

SENATE BILL REPORT

SB 6640

As Reported By Senate Committee On:
Natural Resources, January 23, 1996

Title: An act relating to distributions from the timber tax distribution account for watershed recovery plans.

Brief Description: Distributing moneys from the timber tax distribution account for watershed recovery plans.

Sponsors: Senator Snyder.

Brief History:

Committee Activity: Natural Resources: 1/23/96 [w/oRec-WM].

Ways & Means: 2/1/96.

SENATE COMMITTEE ON NATURAL RESOURCES

Majority Report: That it be referred to Committee on Ways & Means without recommendation.

Signed by Senators Drew, Chair; Spanel, Vice Chair; Hargrove, Haugen, Morton, Oke, Snyder, Strannigan and Swecker.

Staff: Vic Moon (786-7469)

SENATE COMMITTEE ON WAYS & MEANS

Staff: Terry Wilson (786-7433)

Background: Timber is subject to an excise tax based on the stumpage value at the time of harvest. The rate of the tax is 5 percent. In addition, the county may impose a 4 percent tax on timber harvested from privately owned land. The county tax is credited against the state tax and is distributed to the counties for deposit into a county timber tax account. Moneys in the county timber tax account are distributed to taxing districts in the county based on timber harvested from the district in the previous year.

Summary of Substitute Bill: Before any other distributions are made from the county timber tax account, 4 percent of the moneys are distributed to the conservation district from which the timber was harvested to be used exclusively for habitat restoration on forest lands under a watershed recovery plan approved by the conservation district.

Substitute Bill Compared to Original Bill: The original bill was not considered.

Appropriation: None.

Fiscal Note: Requested on January 31, 1996.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: There is a need for habitat restoration and the funds to do it. There is a problem with the stability of funding for conservation districts. These districts are very efficient in the use of moneys because they tend to be co-located with other agencies. The majority of problems come from old logging practices. Most districts operate on grants which only cover up to 75 percent of a project's costs.

Testimony Against: These are county revenues which should not be diverted by the state. Revenues should not be diverted to specific projects. There is support for conservation districts but not at the expense of other county services. This is a major source of revenue for small counties.

Testified: Howard Jaegar, Cowlitz County (pro); Ted Bottiger, WA Assoc. of Conservation Districts (pro); Jack Davis, King Conservation District (pro); Robert Larson, Wahkiakum Conservation District (pro); John Ehrenreich, Jr. WA Forest Protection Assoc. (con); Bill Vogler, WA State Assoc. of Counties.