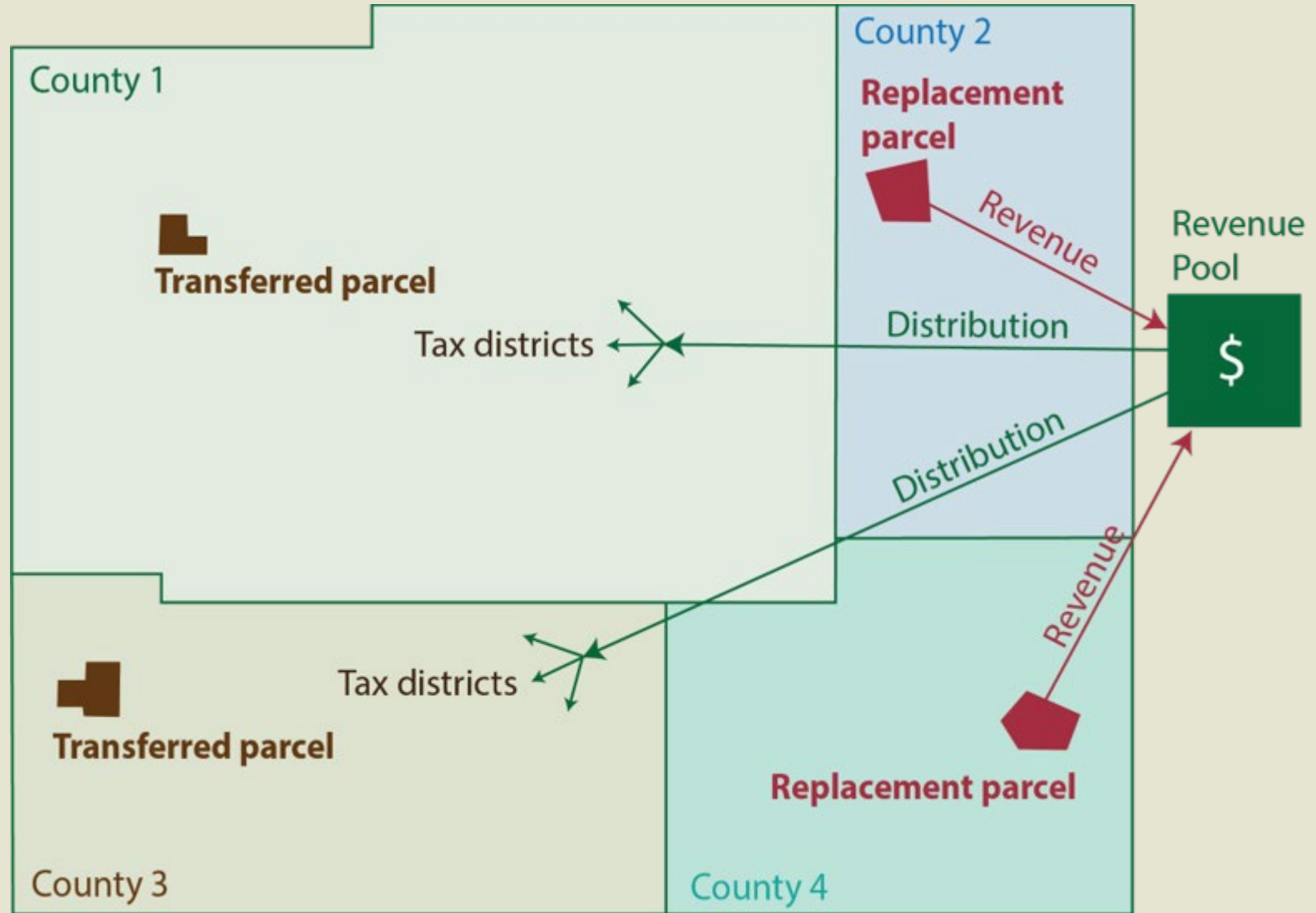
Suggestions

- Amend RCW.79.64.110
- 50% of the funds to the Forest Development Account (FDA)
- 26.5% to the effected County
- 23.5% into a County Compensation Account (CCA)

Revenue Pooling and Distribution: Cross-county



State Forestland Pool. As authorized by RCW 79.22.140 where land can be replaced anywhere and future revenue is credited to its former taxing district according to percent of contribution. Currently only available for counties with population less than 25,000 with lands encumbered by endangered species.



Revenue Pooling and Distribution: Cross-county



Concerns/Hurdles

- Untested
- Statute would need to be broadened (25,000 population limit)
- Changes in replacement county sentiment toward timber harvest could hamper the other county's ability to receive revenue

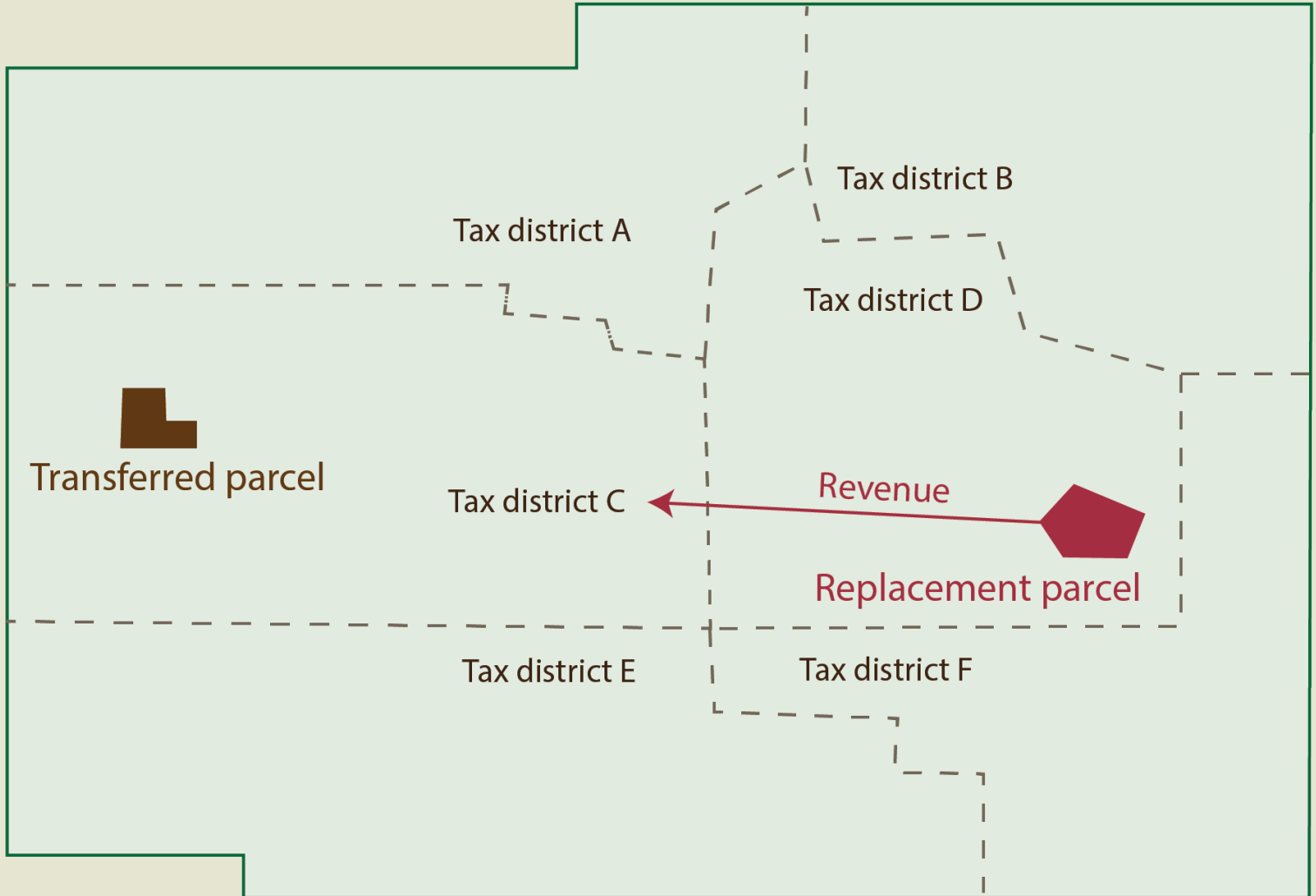
Suggestions

- Replacement land purchased from the federal government

Replacement Land: New Tax Code Area



When a replacement parcel is located in a different tax area code than the parcel being transferred, counties could have the flexibility to assign the replacement parcel to the *affected* taxing district.



Replacement Land: New Tax Code Area



Concerns/Hurdles

- Equitability of revenue across the parcels, one county may need to be compensated for services
- May be extremely difficult and push boundaries of accepted practices
- Software may not support this on the assessor/treasurer end

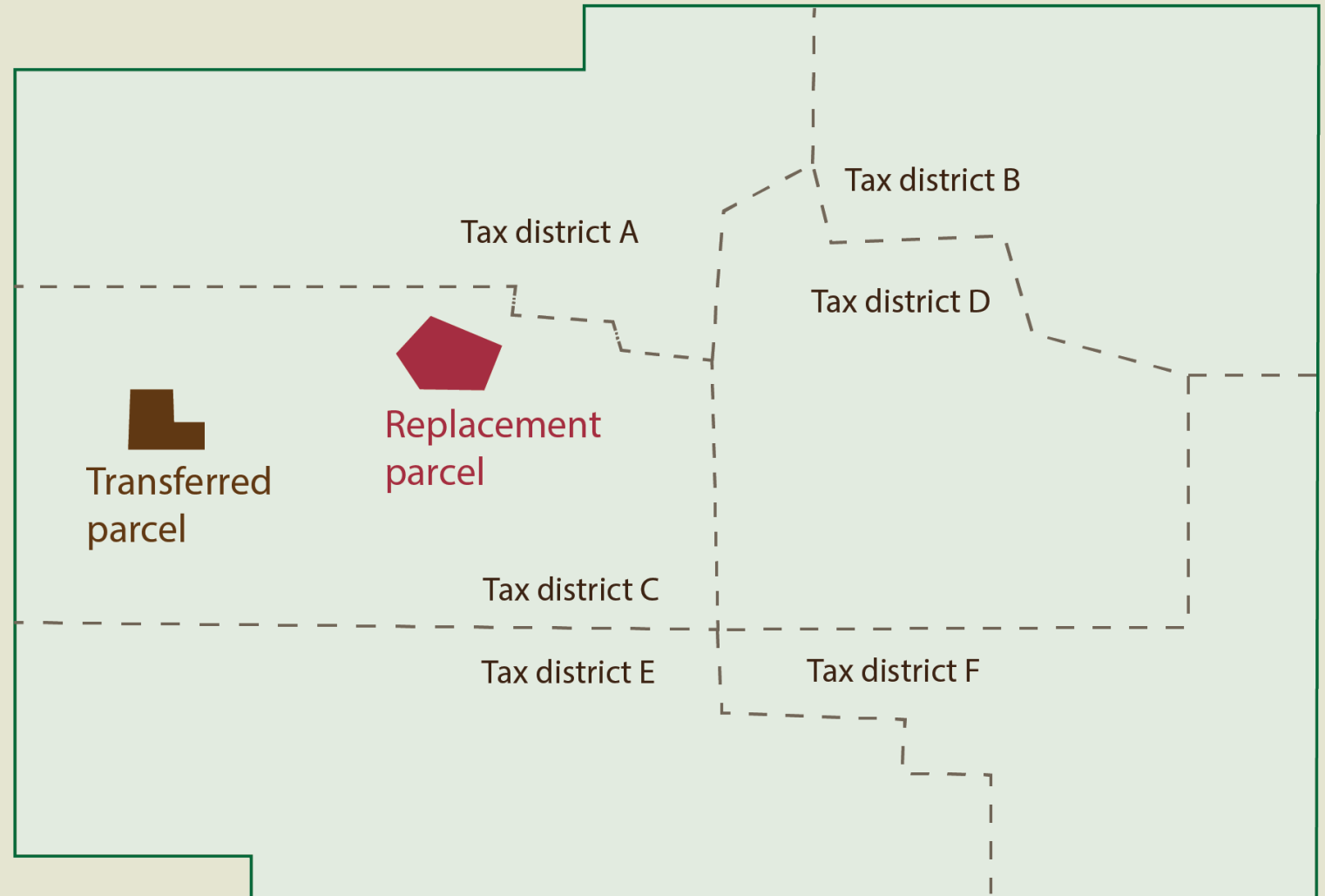
Suggestions

- Explore utilizing federal lands
- Counties should have the ability to say no if the parcels are not equitable

The Simple Solution



A replacement parcel is found within the same tax area code. The replacement parcel is not an inter-trust exchange parcel using Common School trust land, but would be newly purchased private timber land.



The Simple Solution



Concerns/Hurdles

Suggestions

TLT Process Amendments for State Forestlands



≤ 10-20 acres

- Follow the revitalized TLT process outlined by the TLT working group and piloted by DNR.
- Engagement with impacted junior taxing districts should be highlighted.

≤ 80 acres

- Formal engagement by DNR with each impacted beneficiary.
- Revenue analysis to be done by DNR.
- Opportunity to request an independent third party review and the higher value to be used for any request to the legislature.
- Consensus of the taxing districts impacted.

TLT Process Amendments for State Forestlands



≤ 400 acres

- Formal engagement by DNR with each impacted beneficiary.
- Revenue analysis to be done by DNR.
- Opportunity to request an independent third party review and the higher value to be used for any request to the legislature.
- Consensus of the taxing districts impacted.

> 400 acres

- All work mentioned for smaller parcels AND...
- A more substantial conversation and analysis done as this may impact junior taxing district functionality and community sustainability.

Next Steps



- Does the focus group support a smaller sub-committee meeting?
- Do we need another large group meeting before or after that?



See you...?

