

**JEFFERSON COUNTY
BOARD OF COUNTY COMMISSIONERS**

AGENDA REQUEST

TO: Board of County Commissioners

FROM: Adiel McKnight, Executive Assistant

DATE: June 26, 2023

SUBJECT: UPDATE re: Washington State Department of Natural Resources 2023 1st Quarterly County Income Report

STATEMENT OF ISSUE:

Mona Griswold, DNR Regional Manager, and Drew Rosanbalm, DNR State Lands Assistant, will provide the Commissioners with an update regarding the Washington State Department of Natural Resources Quarterly County Income Report.

FISCAL IMPACT:

DNR Representatives will discuss timber sales and revenue reports.

RECOMMENDATION:

No Action Required

REVIEWED BY:

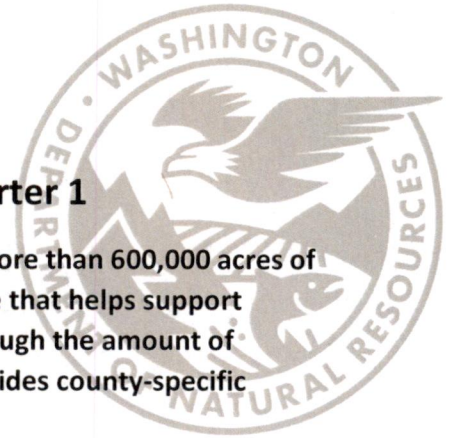

Mark McCauley, County Administrator

6/13/23
Date

Jefferson County

2023 Quarterly Income Report – Quarter 1

The Washington State Department of Natural Resources manages more than 600,000 acres of state forestlands in Washington. State forestlands generate revenue that helps support counties and local services. The lands are located in 21 counties, though the amount of acreage of trust land varies considerably by county. This report provides county-specific information regarding quarterly revenue from state forestlands.



ALL REVENUE¹ distributed to Jefferson County in Calendar Quarter 1 (January 1 - March 31, 2023). Due to the specific date monies are received by the Department and the cutoff dates used by the State Treasurer for wire transfers, the revenue for the current period may be different than actual remittances received by the county.

\$979,060.60

ALL REVENUE¹ accrued for Jefferson County this calendar year, 2023, as of March 31, 2023. For reporting purposes, DNR follows the modified accrual basis of accounting per Generally Accepted Accounting Principles (GAAP). Under this measurement focus, revenues are recognized and recorded when they become both measurable and available, i.e., when invoiced.

\$997,419.00

NET VALUE² of State Forestland timber in Jefferson County under contract as of March 31, 2023.

\$4,277,068.83

[Click here](#) for 10-Year Revenue History.

[Click here](#) for detail about timber sales under contract.

¹ All revenue refers to distributions from timber and non-timber sources.

² Net value of timber includes the estimated value of timber currently under contract and does not include the estimated value from non-timber sources.

There are two types of state forestlands: State Forest Transfer lands, and State Forest Purchase lands.

1. **State Forest Transfer Lands.** These are lands acquired by counties through tax foreclosures that were subsequently turned over to the state. The Department of Natural Resources currently manages more than 538,000 acres of these forestlands in trust for 20 counties. Revenue from State Forestlands is distributed in accordance with RCW 79.64.110. Based on population, Skamania and Wahkiakum Counties have different distribution requirements compared with other counties.
2. **State Forest Purchase Lands.** State-issued bonds were used to acquire certain parcels of forestland from private owners. Typically, these forestlands had been logged and were in need of active management. Allocation of revenue from these lands was determined when purchase was authorized, as follows: 26.5 percent to the county in which the property is located; 50 percent to DNR for management expenses; and the remaining 23.5 percent to the State General Fund.

State Forestlands

Current as of 04/09/2021

	State Forest Transfer	State Forest Purchase	Total Acres
Clallam	93,018	242	93,260
Clark	26,497	3,850	30,347
Cowlitz	11,083	275	11,358
Grays Harbor	2,315	29,033	31,348
Jefferson	14,706	16	14,722
King	22,908	0	22,908
Kitsap	7,561	79	7,640
Kittitas	0	3	3
Klickitat	20,360	41	20,401
Lewis	39,999	3,069	43,067
Mason	28,344	561	28,905
Okanogan	42	0	42
Pacific	14,839	8,163	23,002
Pierce	8,880	3,339	12,219
Skagit	86,146	2	86,148
Skamania	37,917	4,461	42,378
Snohomish	62,480	1,681	64,161
Stevens	160	41	201
Thurston	20,019	23,531	43,550
Wahkiakum	12,405	0	12,405
Whatcom	29,241	996	30,237
Total Acres	538,918	79,384	618,302

Table 2: STATE FORESTLANDS -TIMBER SALES UNDER CONTRACT

2-LUMP SUM SALES: Purchaser bids a fixed total sale value. Distributions occur throughout the contract as timber is harvested and inventoried. Contract can be terminated at any time.

3-SCALE SALES: Purchaser bids a fixed price per thousand board feet for the biddable species; prices for all other species are set by DNR prior to auction. The total value for scale sales are estimates only, actual value will depend upon the amount of timber volume harvested by species. Distributions occur throughout the contract as timber is harvested and inventoried. Contract can be extended.

3-SORT SALES: 1) Contractor hired by DNR harvests timber, delivers logs to individual purchasers of log sorts, and the harvester is paid for those services from the gross proceeds. Purchaser bids a delivered log value, per thousand board feet. The net value (after payment of harvesting costs) are estimates only until the project is completed. Actual net value will depend upon the amount of timber harvested by species. 2) Distribution occurs once all operations are completed and the contract is terminated. The net value of the harvest is divided equally between the purchaser and the harvester. Partial distributions may occur during the contract to provide revenue for the beneficiaries, or to meet the statutory requirement to maintain less than \$5 million in the Contract Harvesting Fund at the end of each calendar year under RCW 76.09.020.

* This revenue is distributed by the county in accordance with RCW 79.64.110

[illegible]

ALL NUMBERS ARE ESTIMATES AND ARE SUBJECT TO CHANGE
All revenue figures are for calendar years, and already have DNR management fees deducted.

	1ST QTR
All Revenue:	\$979,059.88
Non-timber:	\$2,154.88
Corn Sites	\$2,154.88
ROW/RUP	\$0.00
LEASES	\$0.00
SPECIAL FOREST PROD.	\$0.00
Timber:	\$976,905.00

**Olympic Region
FY 2023
Planned and Sold Harvest**

June 06, 2023

Legend

- Planned Harvest - FY 2023
- Sold Harvest - FY 2023
- Junior Taxing Districts
- Surface Trust and Major Public Lands
 - Forest Board
 - RMCA and other
 - Tribal Lands and Reservations
 - US Forest Service
 - National Park Service

Scale: 0 2.5 5 10 Miles

The data used to create this map is statewide, corporate data from DNR's Geographic Information System.

Extreme care was used during compilation of this map to insure accuracy. However, due to changes in ownership and the need to rely on outside sources of information, the Department of Natural Resources cannot accept responsibility for errors or omissions, and, therefore, there are no warranties which accompany this material.

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

Olympic Region FY 2024 Planned and Sold Harvest

