



Trust Land Transfer Revitalization Phase 2



Taxing Districts Focus Group

Meeting #2

September 16, 2022
9-11 a.m.



Agenda



Time	Topic	Lead
9:00 – 9:30 a.m.	Welcome <ul style="list-style-type: none">• Introductions• Group Charter• Goals	Sarah
9:30 – 10:00 a.m.	<ul style="list-style-type: none">• Meeting 1 Review• Preston Ridge Inter-trust Exchange• Blanchard Mountain• Defining the Problem: Perspectives• Looking Ahead: Solutions from the TLT Work Group	Duane Bob Sarah
10:30 – 10:50 a.m.	Thoughts? Questions?	Sarah
10:50 – 11:00 a.m.	Overview of Next Meeting Wrap-up	Sarah

Welcome and Introductions



- Name
- Affiliation
- Interest in trust land transfer



Group Charter Review



WASHINGTON STATE DEPARTMENT OF
NATURAL RESOURCES
HILARY S. FRANZ | COMMISSIONER OF PUBLIC LANDS

Taxing Districts Focus Group Charter (DRAFT)

Purpose

The Trust Land Transfer (TLT) Tax District Focus Group will evaluate and develop options for avoiding, minimizing, and mitigating impacts to tax districts that result from transferring State Forest Lands with the TLT tool. The group will examine existing options and identify new ones, as well as address any gaps, and evaluate the potential of each option to avoid, minimize and mitigate impacts to tax districts. The group also will propose steps needed to implement each option.

The products of this focus group will be used to inform the Phase 2 Work Group as they consider recommendations to DNR for revitalizing the TLT tool.

Focus Group Member Commitments

Members will be asked to do the following:

- Develop an understanding of State Forest Lands, DNR's fiduciary obligations, the statutes that govern how DNR directly transfers State Forest Land parcels to other public agencies, and how TLTs of State Forest Land transfers can affect revenue for counties and their tax districts.
- Think critically and creatively about all options being contemplated by the Phase 2 Work Group, or new options identified by this focus group, to assist the Phase 2 Work Group in developing recommendations related to including State Forest Lands in the TLT tool.
- Brainstorm pathways for implementation.
- Communicate with and gather input from agency partners, professional association members, constituents, and other interested parties, and share that feedback with the group.

Focus Group Member Time Obligation/Estimate

- Attend 4, 2-hour meetings, scheduled in September – October.
- Provide technical review on any documentation of the focus group's work.

Definitions

Taxing District - the state and any county, city, town, port district, school district, road district, metropolitan park district, regional transit authority, water-sewer district, or other municipal corporation, having the power or legal authority to impose burdens upon property within the district on an ad valorem basis, for the purpose of obtaining revenue for public purposes.

Junior Taxing District - a taxing district other than the state, a county, a county road district, a city, a town, a port district, or a public utility district.

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.





Meeting 1 Review

What is Trust Land Transfer (TLT)?



Established in 1989, a land portfolio management tool that is used to **reposition economically under-performing** state trust lands. Through TLT, DNR:

- **Transfers** underperforming state trust lands out of trust status to a receiving agency.
- **Replaces** the transferred parcel with lands that can generate revenue for trust beneficiaries.





- ✓ Improved best interests of the trusts analysis
- ✓ New advisory committee to rank nominated parcels into a prioritized list
- ✓ More robust tracking and reporting
- ✓ New webpages
- ✓ Discontinuation of the 80/20 ratio to open the tool to non-forested parcels
- ✓ Changes to funding allocation to provide more funding for replacement lands
- ✓ Possible expansion of the tool to include State Forestlands





Requested Information:
**Preston Ridge Inter-trust Exchange *and*
Blanchard Solution**

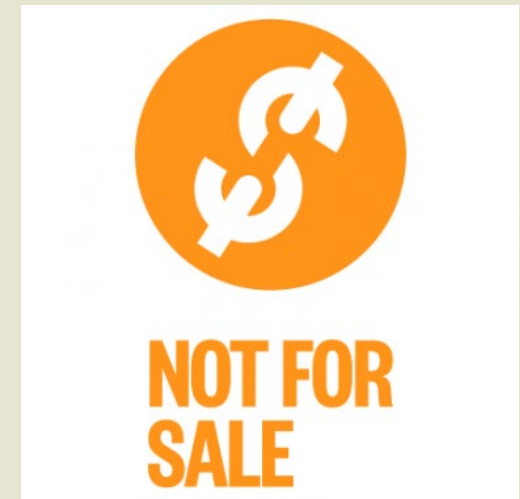


Defining the Problem: Perspectives



RCW 79.22.050 (Excerpt)

.....all land, acquired or designated by the department as state forestland, **shall be forever reserved from sale**, but the valuable materials thereon may be sold or the land may be leased in the same manner and for the same purposes as is authorized for state lands if the department finds such sale or lease to be in the best interests of the state and approves the terms and conditions thereof.





RCW 79.22.060 (Excerpt)

With the approval of the board, the department may directly transfer or dispose of state forestlands without public auction, if the lands:

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

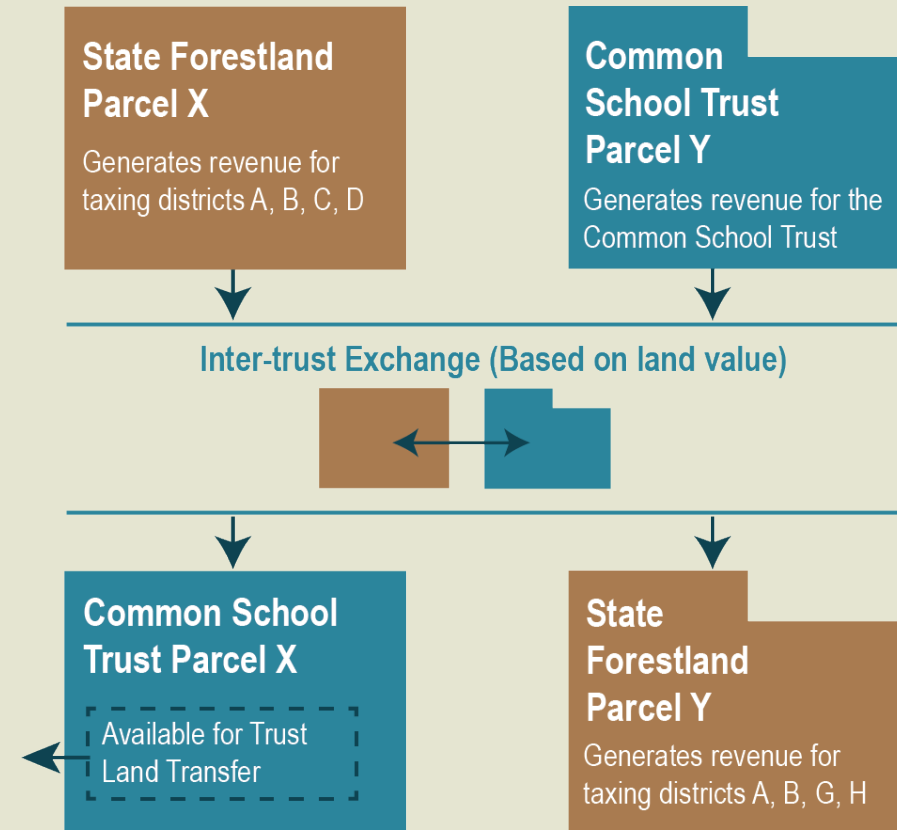
(2) Disposal under this section may only occur in the following circumstances:

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

Why Change the Statutes?



- Current tool limited to Common School Trust, so State Forestlands must first undergo an inter-trust exchange.
- If the statute is changed, tool could be expanded to include State Forestlands. Inter-trust exchanges would be optional.
- Change would provide more flexibility for repositioning State Forestlands.



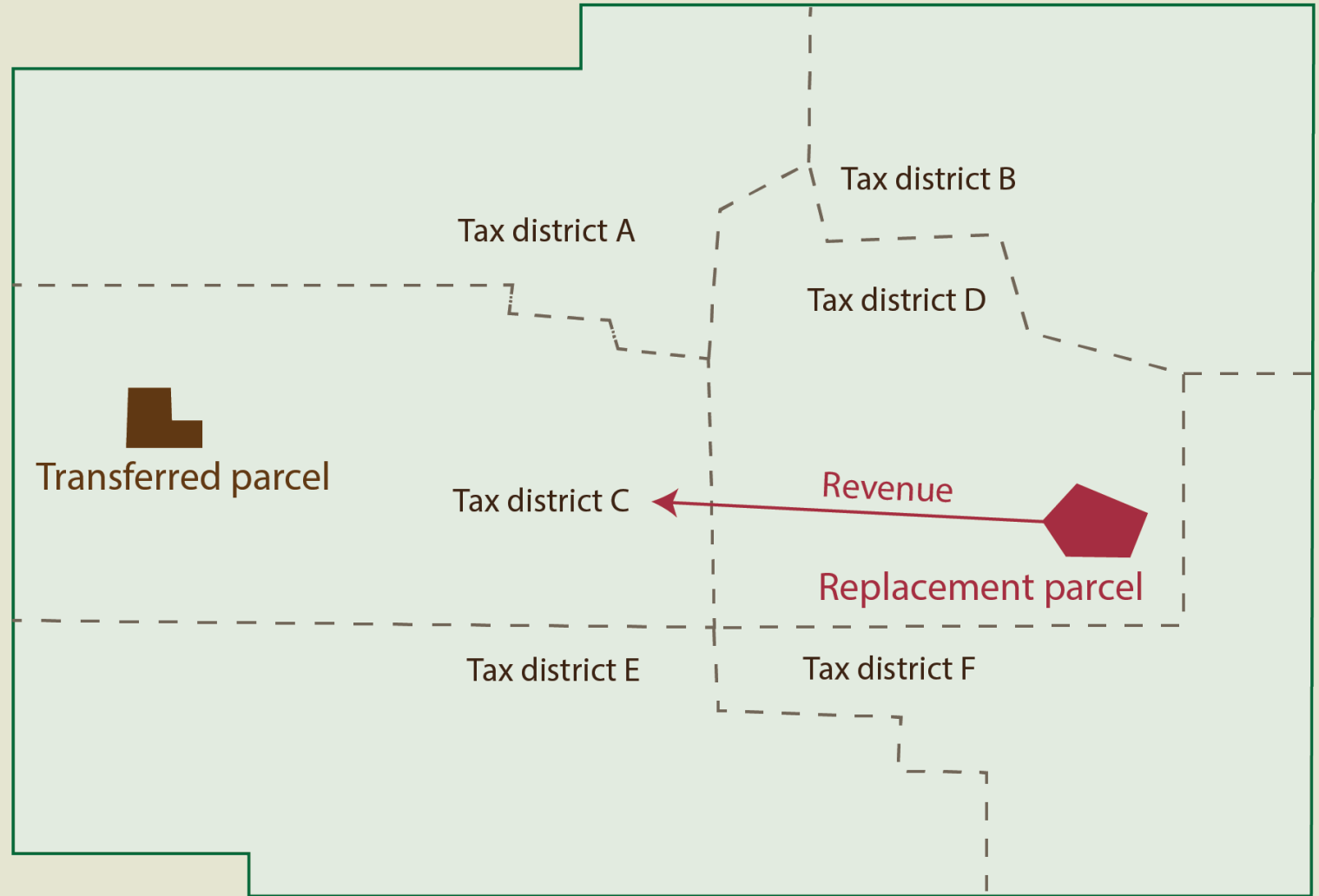


Looking Ahead: Solutions from the TLT Working Group

TLT Working Group Option 1



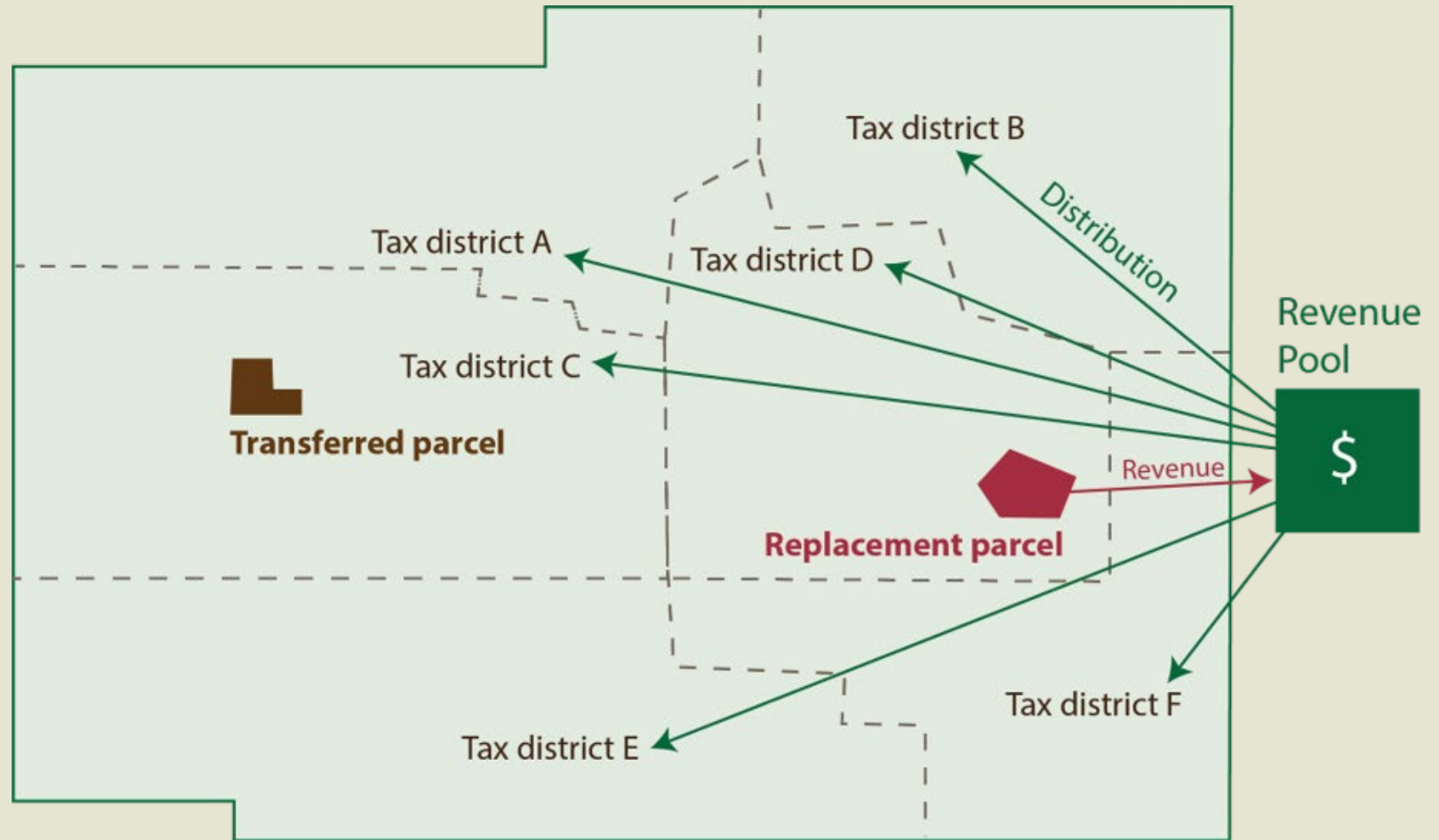
When a replacement parcel is located in a different tax area code than the parcel being transferred, counties could have the flexibility to assign the replacement parcel to the *affected* taxing district.



TLT Working Group Option 2



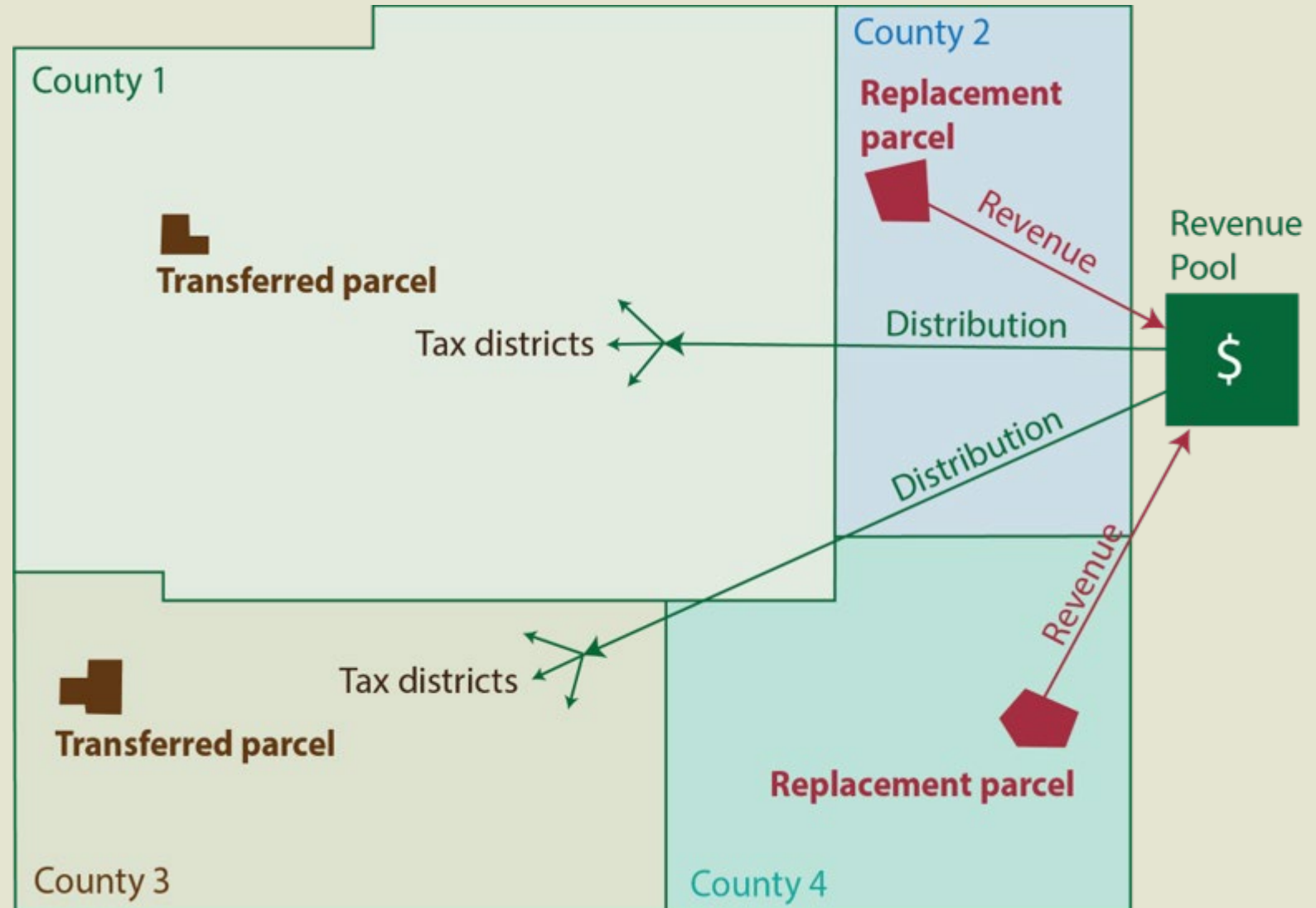
Consolidate all the revenue collected from State Forest Lands associated with taxing districts, and distribute revenue equitably to taxing districts based on acres, relative value, or other metrics.



TLT Working Group Option 4



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.





Looking Ahead: New Solutions?



Thoughts? Questions?

Upcoming Meetings



- **October 6, 3-5 pm – Meeting 3***
 - Brainstorm solutions.
 - **October 13, 9-11am – Meeting 4***
 - Recommend steps toward implementation of options.
- * Separate sub-committee meetings possible



Meeting #3 Agenda



Topic

Welcome

- Introductions
- Review of Last Meeting

Presentations/Speakers (as/if needed)

Group Solution Brainstorming

Thoughts? Questions?

Looking Ahead

- Upcoming Meeting

Wrap-up

See you at Meeting #3!



October 2022

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
25	26	27	28	29	30	1
2	3	4	5	6 <i>Next Meeting</i>	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31	1	2	3	4	5

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