

NEW SECTION. Sec. 2. Section 47.12.130, chapter 13, Laws of 1961, section 4, chapter 96, Laws of 1975 1st ex. sess., section 51, chapter 151, Laws of 1977 ex. sess. and RCW 47.12.130 are each repealed.

Passed the House March 9, 1988.

Passed the Senate March 5, 1988.

Approved by the Governor March 18, 1988.

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CHAPTER 136

[Substitute House Bill No. 1562]

PUBLIC LANDS—VALUABLE MATERIALS—DIRECT SALES

AN ACT Relating to direct sales of valuable materials from public lands; and amending RCW 79.01.200, 79.01.132, and 79.01.184.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. Section 50, chapter 255, Laws of 1927 as last amended by section 2, chapter 54, Laws of 1979 and RCW 79.01.200 are each amended to read as follows:

All sales of land shall be at public auction, and all sales of valuable materials shall be at public auction or by sealed bid to the highest bidder, on the terms prescribed by law and as specified in the notice provided, and no land or materials shall be sold for less than its appraised value: **PROVIDED**, That on public lands granted to the state for educational purposes sealed bids may be accepted for sales of timber or stone only: **PROVIDED FURTHER**, That when valuable material has been appraised at an amount not exceeding twenty thousand dollars, the department of natural resources, when authorized by the board of natural resources, may arrange for the sale at public auction of said valuable material and for its removal under such terms and conditions as the department may prescribe, after the department shall have caused to be published ten days prior to sale a notice of such sale in a newspaper of general circulation located nearest to property to be sold: **AND PROVIDED FURTHER**, That any sale of (~~timber, fallen timber, stone, gravel, sand, fill material, or building stone~~) valuable materials of an appraised value of one thousand dollars or less may be sold directly to the applicant for cash without notice or advertising.

Sec. 2. Section 16, chapter 2, Laws of 1983 and RCW 79.01.132 are each amended to read as follows:

When any timber, fallen timber, stone, gravel, or other valuable material on state lands is sold separate from the land, it may be sold as a lump sum sale or as a scale sale: **PROVIDED**, That upon the request of the purchaser, any lump sum sale over five thousand dollars appraised value shall be on the installment plan. Lump sum sales under five thousand dollars appraised value shall be paid for in cash. The initial deposits required in RCW

79.01.204, not to exceed twenty-five percent of the actual or projected purchase price, but in the case of lump sum sales over five thousand dollars not less than five thousand dollars, shall be made on the day of the sale. The purchaser shall notify the department of natural resources before any timber is cut and before removal or processing of any valuable materials on the sale area, at which time the department of natural resources may require, in the amount determined by the department, advance payment for the removal, processing, and/or cutting of timber or other valuable materials, or bank letters of credit, payment bonds, or assignments of savings accounts acceptable to the department as adequate security. The amount of such advance payments and/or security shall at all times equal or exceed the value of timber cut and other valuable materials processed or removed until paid for. The initial deposit shall be maintained until all contract obligations of the purchaser are satisfied; PROVIDED HOWEVER, That all or a portion of said initial deposit may be applied as the final payment for said materials in the event the department of natural resources determines that adequate security exists for the performance or fulfillment of any remaining obligations of the purchaser under the sale contract.

In all cases where timber, fallen timber, stone, gravel, or other valuable material is sold separate from the land, the same shall revert to the state if not removed from the land within the period specified in the sale contract. Said specified period shall not exceed five years from the date of the purchase thereof; PROVIDED, That the specified periods in the sale contract for stone, sand, fill material, or building stone shall not exceed twenty years; PROVIDED FURTHER, That in all cases where, in the judgment of the department of natural resources, the purchaser is acting in good faith and endeavoring to remove such materials, the department of natural resources may extend the time for the removal thereof for any period not exceeding twenty years from the date of purchase for the stone, sand, fill material or building stone or for a total of ten years beyond the normal termination date specified in the original sale contract for all other material, upon payment to the state of a sum to be fixed by the department of natural resources, based on the estimated loss of income per acre to the state resulting from the granting of the extension but in no event less than fifty dollars per extension, plus interest on the unpaid portion of the contract. The interest rate shall be fixed, from time to time, by rule adopted by the board of natural resources and shall not be less than six percent per annum. The applicable rate of interest as fixed at the date of sale and the maximum extension payment shall be set forth in the contract. The method for calculating the unpaid portion of the contract upon which such interest shall be paid by the purchaser shall be set forth in the contract. The department of natural resources shall pay into the state treasury all sums received for such extension and the same shall be credited to the fund to which was credited the original purchase price of the material so sold; AND PROVIDED FURTHER,

That any sale of (~~timber, fallen timber, stone, gravel, sand, fill material, or building stone~~) valuable materials of an appraised value of one thousand dollars or less may be sold directly to the applicant for cash at full appraised value without notice or advertising.

The provisions of this section apply unless otherwise provided by statute.

Sec. 3. Section 17, chapter 2, Laws of 1983 and RCW 79.01.184 are each amended to read as follows:

When the department of natural resources shall have decided to sell any state lands or valuable materials thereon, or with the consent of the board of regents of the University of Washington, or by legislative directive, shall have decided to sell any lot, block, tract, or tracts of university lands, or the timber, fallen timber, stone, gravel, or other valuable material thereon it shall be the duty of the department to forthwith fix the date, place, and time of sale, and no sale shall be had on any day which is a legal holiday.

The department shall give notice of the sale by advertisement published once a week for four weeks next before the time it shall name in said notice, in at least one newspaper published and of general circulation in the county in which the whole, or any part of any lot, block, or tract of land to be sold, or the material upon which is to be sold is situated, and by causing a copy of said notice to be posted in a conspicuous place in the department's Olympia office and the area headquarters administering such sale and in the office of the county auditor of such county, which notice shall specify the place and time of sale, the appraised value thereof, and describe with particularity each parcel of land to be sold, or from which valuable materials are to be sold, and in case of material sales the estimated volume thereof, and specify that the terms of sale will be posted in the area headquarters and the department's Olympia office: **PROVIDED**, That any sale of (~~timber, fallen timber, stone, gravel, sand, fill material, or building stone~~) valuable materials of an appraised value of one thousand dollars or less may be sold directly to the applicant for cash at the full appraised value without notice or advertising.

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CHAPTER 137

[Substitute Senate Bill No. 6217]

PROSSER WELL

AN ACT Relating to the Prosser well at the Washington State University research center; creating a new section; making an appropriation; and declaring an emergency.