Agenda

- Overview of Leasing RCWs
  - Chapter 43.30 RCW - DEPARTMENT OF NATURAL RESOURCES
  - Chapter 79.13 RCW - LAND LEASES
  - Chapter 79.22 RCW
    ACQUISITION, MANAGEMENT, AND DISPOSITION OF STATE FORESTLANDS
- Review of Washington Administrative Code
  - Chapter 332-22 WAC STATE LAND LEASING PROGRAM RULES
RCW 43.30.030
Department created.
The department of natural resources is hereby created, to consist of a board of natural resources, an administrator and a supervisor.

RCW 43.30.105
Administrator of department.
The commissioner of public lands shall be the administrator of the department.

RCW 43.30.155
Supervisor of natural resources—Appointment.
The supervisor shall be appointed by the administrator with the advice and consent of the board. The supervisor shall serve at the pleasure of the administrator.
RCW 43.30.215
Powers and duties of board.
The board shall:
(1) Perform duties relating to appraisal, appeal, approval, and hearing functions as provided by law;
(2) Establish policies to ensure that the acquisition, management, and disposition of all lands and resources within the department's jurisdiction are based on sound principles designed to achieve the maximum effective development and use of such lands and resources consistent with laws applicable thereto;
(3) Constitute the board of appraisers provided for in Article 16, section 2 of the state Constitution;
(4) Constitute the commission on harbor lines provided for in Article 15, section 1 of the state Constitution as amended;
(5) Constitute the board on geographic names as provided for in RCW 43.30.291 through 43.30.295; and
(6) Adopt and enforce rules as may be deemed necessary and proper for carrying out the powers, duties, and functions imposed upon it by this chapter.
Title 79 RCW

PUBLIC LANDS

Chapters

79.02 Public lands management—General.
79.10 Land management authorities and policies.
79.11 State land sales.
79.13 Land leases.
79.14 Mineral, coal, oil, and gas leases.
79.15 Sale of valuable materials.
79.17 Land transfers.
79.19 Land bank.
79.22 Acquisition, management, and disposition of state forestlands.
79.24 Capitol building lands.
79.36 Easements over public lands.
79.38 Access roads.
79.44 Assessments and charges against lands of the state.
79.64 Funds for managing and administering lands.
79.70 Natural area preserves.
79.71 Washington natural resources conservation areas.
79.73 Milwaukee road corridor.
79.100 Derelict vessels.
79.105 Aquatic lands—General.
79.110 Aquatic lands—Easements and rights-of-way.
79.115 Aquatic lands—Harbor areas.
79.120 Aquatic lands—Waterways and streets.
79.125 Aquatic lands—Tidelands and shorelands.
79.130 Aquatic lands—Beds of navigable waters.
79.135 Aquatic lands—Oysters, geoducks, shellfish, other aquacultural uses, and marine aquatic plants.
79.140 Aquatic lands—Valuable materials.
79.145 Marine plastic debris.
79.150 Forest biomass materials located on state lands.
79.155 Community forest trusts.
RCW 79.13.010

Lease of state lands—General.

(1) Subject to other provisions of this chapter and subject to rules adopted by the board, the department may lease state lands for purposes it deems advisable, including, but not limited to, commercial, industrial, residential, agricultural, and recreational purposes in order to obtain a fair market rental return to the state or the appropriate constitutional or statutory trust, and if the lease is in the best interest of the state or affected trust.
RCW 79.22.050

Sales and leases of timber, timberland, or products thereon.

Except as provided in RCW 79.22.060, 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 **79.13.030**

Lease contents.

Every lease issued by the department must contain:

1. The specific use or uses to which the land is to be employed;
2. The improvements required, if any;
3. Provisions providing that the rent is payable in advance in quarterly, semiannual, or annual payments as determined by the department, or as agreed upon by the lessee and the department;
4. Other terms and conditions as the department deems advisable, *subject to review by the board*, to achieve the purposes of the state Constitution and this chapter.
RCW 79.13.110

Types of lease authorization.
(1) The department may authorize the use of state land by lease at state auction for initial leases or by negotiation for existing leases.
(2) Leases that authorize commercial, industrial, or residential uses may be entered into by public auction or negotiations at the option of the department. Negotiations are subject to rules approved by the board.
(3) Leases to public agencies, as defined in RCW 79.17.200, may be entered into by negotiations. Property subject to lease agreements under this section must be appraised at fair market value. The leases may allow for a lump sum payment for the entire term of the lease at the beginning of the lease. The department shall calculate lump sum payments using professional appraisal standards. Renewal terms for the leases must include provisions for calculating appropriate payments upon renewal.
WACs
WAC 332-22-010
Promulgation.

This chapter is promulgated by the board of natural resources pursuant to the authority granted by RCW 79.01.242 (now RCW 79.13.010) to establish procedures for the department's state land leasing program. The board of natural resources recognizes that in order to obtain a fair market return to the trust, certain of its lands should be retained and managed through leasing. These rules are designed to establish practical leasing procedures and achieve the best possible return to the designated trust beneficiary consistent with any other obligations imposed by law on such lands.
Title 332 WAC | Show Dispositions

NATURAL RESOURCES, BOARD AND DEPARTMENT OF

Chapters
332-08 Practice and procedure.
332-10 Public records—Department of natural resources and board of natural resources.
332-12 Oil and gas leases.
332-14 Coal leasing rules and regulations.
332-16 Mineral prospecting leases and mining contracts.
332-17 Geothermal drilling rules and regulations.
332-18 Surface mine reclamation.
332-20 Grazing lands.
332-21 State urban lands.
332-22 State land leasing program rules.
332-24 Forest protection.
332-26 Emergency and short term rules.
332-28 Harbor line commission.
332-30 Aquatic land management.
332-32 Insect and weed control.
332-36 Road rules on state-owned lands.
332-41 SEPA policies and procedures.
332-52 Public access and recreation.
332-60 Natural areas—Natural area preserves.
332-100 Leases, sales, rights of way, etc.
332-110 Leases of state-owned land.
332-120 Survey monuments—Removal or destruction.
332-130 Minimum standards for land boundary surveys and geodetic control surveys and guidelines for the preparation of land descriptions.
332-150 Survey, plat and map filing and recording fees.
332-160 Committee on geographic names and geographic names policies and procedures.

Chapter 332-22 WAC

STATE LAND LEASING PROGRAM RULES

WAC Sections

332-22-010 Promulgation.
332-22-020 Definitions.
332-22-025 Bonus bid.
332-22-030 Applications to lease.
332-22-040 Lease auction procedure.
332-22-050 Lease procedure—Amendment.
332-22-060 Lease procedure—Rental adjustments.
332-22-070 Lease procedure—Notice.
332-22-080 Rights to re-lease denied.
332-22-090 Notice to lessee of public auction.
332-22-100 Existing lease negotiation.
332-22-105 Initial lease for commercial, industrial, or residential uses by negotiation.
332-22-110 Mandatory lease terms.
332-22-120 Assignment.
332-22-130 Residential leases.
332-22-140 Expired leases—Occupancy.
332-22-150 Temporary use permits.
332-22-160 Performance security.
332-22-170 Geothermal resources lease—Area.
332-22-180 Geothermal resources lease—Plan of development.
WAC 332-22-060
Lease procedure—Rental adjustments.
All leases shall provide for periodic rental reevaluation and adjustment, except leases with rentals based upon a percentage of crop or income. The lessee may request rental adjustments as provided in RCW 79.01.096.
WAC 332-22-105
Initial lease for commercial, industrial, or residential uses by negotiation.

(1) The department may negotiate initial leases to authorize commercial, industrial, or residential uses on specific parcels of land zoned for such uses provided:
   (a) Not more than one application is received by the department to lease the property.
   (b) The department determines that a rent of at least fair market rental can be obtained through negotiation.
   (c) The department publishes a notice of intent to lease which contains the legal description and zoning of the property, the office to which application to lease can be made, and the final date to submit a written request to lease. The notice shall be published not more than thirty days nor less than twenty days immediately preceding commencement of negotiation in two newspapers of general circulation in the locality of the state land, one of which shall be in the county where the land is located.
   (d) The department shall report to the board of natural resources on each initial lease entered into by negotiation. The report shall include the fair market value of the property, rental and lease terms.

(2) The department may negotiate initial leases at fair market rental to authorize placement and maintenance of communication equipment in or on electronic site buildings and on electronic site towers.
WAC 332-22-110  
**Mandatory lease terms.**

Each lease negotiated or placed at public auction shall contain the following terms:

1. The use or uses to which the land is to be employed. Provision must be made by insurance or otherwise, to protect the department against third-party claims arising from the uses made of the property by the lessee.

2. Improvements which exist on the land at the time lease negotiation is completed or public auction is held shall be specifically described and, unless otherwise designated shall be considered as a part of the value of the land. Improvements may be required to be constructed as a condition of a lease. All existing improvements or those authorized or required under the conditions of the lease must be maintained at the sole cost of the lessee unless otherwise provided. All improvements must be protected against casualty loss in a manner satisfactory to the department unless otherwise provided. Improvements placed upon the land by the lessee shall become the property of the state at the end of lease term unless otherwise provided.

3. Any lease with a term of more than ten years shall require a plan of development which includes scheduled completion dates for all required activities, improvements, or other actions.
Questions?