



Washington State Association of Counties

February 10th, 2012

The Honorable Ross Hunter
Chair, House Ways and Means Committee
315 John L. O'Brien Building
PO Box 40600
Olympia, WA 98504-0600

The Honorable Ed Murray
Chair, Senate Ways and Means Committee
303 John A. Cherberg Building
PO Box 40443
Olympia, WA 98504-0443

Dear Senator Murray and Representative Hunter:

As the chair of the Washington State Association of Counties Timber Counties Committee I am writing on behalf of the 19 counties who are beneficiaries of state trust lands. The Governor and Commissioner of Public Lands have proposed to distribute \$10 million in accrued trust land revenue management fees to timber counties in the 2012 supplemental operating budget.¹ We respectfully request that you include this distribution in the final FY2013 supplemental operating budget.

This revenue was generated from the sale of timber on lands that were either purchased for the benefit of the counties, or that were foreclosed upon by counties when their private owners could not pay property taxes. The counties turned over management of these lands to the state, and the lands are held in trust for the counties and managed by the Department of Natural Resources. The state is required to manage them with undivided loyalty to the trust beneficiaries.²

The trust lands under the management of the state of Washington are of critical importance to our counties. A recent estimate shows that revenues from state forest lands ranged from 20.4% of revenue from general property taxes for Clallam and Lewis Counties, to 23.5% for Pacific County, and 23.6% for Skamania County to 105% for Wahkiakum County. Revenues to those counties from trust land has fallen by an average of 42% in the 2002-2010 period as compared to the 1998-2002 period.³ At a time when every other source of revenue to local governments is shrinking, the lands held in trust for their benefit are more important to the trust beneficiaries than ever.

We are very grateful to Commissioner of Public Lands, Peter Goldmark, and to Governor Gregoire for proposing that this revenue be distributed to the county beneficiaries. Please include this distribution in the final 2012 supplemental operating budget.

¹ This provision is found in section 709 of the Governor's proposed 2012 supplemental operating budget, and is attached.

² *County of Skamania v. State*, 102 Wn.2d 127 (1984).

³ See DNR's 2004 *EIS on the Alternatives for Sustainable Forest Management of State Trust Lands In Western Washington*. Compare Table 4.11-6, p. 4-161 of the *Final EIS on Alternatives for Sustainable Forest Management of State Trust Lands in Western Washington* with Table I of County Income Report, July 2011.



Washington State
Association of Counties

Very truly yours,

A handwritten signature in black ink, appearing to read "Dan Cothren".

Dan Cothren, Wahkiakum County Commissioner

cc: Members, House Ways & Means Committee
Members, Senate Ways & Means Committee
Senator Sharon Nelson
Senator Kevin Ranker
Representative Brian Blake
Representative Dean Takko
Michael Bezanson, Senate Committee Services
Michael Bennion, Office of Program Research

1 NEW SECTION. **Sec. 709.** A new section is added to 2011 1st sp.s.
2 c 50 (uncodified) to read as follows:

3 **FOR THE DEPARTMENT OF NATURAL RESOURCES--DISTRIBUTION OF EXCESS FUNDS**
4 **FROM THE FOREST DEVELOPMENT ACCOUNT**

5 Forest Development Account--State Appropriation \$10,000,000

6 The appropriation in this section is provided solely for
7 distribution of state forest land revenues to taxing authorities that
8 received such revenue from fiscal year 2002 through fiscal year 2011
9 and is subject to the following conditions and limitations:

10 (1) Within fifteen days of the effective date of this section, the
11 department shall transmit funds in the amounts specified in subsection
12 (3) of this section to the county treasurers of the counties receiving
13 the funds.

14 (2) The county treasurers of the counties listed in this section
15 shall distribute funds received from this appropriation to taxing
16 authorities in proportion to the state forest transfer land funds
17 distributed to the taxing authorities based on information available
18 for the fiscal years 2002 through 2011. Funds to be credited to the
19 state of Washington and funds credited to school district general
20 levies shall be remitted to the state of Washington within thirty days
21 after the effective date of this section for deposit into the state
22 general fund.

23 (3) Funds shall be distributed in the following amounts:

24	Clallam	\$848,854
25	Clark	\$630,368
26	Cowlitz	\$418,159
27	Grays Harbor	\$266,365
28	Jefferson	\$239,722
29	King	\$328,725
30	Kitsap	\$73,839
31	Klickitat	\$197,968
32	Lewis	\$887,679
33	Mason	\$425,935
34	Okanogan	\$4
35	Pacific	\$352,540

