

SENATE BILL REPORT

SB 5216

As Reported By Senate Committee On:
Natural Resources, Ocean & Recreation, February 12, 2007

Title: An act relating to maintaining Washington's working forest land base.

Brief Description: Maintaining Washington's working forest land base.

Sponsors: Senators Jacobsen and Sheldon.

Brief History:

Committee Activity: Natural Resources, Ocean & Recreation: 1/29/07, 2/12/07 [DPS-WM, w/oRec].

SENATE COMMITTEE ON NATURAL RESOURCES, OCEAN & RECREATION

Majority Report: That Substitute Senate Bill No. 5216 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Jacobsen, Chair; Rockefeller, Vice Chair; Fraser, Hargrove, Poulsen and Spanel.

Minority Report: That it be referred without recommendation.

Signed by Senator Stevens.

Staff: Curt Gavigan (786-7437)

Background: Washington State's total land area consists of approximately 42.5 million acres. Approximately half of the state is forested. Federal, state, and local forest land in Washington totals about 56 percent of its forested acres. Tribes own approximately 7 percent of the state's forest lands. Private individuals and entities own about 37 percent of the state's forested acres.

According to data from the Future of Washington's Forests study being conducted by the University of Washington and Department of Natural Resources (DNR), the forestry and wood products manufacturing sectors provided over 45,000 jobs, generated \$16 billion in gross business revenue, and paid over \$2 billion in wages in 2005. This sector supported almost 1.5 percent of jobs in the state and about 3.2 percent of its gross business income.

One of the issues explored in preliminary drafts of the Future of Washington's Forests study addresses the maintenance of Washington's working forest land base. The study identifies several potential incentives for maintaining working forest lands, including direct payments to

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landowners for enhancing conservation on their lands, regulatory relief, tax relief, technical assistance, and marketing opportunities such as ecosystem services.

Summary of Bill: The Working Forest Land Board (Board) is created. The board is composed of five members:

- the Commissioner of Public Lands, or the Commissioner's designee;
- the Dean of the University of Washington College of Forest Resources, or the Dean's designee;
- the Dean of the Washington State University College of Agriculture, Human and Natural Resource Sciences, or the Dean's designee; and
- two appointments by the Governor, one each representing forest landowners and conservation interests.

The Board is responsible for operating a grant and loan program for the protection of working forest lands. The Board may enter into contracts, make rules, and accept funds to carry out its duties. In awarding funds to promote the preservation of working forest lands, the Board must award:

- 30-40 percent of funds for projects that sustain the working forest land base and strengthen the connection between economic health and conservation of forests;
- 30-40 percent of funds for projects that preserve forest lands over the long term for forestry; and
- 30-40 percent of funds for planning, research, and policy development.

In making its awards, the Board must grant priority to activities in areas identified by DNR as priority lands under the Forest Legacy Program.

The Board must adopt guidelines regarding matching funds and the amount of funds that may be used for administrative purposes. The Department of Natural Resources must provide staff support to the Board.

DNR is authorized to directly transfer land to land conservation organizations for at least fair market value without public auction.

A non-appropriated revolving fund is created to accept appropriations and other funds, including loan repayments, directed to the Board. The Board may use the account to provide grants and loans. The bill appropriates \$10 million to the account for the fiscal year ending 2008.

EFFECT OF CHANGES MADE BY RECOMMENDED SUBSTITUTE AS PASSED COMMITTEE (Natural Resources, Ocean & Recreation): The provision is removed authorizing DNR to directly transfer land to land conservation organizations for at least fair market value without public auction.

Appropriation: \$10 million General Fund—State.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

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

Staff Summary of Public Testimony: PRO: The Working Forest Land Board can serve as a tool for the state to move forward on such issues as forest health and biofuels. Additionally, it can serve as a venue for conversations that have taken place through the Future of Washington Forests Study and the Northwest Environmental Forum. However, the Board's purpose will not be fulfilled unless Washington can also address larger issues relating to competing forestland uses and forest health. Additional membership for forest industry representation was suggested.

Persons Testifying: PRO: Brian Boyle, Northwest Environmental Forum and University of Washington; Doug Sutherland, Commissioner of Public Lands; Craig Partridge, DNR; Mark Doumit, Washington Forest Protection Association; Jim Armstrong, Spokane County Conservation District.