

Chapter 79.64 RCW
FUNDS FOR MANAGING AND ADMINISTERING LANDS

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PART 1
STATE LANDS

RCW 79.64.010 Definitions. As used in this chapter, "rule" means rule as that term is defined by RCW 34.05.010. [2003 c 334 s 519; 1967 ex.s. c 63 s 1; 1961 c 178 s 1.]

Intent—2003 c 334: See note following RCW 79.02.010.

RCW 79.64.020 Resource management cost account—Use. A resource management cost account in the state treasury is created to be used solely for the purpose of defraying the costs and expenses necessarily incurred by the department in managing and administering state lands and aquatic lands and the making and administering of leases, sales, contracts, licenses, permits, easements, and rights-of-way as authorized under the provisions of this title. Appropriations from the resource management cost account to the department shall be expended for no other purposes. Funds in the resource management cost account may be appropriated or transferred by the legislature for the benefit of all of the trusts from which the funds were derived. During the 2013-2015 fiscal biennium, the legislature may transfer from the

aquatics revenues in the resources management cost account to the marine resources stewardship trust account for the purposes of chapter 43.372 RCW. During the 2023-2025 fiscal biennium, the legislature may transfer no more than \$2,000,000 from the resource management cost account to the land bank account created in RCW 79.19.120. [2024 c 375 s 8005; 2014 c 32 s 3; 2013 2nd sp.s. c 4 s 1000; 2011 c 216 s 15; 2008 c 328 s 6004; 2004 c 199 s 226; 2003 c 334 s 520; 1993 c 460 s 1; 1985 c 57 s 80; 1981 c 4 s 2; 1961 c 178 s 2.]

Effective date—2024 c 375: See note following RCW 70A.65.305.

Effective dates—2013 2nd sp.s. c 4: See note following RCW 2.68.020.

Part headings not law—Severability—Effective date—2008 c 328: See notes following RCW 43.155.050.

Part headings not law—2004 c 199: See note following RCW 79.02.010.

Intent—2003 c 334: See note following RCW 79.02.010.

Effective date—1993 c 460: "This act shall take effect July 1, 1994." [1993 c 460 s 3.]

Effective date—1985 c 57: See note following RCW 18.04.105.

Severability—1981 c 4: See note following RCW 28A.515.320.

RCW 79.64.030 Expenditures of certain funds in the resource management cost account to be for trust lands—Use for other lands—Repayment—Ordinary cost not deductible from sale proceeds—Accounting. Funds in the resource management cost account from the moneys received from leases, sales, contracts, licenses, permits, easements, and rights-of-way issued by the department and affecting school lands, university lands, scientific school lands, normal school lands, capitol building lands, or institutional lands shall be pooled and expended by the department solely for the purpose of defraying the costs and expenses necessarily incurred in managing and administering all of the trust lands enumerated in this section. Such funds may be used for similar costs and expenses in managing and administering other lands managed by the department provided that such expenditures that have been or may be made on such other lands shall be repaid to the resource management cost account together with interest at a rate determined by the board.

Costs and expenses necessarily incurred in managing and administering agricultural college lands shall not be deducted from proceeds received from the sale of such lands or from the sale of resources that are part of the lands. Costs and expenses incurred in managing and administering agricultural college trust lands shall be funded by appropriation under RCW 79.64.090.

An accounting shall be made annually of the accrued expenditures from the pooled trust funds in the account. In the event the accounting determines that expenditures have been made from moneys received from trust lands for the benefit of other lands, such

expenditure shall be considered a debt and an encumbrance against the property benefited, including state forestlands. The results of the accounting shall be reported to the legislature at the next regular session. The state treasurer is authorized, upon request of the department, to transfer funds between the forest development account and the resource management cost account solely for purpose of repaying loans pursuant to this section. [2003 c 334 s 521; 2001 c 250 s 15; 1999 c 279 s 1; 1993 c 460 s 2; 1988 c 70 s 4; 1977 ex.s. c 159 s 2; 1961 c 178 s 3.]

Intent—2003 c 334: See note following RCW 79.02.010.

Effective date—1999 c 279: "This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect July 1, 1999." [1999 c 279 s 4.]

Effective date—1993 c 460: See note following RCW 79.64.020.

Forest development account: RCW 79.64.100.

RCW 79.64.040 Deductions from proceeds of all transactions authorized—Limitations. (1) The board shall determine the amount deemed necessary in order to achieve the purposes of this chapter and shall provide by rule for the deduction of this amount from the moneys received from all leases, sales, contracts, licenses, permits, easements, and rights-of-way issued by the department and affecting state lands and aquatic lands, except as provided in RCW 79.64.130, provided that no deduction shall be made from the proceeds from agricultural college lands.

(2) Moneys received as deposits from successful bidders, advance payments, and security under RCW 79.15.100, 79.15.080, and 79.11.150 prior to December 1, 1981, which have not been subjected to deduction under this section are not subject to deduction under this section.

(3) Except as otherwise provided in subsection (5) of this section, the deductions authorized under this section shall not exceed twenty-five percent of the moneys received by the department in connection with any one transaction pertaining to state lands and aquatic lands other than second-class tide and shore lands and the beds of navigable waters, and fifty percent of the moneys received by the department pertaining to second-class tide and shore lands and the beds of navigable waters.

(4) In the event that the department sells logs using the contract harvesting process described in RCW 79.15.500 through 79.15.530, the moneys received subject to this section are the net proceeds from the contract harvesting sale.

(5) During the 2015-2017, 2017-2019, 2019-2021, 2021-2023, and 2023-2025 fiscal biennia, the board may increase the twenty-five percent limitation up to thirty-two percent. [2023 c 475 s 943; 2021 c 334 s 994; 2019 c 415 s 984. Prior: 2017 3rd sp.s. c 1 s 985; 2017 c 248 s 5; 2015 3rd sp.s. c 4 s 972; 2014 c 32 s 4; 2013 2nd sp.s. c 4 s 1001; 2012 2nd sp.s. c 7 s 927; prior: 2011 1st sp.s. c 50 s 966; 2011 c 216 s 16; 2009 c 564 s 957; 2007 c 522 s 958; 2005 c 518 s 945; 2004 c 199 s 227; prior: 2003 c 334 s 522; 2003 c 313 s 8; 2001 c 250 s 16;

1999 c 279 s 2; 1981 2nd ex.s. c 4 s 3; 1971 ex.s. c 224 s 2; 1967 ex.s. c 63 s 2; 1961 c 178 s 4.]

Effective date—2023 c 475: See note following RCW 16.76.030.

Conflict with federal requirements—Effective date—2021 c 334: See notes following RCW 43.79.555.

Effective date—2019 c 415: See note following RCW 28B.20.476.

Effective date—2017 3rd sp.s. c 1: See note following RCW 43.41.455.

Effective dates—2015 3rd sp.s. c 4: See note following RCW 28B.15.069.

Effective dates—2013 2nd sp.s. c 4: See note following RCW 2.68.020.

Effective date—2012 2nd sp.s. c 7: See note following RCW 2.68.020.

Effective dates—2011 1st sp.s. c 50: See note following RCW 15.76.115.

Effective date—2009 c 564: See note following RCW 2.68.020.

Severability—Effective date—2007 c 522: See notes following RCW 15.64.050.

Effective date—2005 c 518: See note following RCW 28A.600.110.

Part headings not law—2004 c 199: See note following RCW 79.02.010.

Intent—2003 c 334: See note following RCW 79.02.010.

Findings—Severability—2003 c 313: See notes following RCW 79.15.500.

Effective date—1999 c 279: See note following RCW 79.64.030.

Deductions authorized relating to common school lands—Temporary discontinued deductions for common school construction fund—1983 1st ex.s. c 17: "(1) The deductions authorized in RCW 79.64.040 relating to common school lands may be increased by the board of natural resources to one hundred percent after temporary discontinued deductions result in a transfer to the common school construction fund in the amount of approximately fourteen million dollars or so much thereof as may be necessary to maintain a positive cash balance in the common school construction fund. The increased deductions shall continue until the additional amounts received from the increased rate equal the amounts of the deductions that were discontinued or transferred under subsection (2) of this section. Thereafter the deductions shall be as otherwise provided for in RCW 79.64.040.

(2) If the discontinued deductions will not result in a transfer of fourteen million dollars or so much thereof as may be necessary to maintain a positive balance in the common school construction fund in the biennium ending June 30, 1983, the state treasurer shall transfer the difference from the resource management cost account to the common school construction fund." [1983 1st ex.s. c 17 s 3.]

Severability—1981 2nd ex.s. c 4: See note following RCW 43.30.325.

RCW 79.64.050 Deductions to be paid into resource management cost account. All deductions from moneys received made in accordance with RCW 79.64.040 shall be paid into the resource management cost account and the balance shall be paid into the state treasury to the credit of the fund otherwise entitled to the proceeds. [2003 c 334 s 523; 2001 c 250 s 17; 1961 c 178 s 5.]

Intent—2003 c 334: See note following RCW 79.02.010.

RCW 79.64.060 Rules relating to account. The board shall adopt such rules as it deems necessary and proper for the purpose of carrying out the provisions of RCW 79.64.010 through 79.64.070. [1983 c 3 s 203; 1961 c 178 s 6.]

RCW 79.64.070 Severability—1961 c 178. If any provision of RCW 79.64.010 through 79.64.070, or its application to any person or circumstance is held invalid, the remainder of RCW 79.64.010 through 79.64.070, or the application of the provision to other persons or circumstances is not affected. [1983 c 3 s 204; 1961 c 178 s 7.]

RCW 79.64.090 Agricultural college trust management account—Creation. The agricultural college trust management account is created in the state treasury. To this account shall be deposited such funds as the legislature directs or appropriates. Moneys in the agricultural college trust management account may be spent only after appropriation. Expenditures from this account may be used only for the costs of managing the assets of the agricultural school trust. [2003 c 334 s 524; 1999 c 279 s 3.]

Intent—2003 c 334: See note following RCW 79.02.010.

Effective date—1999 c 279: See note following RCW 79.64.030.

RCW 79.64.095 Natural resources federal lands revolving account. The natural resources federal lands revolving account is created in the custody of the state treasurer. All receipts from the proceeds of good neighbor agreements as defined in RCW 79.02.010 and implemented by the department of natural resources and all legislative transfers, gifts, grants, and federal funds designated for use in conjunction with a good neighbor agreement implemented by the department of natural resources must be deposited into the account. Expenditures

from the account are subject to the limitations of the agreements under which proceeds were generated and may be used only for the planning and implementation of good neighbor agreements, including management or administrative costs and relevant goods and services. Only the commissioner or the commissioner's designee may authorize expenditures from the account. The account is subject to allotment procedures under chapter 43.88 RCW, but an appropriation is not required for expenditures. The natural resources federal lands revolving account is an interest-bearing account and the interest must be credited to the account. [2018 c 258 s 3.]

Effective date—2018 c 258: See note following RCW 79.02.010.

PART 2
STATE FORESTLANDS

RCW 79.64.100 Forest development account. (1) There is created a forest development account in the state treasury. The state treasurer shall keep an account of all sums deposited, expended, or withdrawn from the account.

(2) (a) Any sums placed in the forest development account shall be pledged for the purpose of:

(i) Paying interest and principal on the bonds issued by the department under RCW 79.22.080 and 79.22.090 and the provisions of this chapter; and

(ii) The purchase of land for growing timber.

(b) Any bonds issued shall constitute a first and prior claim and lien against the account for the payment of principal and interest.

(3) No sums for the purposes identified in subsection (2) of this section shall be withdrawn or paid out of the account except upon approval of the department.

(a) Appropriations may be made by the legislature from the forest development account to the department for the purpose of:

(i) Carrying on the activities of the department on state forestlands;

(ii) Establishing a state forestland pool under RCW 79.22.140 and carrying on the activities of the department on lands included in the land pool;

(iii) Carrying on the activities of the department on lands managed on a sustained yield basis as provided for in RCW 79.10.320; and

(iv) Reimbursement of expenditures that have been made or may be made from the resource management cost account created in RCW 79.64.020 in the management of state forestlands.

(b) For the 2011-2013 fiscal biennium, moneys from the forest development account shall be distributed as directed in section 706, chapter 7, Laws of 2012 2nd sp. sess. to the beneficiaries of the revenues derived from state forestlands. During the 2011-2013 fiscal biennium, the legislature may appropriate moneys in the forest development account to support emergency fire suppression activities in a manner that, at a maximum, represents the proportion of land that the department manages in comparison to the total land the department conducts emergency fire suppression activities on. [2023 c 470 s 1019. Prior: 2012 2nd sp.s. c 7 s 928; 2012 c 166 s 5; 2003 c 334 s

219; 2000 2nd sp.s. c 1 s 915; 1999 sp.s. c 13 s 18; 1998 c 347 s 55; 1988 c 128 s 31; 1985 c 57 s 75; 1977 ex.s. c 159 s 1; 1959 c 314 s 1; 1951 c 149 s 1; 1933 c 118 s 2; 1923 c 154 s 6; RRS s 5812-6. Formerly RCW 76.12.110.]

Explanatory statement—2023 c 470: See note following RCW 10.99.030.

Effective date—2012 2nd sp.s. c 7: See note following RCW 2.68.020.

Findings—Intent—2012 c 166: See note following RCW 79.02.010.

Intent—2003 c 334: See note following RCW 79.02.010.

Severability—Effective date—2000 2nd sp.s. c 1: See notes following RCW 41.05.143.

Severability—Effective date—1999 sp.s. c 13: See notes following RCW 77.85.005.

Effective date—1998 c 347: "This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately [April 3, 1998]." [1998 c 347 s 56.]

Effective date—1985 c 57: See note following RCW 18.04.105.

RCW 79.64.110 Revenue distribution. (1) Any moneys derived from the lease of state forestlands or from the sale of valuable materials, oils, gases, coal, minerals, or fossils from those lands, except as provided in RCW 79.64.130, or the appraised value of these resources when transferred to a public agency under RCW 79.22.060, must be distributed as follows:

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

(i) The expense incurred by the state for administration, reforestation, and protection, not to exceed 25 percent, which rate of percentage shall be determined by the board, must be returned to the forest development account created in RCW 79.64.100. During the 2017-2019, 2019-2021, 2021-2023, and 2023-2025 fiscal biennia, the board may increase the 25 percent limitation up to 27 percent.

(ii) Any balance remaining must be paid to the county in which the land is located or, if the land acquired under RCW 79.22.040 was exchanged, transferred, or disposed, payment must be made to the county from which the land was exchanged, transferred, or disposed. For counties participating in a land pool created under RCW 79.22.140, to each participating county proportionate to its contribution of asset value to the land pool as determined by the board. Payments made under this subsection are to be paid, distributed, and prorated to the various funds in the same manner as general taxes are paid and distributed during the year of payment. However, a county may in its discretion pay, distribute, and prorate payments made under this subsection of moneys derived from state forestlands acquired by exchange or as replacement lands, for lands acquired through RCW

79.22.040, in the same manner as general taxes are paid and distributed during the year of payment for the former state forestlands that were subject to the exchange.

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

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

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

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

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

(2) A school district may transfer amounts deposited in its debt service fund pursuant to this section into its capital projects fund as authorized in RCW 28A.320.330. [2023 c 475 s 944; 2023 c 383 s 8. Prior: 2021 c 334 s 995; 2021 c 145 s 3; prior: 2019 c 415 s 985; 2019 c 309 s 1; prior: 2017 3rd sp.s. c 13 s 315; 2017 3rd sp.s. c 1 s 986; 2017 c 248 s 6; 2015 3rd sp.s. c 4 s 973; 2012 c 166 s 6; 2009 c 354 s 8; 2007 c 503 s 1; 2003 c 334 s 207.]

Reviser's note: This section was amended by 2023 c 383 s 8 and by 2023 c 475 s 944, each without reference to the other. Both amendments are incorporated in the publication of this section under RCW 1.12.025(2). For rule of construction, see RCW 1.12.025(1).

Effective date—2023 c 475: See note following RCW 16.76.030.

Findings—2023 c 383: See note following RCW 79.17.300.

Conflict with federal requirements—Effective date—2021 c 334: See notes following RCW 43.79.555.

Effective date—2019 c 415: See note following RCW 28B.20.476.

Intent—2017 3rd sp.s. c 13: See note following RCW 28A.150.410.

Effective date—2017 3rd sp.s. c 1: See note following RCW 43.41.455.

Effective dates—2015 3rd sp.s. c 4: See note following RCW 28B.15.069.

Findings—Intent—2012 c 166: See note following RCW 79.02.010.

Finding—Intent—2009 c 354: See note following RCW 84.33.140.

Intent—2003 c 334: See note following RCW 79.02.010.

RCW 79.64.120 Retirement of interfund loans—Transfer of timber cutting rights on state forestlands acquired under RCW 79.22.010 to the federal land grant trusts—Distribution of revenue from timber management activities. (1) The department is authorized to:

(a) Determine the total present account balance with interest of the interfund loans made by the resource management cost account to the forest development account in accordance with generally accepted accounting principles;

(b) Subject to approval of the board, effectuate a transfer of timber cutting rights on state forestlands acquired under RCW 79.22.010 to the federal land grant trusts in such proportion that each trust receives full and fair market value for the interfund loans and is fully repaid or so much thereof as possible within distribution constraints described in subsection (2) of this section.

(2) After the effective date of the transfer authorized by subsection (1)(b) of this section and until the exercise of the cutting rights on the timber transferred has been fully satisfied, the distribution of revenue from timber management activities on state forestlands acquired under RCW 79.22.010 on which cutting rights have been transferred shall be as follows:

(a) As determined by the board, an amount no greater than thirty-three and three-tenths percent to be distributed to the federal land grant trust accounts and resource management cost account as directed by RCW 79.64.040 and 79.64.050;

(b) As determined by the board, an amount not less than sixteen and seven-tenths percent to the forest development account;

(c) Fifty percent to be distributed as provided in RCW 79.64.110. [2003 c 334 s 463; 1988 c 70 s 3. Formerly RCW 79.12.035.]

Intent—2003 c 334: See note following RCW 79.02.010.

Purpose—1988 c 70 s 3: "The purpose of RCW 79.12.035 is to provide a means to retire interfund loans authorized by RCW 79.64.030 from the resource management cost account to the forest development account. The resource management cost account is an asset of the federal land grant trusts. Section 3 of this act is intended to authorize a process by which the interfund loans may be repaid such that the federal land grant trusts will receive full fair market value without disruption in income to counties and the state general fund from management activities on state forestlands managed pursuant to chapter 79.12 RCW." [1988 c 70 s 2.]

RCW 79.64.130 Forest health revolving account. (1) (a) The forest health revolving account is created in the custody of the state treasurer. All receipts from the proceeds of forest health treatment sales as defined in this section and RCW 79.10.520 and 79.10.530 and all legislative transfers, gifts, grants, and federal funds must be deposited into the account. Expenditures from the account may be used only for the payment of costs, including management and administrative costs, incurred on forest health treatments necessary to improve forest health as defined in RCW 79.10.520. Only the commissioner or the commissioner's designee may authorize expenditures from the account. The board of natural resources has oversight of the account, and the commissioner must periodically report to the board of natural resources as to the status of the account, its disbursement, and receipts. The account is subject to allotment procedures under chapter 43.88 RCW, but an appropriation is not required for expenditures.

(b) The forest health revolving account is an interest-bearing account and the interest must be credited to the account.

(2) Beginning calendar year 2018, the fund balance attributable to the receipts from the proceeds of forest health treatment sales is subject to the following:

(a) Any unobligated amounts up to ten million dollars at the end of the calendar year are not subject to disbursements to trust beneficiaries, the resource management account, or the forest development account.

(b) Any unobligated amounts exceeding ten million dollars at the end of the calendar year must be disbursed to the appropriate trust beneficiaries as determined by the board of natural resources and these disbursements are not subject to the deductions for the resource management cost account described in RCW 79.64.040 or the forest development account described in RCW 79.64.110.

(c) If the board of natural resources determines that the department has permanently discontinued using the forest health revolving account for the forest health treatments under RCW 79.10.520 and 79.10.530, the board must disburse all remaining fund balance attributable to the proceeds of forest health treatment sales to the appropriate trust beneficiaries, and these disbursements are not subject to the deductions for the resource management cost account described in RCW 79.64.040 or the forest development account described in RCW 79.64.110.

(3) (a) Except as provided in (b) and (c) of this subsection, expenditures on state lands and state forestlands for forest health treatments by the department from the forest health revolving account must be consistent with the prioritization policy under RCW 79.10.520 and the prioritization list created under RCW 79.10.530.

(b) The department is not bound to adhere to the list submitted to the legislature under RCW 79.10.520 in the event that emerging information or changed circumstances support a reprioritization of lands consistent with the policy created under RCW 79.10.520.

(c) The department is not required to apply the prioritization policy of RCW 79.10.520 where doing so would be incompatible with the conditions of funding provided by the federal government or another organization that is contributing funds to forest health treatments involving the department. [2017 c 248 s 3.]