
SUBSTITUTE SENATE BILL 5216

State of Washington 60th Legislature 2007 Regular Session

By Senate Committee on Natural Resources, Ocean & Recreation
(originally sponsored by Senators Jacobsen and Sheldon)

READ FIRST TIME 02/14/07.

1 AN ACT Relating to maintaining Washington's working forest land
2 base; reenacting and amending RCW 43.79A.040; adding a new chapter to
3 Title 76 RCW; and making an appropriation.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** The legislature finds that more than half of
6 the state's forty-two and one-half million acres are forest lands and
7 that the majority of these lands are available for harvest. However,
8 many of the state's forest lands are threatened by conversion to
9 nonforest uses, mostly from commercial and residential development. In
10 addition, worldwide fiber commodity prices, increased environmental
11 regulations, forest health issues, and changing patterns in corporate
12 and individual ownership of forest lands are also contributing to the
13 declines in forest lands in the state. Therefore, it is the intent of
14 this chapter and this act to provide greater state financial assistance
15 to maintain Washington's working forest land base through the creation
16 of a funding board to make grants and loans on a competitive basis that
17 support protection of working forest land and that assist in developing
18 innovative strategies for supporting economically and environmentally
19 healthy forests and forest-dependent communities.

1 NEW SECTION. **Sec. 2.** The definitions in this section apply
2 throughout this chapter unless the context clearly requires otherwise.

3 (1) "Board" means the working forest land board created in section
4 3 of this act.

5 (2) "Department" means the department of natural resources.

6 (3) "Local government" means any county, city, town, port district,
7 or special purpose district.

8 (4) "Priority needs areas" means the geographic areas identified by
9 the department for priority lands to be addressed under the forest
10 legacy program.

11 NEW SECTION. **Sec. 3.** (1) The working forest land board is
12 created. The board is composed of five members, of whom two members
13 must be appointed by the governor. The commissioner of public lands,
14 or the commissioner's designee, shall serve ex officio as a voting
15 member of the board. The deans of the University of Washington college
16 of forest resources and the Washington State University college of
17 agriculture, human and natural resource sciences, or their designees,
18 shall serve as members of the board. In making appointments to the
19 board, the governor shall ensure that one member each representing the
20 interests of forest landowners and conservation interests are board
21 members at all times. The governor shall solicit and give substantial
22 consideration to nominations provided by organizations representing
23 these interests. Appointments to the board by the governor are subject
24 to senate confirmation.

25 (2) The board shall select a chair from among the members of the
26 board.

27 (3) Board members serve four-year terms, except that the governor
28 shall designate one of the initial appointments to serve for a term of
29 two years. The terms commence January 1, 2008.

30 (4) Staff support to the board must be provided by the department.
31 For administrative purposes, the board shall be located within the
32 department.

33 (5) Members of the board shall be compensated as provided by RCW
34 43.03.250, and reimbursed for travel expenses as provided by RCW
35 43.03.050 and 43.03.060.

1 NEW SECTION. **Sec. 4.** (1) The board is responsible for making
2 grants and loans for the protection of working forest lands consistent
3 with the procedures and criteria of section 5 of this act. Only local
4 governments are eligible for low-interest loans awarded by the board.
5 To accomplish this purpose, the board may:

6 (a) Provide assistance to grant applicants regarding the procedures
7 and criteria for grant and loan awards;

8 (b) Make and execute all manner of contracts and agreements with
9 grant recipients, and with other public and private parties as the
10 board deems necessary, consistent with the purposes of this chapter;

11 (c) Accept any gifts, grants, or loans of funds, property, or
12 financial or other aid in any form from any other source on any terms
13 that are not in conflict with this chapter;

14 (d) Adopt rules under chapter 34.05 RCW as necessary to carry out
15 the purposes of this chapter; and

16 (e) Do all acts necessary or convenient to carry out the powers
17 expressly granted or implied under this chapter.

18 (2) The department shall provide all necessary grant and loan
19 administration assistance to the board, and shall distribute and
20 account for funds appropriated or provided to the board for the
21 purposes of this chapter.

22 NEW SECTION. **Sec. 5.** (1) During each fiscal biennium, the board's
23 total grants and loans are subject to the following limitations:

24 (a) Not less than thirty percent and not more than forty percent of
25 the total must be awarded for projects and activities that sustain the
26 working forest land base and strengthen the connection between economic
27 health and conservation of forests in Washington. These activities may
28 include but are not limited to:

29 (i) Programs or projects to support small timber landowners
30 including such strategies as group timber certification, group habitat
31 conservation plans, group cash flow pools, stewardship collaboration,
32 and technical support;

33 (ii) Programs or projects that test methods for recreation access
34 and cost-share programs;

35 (iii) Programs or projects that test methods to assist forest
36 landowners in providing carbon sequestration, water recharge, and other
37 natural resource services; and

1 (iv) Programs or projects that test methods to support forest
2 landowners' efforts at cost control, such as law enforcement, road
3 gates, and cleanup of illegal dumping.

4 (b) Not less than thirty percent and not more than forty percent of
5 the total must be awarded for projects and activities that preserve
6 forest lands over the long term for working forestry. These activities
7 may include but are not limited to:

8 (i) The acquisition of interests in forest lands for the purpose of
9 protecting the lands for working forestry;

10 (ii) Developing and implementing cooperative agreements with forest
11 landowners for maintaining working forestry; and

12 (iii) Other activities using conservation techniques such as
13 clustering development rights, transfer of development rights, and land
14 exchanges.

15 (c) Not less than thirty percent and not more than forty percent of
16 the total must be awarded for planning, research, and policy
17 development related to maintaining working forests in the state.

18 (2) The board shall adopt guidelines for the amount of nonstate
19 resources that must be committed for grants from the categories
20 established by the board. The amount may not be less than ten percent
21 of the amount of the grant or loan from the board.

22 (3) The board shall also adopt guidelines that limit the amount of
23 a grant or loan that may be allocated to those administrative or other
24 expenses of a grant or loan recipient not directly applied to
25 maintaining Washington's working forest land base.

26 (4) The board shall accord additional weight to applications that
27 address forest lands within priority needs areas.

28 (5) During each fiscal year beginning July 1, 2007, and ending June
29 30, 2015, the board shall establish a goal of disbursing a minimum of
30 twenty-five percent of the total funds awarded by the board in the form
31 of low-interest loans. However, if the board determines that there are
32 not sufficient applications for eligible projects to meet this goal,
33 the board may award a lesser amount as loans, or may hold funds until
34 the next funding cycle to encourage a greater number of loan
35 applications.

36 NEW SECTION. **Sec. 6.** The working forest land account is created
37 in the custody of the state treasurer. Any funds appropriated by the

1 legislature for distribution by the working forest land board,
2 repayments of principal and interest on loans extended by the board, or
3 other public or private funds provided for distribution by the board
4 must be placed in the account. Only the board may authorize
5 expenditures from the account. The account is subject to allotment
6 procedures under chapter 43.88 RCW, but an appropriation is not
7 required for expenditures. Moneys in the account may only be used by
8 the board to make grants and loans under sections 4 and 5 of this act,
9 and may not be used for the administrative expenses of the board.

10 **Sec. 7.** RCW 43.79A.040 and 2006 c 311 s 21 and 2006 c 120 s 2 are
11 each reenacted and amended to read as follows:

12 (1) Money in the treasurer's trust fund may be deposited, invested,
13 and reinvested by the state treasurer in accordance with RCW 43.84.080
14 in the same manner and to the same extent as if the money were in the
15 state treasury.

16 (2) All income received from investment of the treasurer's trust
17 fund shall be set aside in an account in the treasury trust fund to be
18 known as the investment income account.

19 (3) The investment income account may be utilized for the payment
20 of purchased banking services on behalf of treasurer's trust funds
21 including, but not limited to, depository, safekeeping, and
22 disbursement functions for the state treasurer or affected state
23 agencies. The investment income account is subject in all respects to
24 chapter 43.88 RCW, but no appropriation is required for payments to
25 financial institutions. Payments shall occur prior to distribution of
26 earnings set forth in subsection (4) of this section.

27 (4)(a) Monthly, the state treasurer shall distribute the earnings
28 credited to the investment income account to the state general fund
29 except under (b) and (c) of this subsection.

30 (b) The following accounts and funds shall receive their
31 proportionate share of earnings based upon each account's or fund's
32 average daily balance for the period: The Washington promise
33 scholarship account, the college savings program account, the
34 Washington advanced college tuition payment program account, the
35 agricultural local fund, the American Indian scholarship endowment
36 fund, the foster care scholarship endowment fund, the foster care
37 endowed scholarship trust fund, the students with dependents grant

1 account, the basic health plan self-insurance reserve account, the
2 contract harvesting revolving account, the Washington state combined
3 fund drive account, the commemorative works account, the Washington
4 international exchange scholarship endowment fund, the developmental
5 disabilities endowment trust fund, the energy account, the fair fund,
6 the fruit and vegetable inspection account, the future teachers
7 conditional scholarship account, the game farm alternative account, the
8 grain inspection revolving fund, the juvenile accountability incentive
9 account, the law enforcement officers' and fire fighters' plan 2
10 expense fund, the local tourism promotion account, the produce railcar
11 pool account, the regional transportation investment district account,
12 the rural rehabilitation account, the stadium and exhibition center
13 account, the youth athletic facility account, the self-insurance
14 revolving fund, the sulfur dioxide abatement account, the children's
15 trust fund, the Washington horse racing commission Washington bred
16 owners' bonus fund account, the Washington horse racing commission
17 class C purse fund account, the individual development account program
18 account, the Washington horse racing commission operating account
19 (earnings from the Washington horse racing commission operating account
20 must be credited to the Washington horse racing commission class C
21 purse fund account), the life sciences discovery fund, (~~and~~) the
22 reading achievement account, and the working forest land account.
23 However, the earnings to be distributed shall first be reduced by the
24 allocation to the state treasurer's service fund pursuant to RCW
25 43.08.190.

26 (c) The following accounts and funds shall receive eighty percent
27 of their proportionate share of earnings based upon each account's or
28 fund's average daily balance for the period: The advanced right of way
29 revolving fund, the advanced environmental mitigation revolving
30 account, the city and county advance right-of-way revolving fund, the
31 federal narcotics asset forfeitures account, the high occupancy vehicle
32 account, the local rail service assistance account, and the
33 miscellaneous transportation programs account.

34 (5) In conformance with Article II, section 37 of the state
35 Constitution, no trust accounts or funds shall be allocated earnings
36 without the specific affirmative directive of this section.

1 NEW SECTION. **Sec. 8.** The sum of ten million dollars, or as much
2 thereof as may be necessary, is appropriated for the fiscal year ending
3 June 30, 2008, from the general fund to the working forest land account
4 for the purposes of this act.

5 NEW SECTION. **Sec. 9.** Sections 1 through 6 of this act constitute
6 a new chapter in Title 76 RCW.

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