

Trust Land Transfer

Statutory Changes

Phase 2 Work Group

Meeting 5.0

May 11, 2022 | 10:00 am – 12:00 pm



Agenda



- Trust Land Transfer and Transactions Tools Review
- Intent of the Trust Land Transfer
 - Intent of reinvesting in land portfolio
 - Open to all trusts
 - Open to all land use types
 - Funding for administrative costs
 - Taxing district impact mitigation tools ← Focus Group
- Summary of Statutory Changes



Figure 1. How the current TLT tool works



Land Transactions

Review from
Phase I



Disposals

- Direct Transfer
- Reconveyance
- Public Auction
- Trust Land Transfer

• State Forestland Replacement Program

Acquisitions

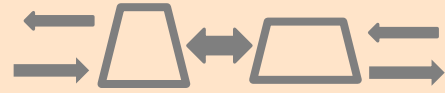
- Purchase

• Land Bank

Exchanges

- DNR & another land owner
- Within DNR
 - Inter-Trust:
Trust A ↔ Trust B*
- Trust ↔ Non-Trust*

The Land Bank



RCW 79.19

What Trusts?

Common School Trust
Other Federally Granted Trusts

What is the Land Bank used for?

Holding area for desirable properties waiting to become trust land and former trust lands waiting to be sold

To whom can the land be sold?

Anyone – public auction

Why?

- Acquire properties with better income potential
- Dispose of low income properties

Constraints:

- Must acquire property first
- Total Land Bank acreage not to exceed 1,500 acres
- Exchanges must be of equal value
- Must be sold for at least for fair market value

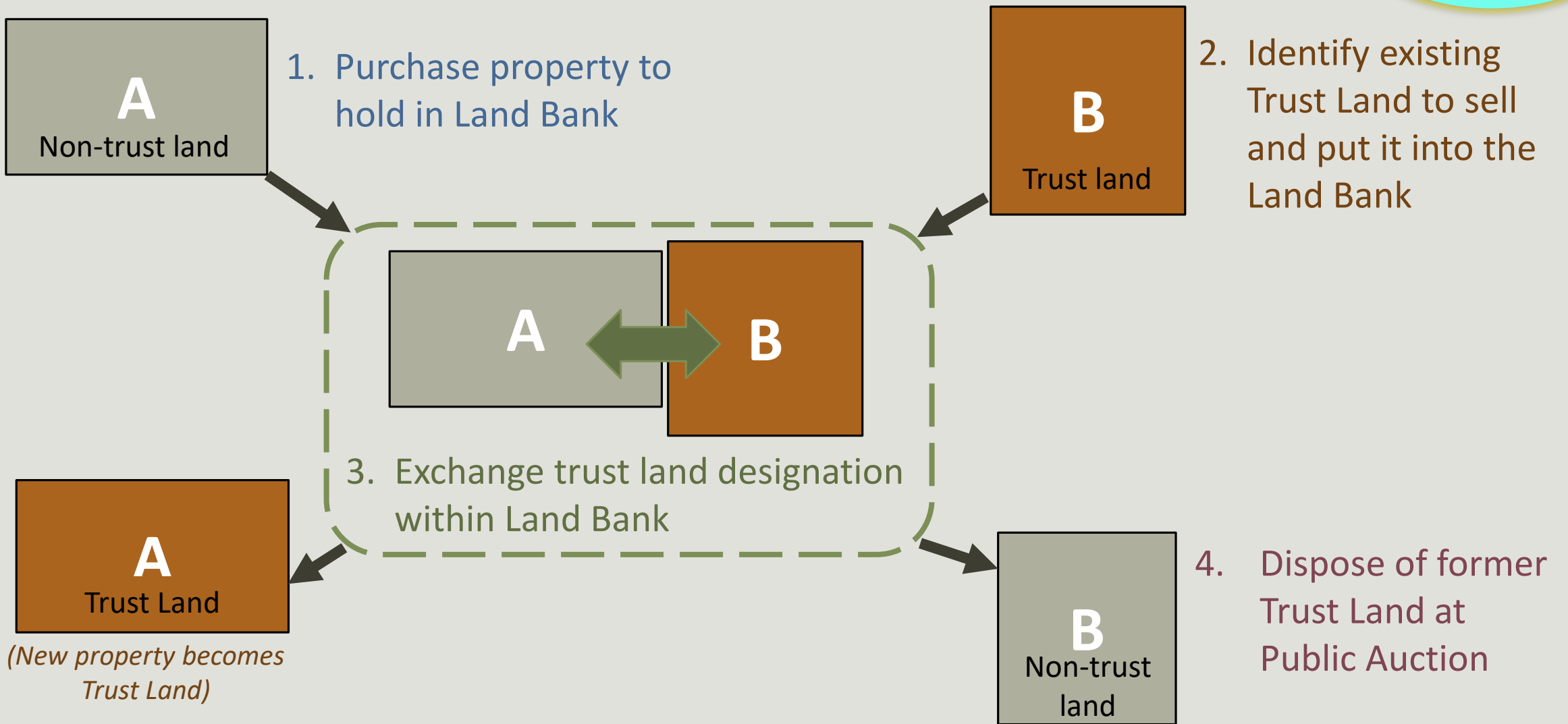
Review from
Phase I

What is the income from public auction used for?

To purchase additional Land Bank Properties

How does the Land Bank work?

Review from
Phase I





Intent for the NEW Trust Land Transfer Tool



1. Enhance revenue generating ability of trust lands



2. Place lands with ecological and social significant in appropriate public ownership



3. Conserve public lands as public lands



4. Open and transparent process to select and rank potential properties



Legislative Report - Review of changes



Create a NEW Land Bank Account in the Treasury

Maximum allowable balance of \$100M

Legislative appropriation will be reinvested in
state trust land portfolio

- Land replacement value to the Real Property Replacement Account
(Bare land value and 'average improvements' on the land of previous acquisitions)
- Funds in excess of land replacement value -> new Land Bank Account

New tool open to all trust designations

Open to any land use type

Eliminates timber-to-land-value ratio

Legislative appropriation request to include funds to cover staff time and other administrative expenses

Covered in next presentation



Focus
Group

Potential mitigation for
taxing district impacts



How the NEW TLT tool works



Legislative Funds:

- Provide funds for replacement trust properties
- Acquire special properties for public benefit

Property ownership is transferred to:

- DNR (NAP/NRCA)
- WDFW
- Parks
- Counties/Cities
- Tribes

Land Bank Account:

Funds in excess go towards buying replacement lands and allow for other lands to be transacted to benefit the trusts

Real Property Replacement Account:

Bare-land value and 'average improvement value' go towards buying replacement lands



Money generated from replacement lands go to school construction and local services

Does the new TLT tool meet the intent?

NEW TLT Tool

Legislative Appropriation



Real Property
Replacement
Account

Land Bank
Account

Direct transfer of lands to public agency



Replacement Lands

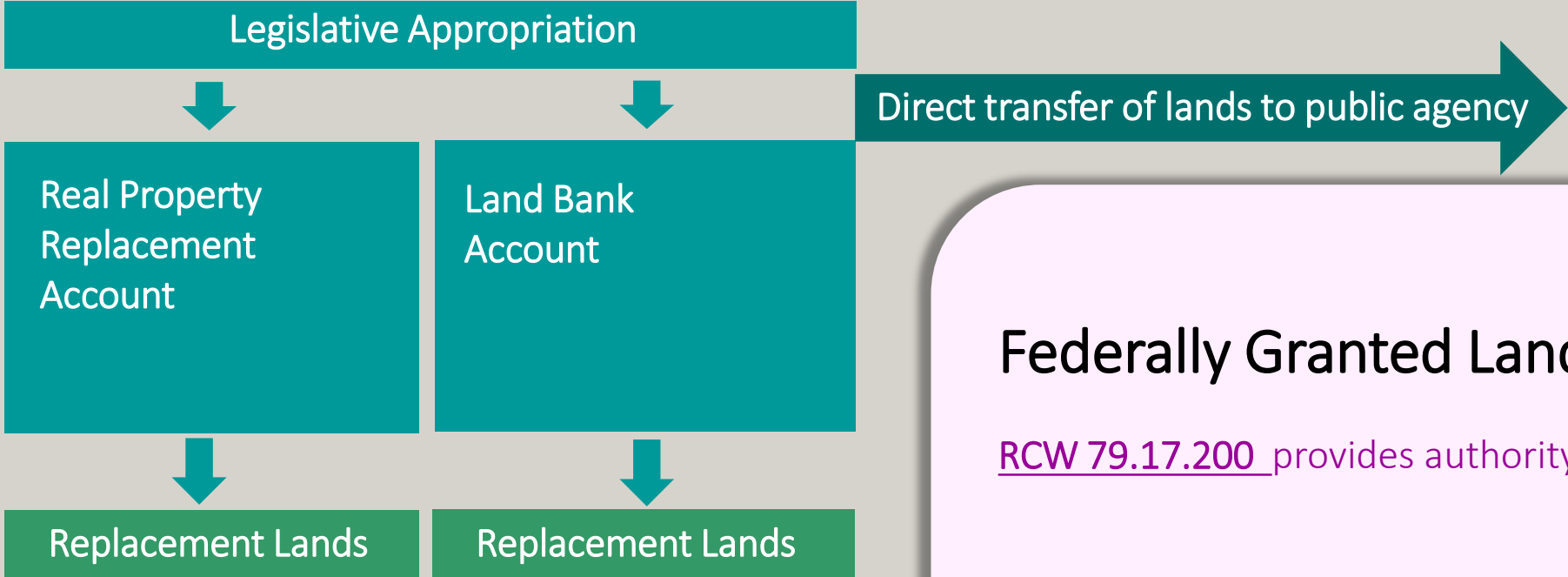
Replacement Lands

1. Enhance revenue generating ability of trust lands
2. Place lands with ecological and social significant in appropriate public ownership
3. Conserve public lands as public lands
4. Open and transparent process to select and rank potential properties



Will the new TLT tool work for all trust lands?

NEW TLT Tool



Federally Granted Lands ✓ YES

RCW 79.17.200 provides authority to do direct transfers

State Forest Lands ✗ NO

Under current authorities, RCW 79.22.060 limits the direct transfer



DNR may directly transfer or dispose of State Forestland without public auction, if the lands:

- Consist of ten contiguous acres or less
- Have a value of \$25,000 or less, or
- Are located in a county with 25,000 or less population and are encumbered with timber harvest deferrals associated with the ESA greater than 30 years



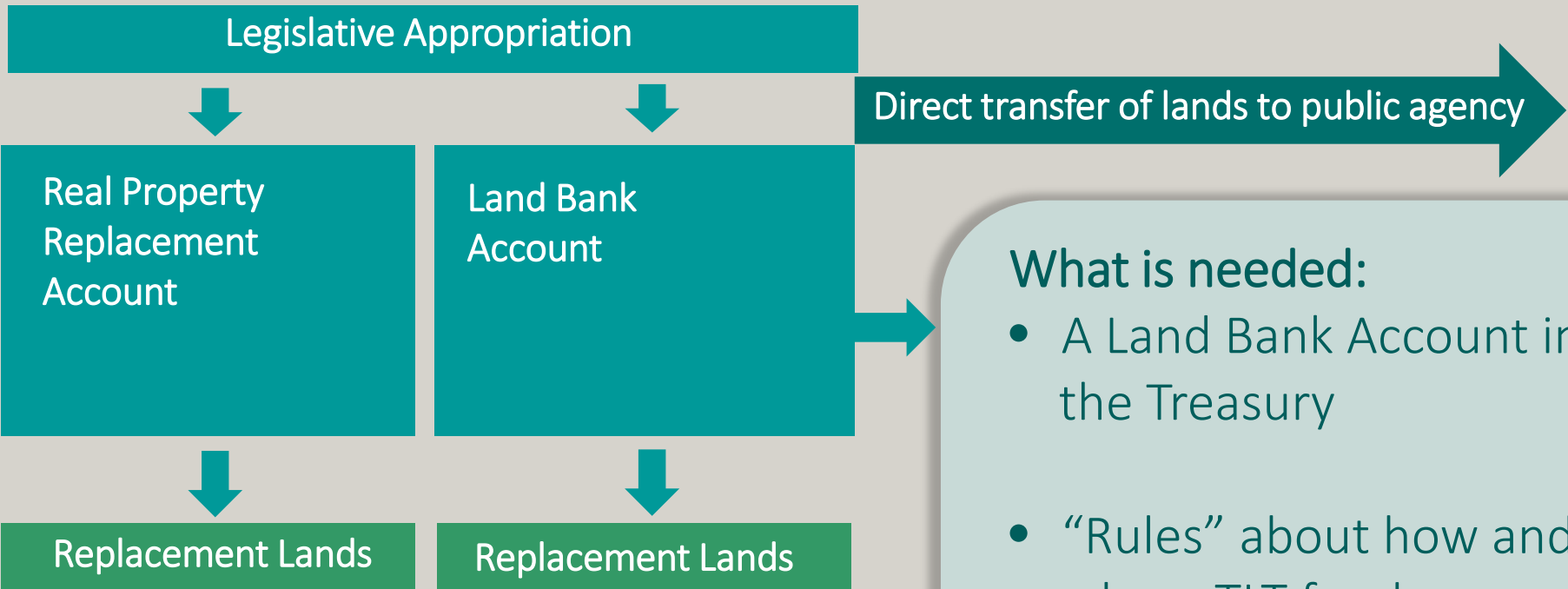
Disposal may only occur:

- Transfers in lieu of condemnation
- Transfers to resolve trespass or property ownership disputes
- Counties with less than 25,000 population, transfer to public agency
- Proceeds deposited into Parkland Trust Revolving Fund



What about the distribution of the Legislative Appropriation?

NEW TLT Tool



What is needed:

- A Land Bank Account in the Treasury → RCW
- “Rules” about how and where TLT funds are deposited after the direct transfer of land is completed →

Options include:

- RCW
- WAC
- BNR policy
- Procedures



Summary of Changes for NEWTLTTool

NEW TLT Tool

Legislative Appropriation



Direct transfer of lands to public agency



Real Property
Replacement
Account

Land Bank
Account



Replacement Lands

Replacement Lands

1. Create Land Bank Account in Statute
2. Create “rules” to direct the transfer of funds to appropriate accounts
 - a. RCW – Intent
 - b. WAC – Board rules
 - c. Policy – Board
3. Change RCW 79.22.060 to allow State Forest Lands to be direct transferred using TLT tool

Next Steps



Meeting 5.1

May 27, 2022

1:00 pm to 3:00 pm

