



Thurston Chamber Board of Trustees

March 12, 2024





State Land Trusts

TRUST LANDS SUPPORT SCHOOLS AND COUNTY SERVICES

The Department of Natural Resources (DNR) manages 3 million acres of state trust lands in Washington.

State trust lands are distinctive in that they are managed to produce non-tax revenue for specific beneficiaries. Trust lands are an ongoing source of land-based financial support to various beneficiaries.

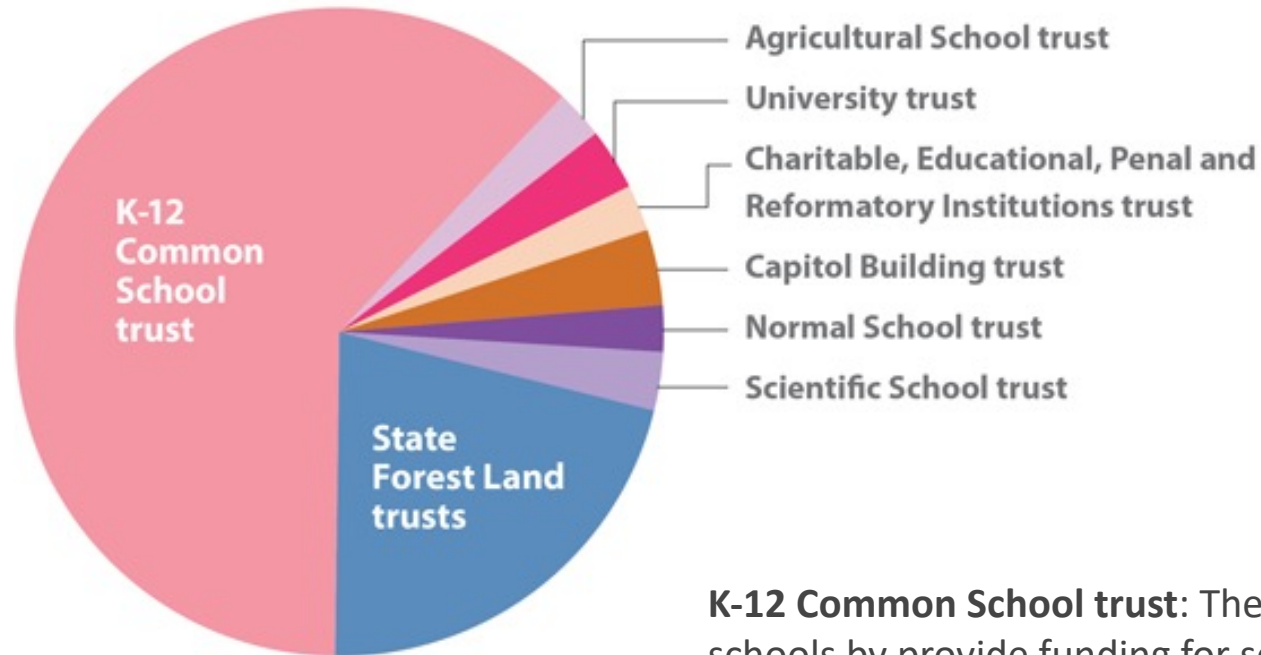
The largest of these federally granted trusts is the Common School trust with approximately 1.8 million acres of forestland, agricultural lands and other properties. Revenue generated on these lands helps fund K-12 school construction projects across the state.

State Forest trust lands are another category of state trust lands managed by DNR for the benefit of the county where the lands are located.





The beneficiaries



K-12 Common School trust: These trust lands benefit K-12 schools by provide funding for school construction projects throughout the state.

State Forest Land trust: State Forest trust lands benefit counties and junior taxing districts. They provide revenue that supports local and state schools as well as county services including roads, libraries, fire districts, ports, hospitals and emergency management.



Table 1 - 10 Year Revenue History (Calendar Years)

Revenue to Counties from State Forest Transfer and Purchase Lands

Updated:	1/23/2025									
County	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Clallam	3,376,506	7,938,764	6,543,420	2,987,754	6,611,511	5,617,183	6,720,926	5,914,742	10,716,878	6,206,970
Clark	5,846,269	4,791,957	5,192,493	1,486,670	2,577,304	2,605,749	3,034,371	968,177	562,480	375,457
Cowlitz	4,025,043	1,358,909	1,358,770	1,417,984	68,780	1,706,749	853,227	31,299	142,049	33,917
Grays Harbor	1,245,311	2,838,170	1,881,541	1,151,469	1,608,663	2,503,031	1,572,029	3,183,908	1,806,521	4,561,563
Jefferson	2,906,961	1,603,428	1,085,544	2,573,648	1,632,243	3,495,847	497,654	1,116,217	4,432,494	950,542
King	952,755	2,397,790	905,021	1,245,122	4,708,952	1,613,241	5,319,119	2,637,644	2,156,994	1,645,796
Kitsap	851,397	824,969	1,130,540	556,973	1,566,788	444,966	566,322	81,028	91,487	81,987
Klickitat	352,380	26,797	25,551	10,947	518	(891)	1,798,048	136,572	1,369,877	1,629,567
Lewis	4,053,711	5,416,025	5,411,157	7,666,065	12,440,080	12,926,965	6,015,428	4,370,808	6,864,668	5,214,774
Mason	8,005,336	3,621,960	2,810,189	6,970,807	4,512,364	2,476,195	6,375,460	2,986,765	1,153,030	2,239,895
Pacific	1,227,526	2,653,344	1,387,737	3,505,380	4,651,968	1,511,182	3,329,215	755,620	986,818	1,563,152
Pierce	32,691	335,489	437,463	1,307,281	767,430	0	155,841	3,061,926	2,823,046	25,052
Skagit	7,425,535	8,592,232	14,533,379	15,534,103	11,695,390	8,582,680	8,974,733	3,361,442	4,873,328	4,656,034
Skamania	1,234,445	2,131,536	1,566,271	2,930,483	4,148,517	1,215,912	2,035,788	2,047,883	2,346,239	4,997,444
Snohomish	7,256,233	5,652,325	7,678,567	6,178,109	7,627,248	8,056,729	8,167,623	4,721,279	2,904,627	4,477,512
Stevens	63,533	94,918	90,768	110,709	96,010	103,852	106,815	134,146	138,931	152,524
Thurston	4,368,240	8,747,144	2,947,101	3,065,897	5,787,365	9,220,953	8,112,840	6,398,974	5,246,605	2,305,353
Wahkiakum	802,706	2,026,441	1,443,199	3,146,937	2,583,841	1,374,372	2,746,665	1,748,387	1,700,044	2,048,255
Whatcom	4,022,292	2,061,161	1,481,660	3,077,070	4,279,585	3,872,826	1,773,092	1,289,689	362,229	412,080
Totals	\$50,219,757	\$56,853,794	\$60,466,140	\$58,048,870	\$ 63,113,359	\$ 57,910,371	\$ 68,155,196	\$ 44,946,506	\$50,678,345	\$43,577,874

Notes: Revenue is received daily by the Department of Natural Resources for activities on State Forest lands and deposited daily at the Office of State Treasurer. Effective February 1998 these monies are remitted to each county via wire transfer a minimum of four times per month. 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 to date.

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.

Data Source: Datamart Management Report #6 for calendar year-to-date.





New Lands Commissioner

Commissioner Upthegrove Calls “Timeout” on Harvesting Older State Forests

First action: Announced a 6-month pause on DNR timber harvests in certain structurally complex mature forests.

Purpose: Better identify and map the characteristics of the forests the agency manages and meet DNR’s Policy for Sustainable Forests of conserving 10 to 15 percent of structurally complex forests. Develop the necessary criteria to protect older forests while ensuring a sustained level of harvests.

Scope: DNR staff identified 23 sales meeting these criteria planned for the first half of 2025. This constitutes 28% of all sale acres for 2025.

The Commissioner will use this time to meet with beneficiaries, Tribes, environmental groups, industry, and the public in a transparent process to get their input and build support for protecting these vital forests.”



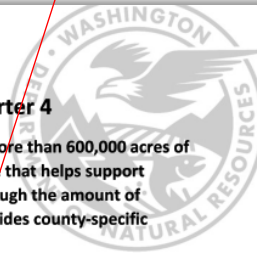
THURSTON COUNTY

Table 2: STATE FORESTLANDS **TIMBER SALES UNDER CONTRACT**

(NOTE: 30 month timeline - updated every quarter)

					2025												2026												2027					
					Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
LUMP SUM SALES																																		
Contract #	Estimated total sale value to be distributed to the County*	Total Sale Distributions to the County through 12/31/2024	Estimated Remaining Value to be Distributed to the County	Contract End Date																														
Juneau	102082	1,150,736.47	1,150,736.47	10/31/2027																														
Nuggets	102083	126,922.78	89,136.61	37,786.17	10/31/2025																													
Buttercup	102085	1,807,955.32	1,748,554.61	59,410.71	2/25/2025																													
Hopscotch	102088	1,571,659.87	937,037.99	634,621.88	5/31/2026																													
Carrot	103584	496,144.93	496,144.93	5/31/2027																														
Marshmallow	103589	160,968.63	160,968.63	10/31/2026																														
Cabbage Patch	103592	2,054,341.97	2,054,341.97	5/31/2027																														
Total		7,368,739.96	4,594,010.75																															
SCALE SALES																																		
Contract #	Estimated total sale value to be distributed to the County*	Total Sale Distributions to the County through 12/31/2024	Estimated Remaining Value to be Distributed to the County	Contract End Date																														
No Scale Sales																																		
Total		-	-																															
SORT SALES																																		
Contract #	Estimated NET total sale value to be distributed to the County*	Total Sale Distributions to the County through 12/31/2024	Estimated Remaining NET Value to be Distributed to the County	Harvest Contract End Date																														
No Sort Sales																																		
Total		-	-																															
Net Estimated Remaining Value of State Forestland Timber Under Contract			4,594,010.75																															

1-LUMP SUM SALES Purchaser bids a fixed total sale value. Distributions occur throughout the contract as timber is harvested and invoiced. Contract can be



Thurston County

2024 Quarterly Income Report – Quarter 4

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 Thurston County in Calendar Quarter 4 (October 1 – December 31, 2024). 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.

\$ 597,331.83

ALL REVENUE¹ accrued for Thurston County this calendar year, 2024, as of December 31, 2024. 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.

\$ 2,305,353.00

NET VALUE² of State Forestland timber in Thurston County under contract as of December 31, 2024.

\$ 4,594,010.75





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October 15, 2024

Dear Commissioners, staff, and junior taxing districts in Thurston County,

At the Department of Natural Resources (DNR), we deeply value our relationship with local governments and recognize our responsibility to all beneficiaries. Over the past year, DNR has received increasing requests from counties and junior taxing districts for information about the revenue produced from timber sales on trust lands located in Thurston County. I hope this letter previewing proposed timber sales benefitting your county can provide an opportunity for continued engagement.

Accompanying this letter is the November Beneficiary Timber Sale Revenue Report for Thurston County. This report provides a detailed picture of recent and proposed sales in your county, including sales that benefit federally granted trusts. It includes an **estimated** revenue breakdown for each sale, including the revenue that will be distributed to junior taxing districts. These estimates are based on **minimum** bid values and county tax rates for the year the sale(s) would likely be put up for auction. Historical data demonstrates that **we typically receive bids well above minimum values.**

Additionally, here is a summary of the total **estimated revenue** from all proposed timber sales, if approved by the Board of Natural Resources in November: **Cabbage Patch**, Carrot, and Juneau.

Junior Taxing District	Estimated Revenue Distribution
State school funding	\$769,711
Thurston County	\$302,788
Medic One	\$111,591
Port of Olympia	\$44,913
Timberland Library	\$80,297
Thurston County Roads	\$256,824
Olympia School District	\$672,877
Rochester School District	\$420,272
Public Utilities District #1	\$1,910
TOTAL:	\$2,661,182

November Proposed Timber Sales to the Board of Natural Resources:

Timber Sale	Draft Appraised Value	County	Receiving Trusts
Cabbage Patch	\$ 3,165,000	Thurston	State Forest Transfer – 60%
		Grays Harbor	State Forest Purchase – 36.5% Forest Board Repayment – 3.5%

Estimated Thurston County Revenue from the Cabbage Patch Timber Sale

State Forest Transfer to Tax Code Area 135*

Taxing District	Estimated Total to Fund
State	\$ 366,963
County General	\$ 144,356
Medic One	\$ 53,202
Port of Olympia	\$ 21,412
Timberland Library	\$ 38,282
County Road	\$ 122,442
Olympia School District	\$ 672,877
PUD #1	\$ 918
Totals:	\$ 1,420,452

*2024 tax rates

