

# SENATE BILL REPORT

## SB 5598

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As of February 11, 2009

**Title:** An act relating to Washington's timber recovery fund board.

**Brief Description:** Creating the timber recovery fund board to maintain Washington's working forest land base.

**Sponsors:** Senator Jacobsen.

**Brief History:**

**Committee Activity:** Natural Resources, Ocean & Recreation: 2/11/09.

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### SENATE COMMITTEE ON NATURAL RESOURCES, OCEAN & RECREATION

**Staff:** Sherry McNamara (786-7402)

**Background:** Washington State's total land area consists of approximately 42.6 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. Forest land has declined by as much as 17 percent in western Washington since the late 1980s, converting to urban development or other non-forest land uses.

According to data in the *Future of Washington's Forests (April 2007)* study by the University of Washington and the Department of Natural Resources (DNR), timber harvest in Washington has declined by 40 percent in the past 15 years. Since the 1980s sawmills and other wood processing facilities have undergone a major restructuring. Many small mills in rural areas have closed.

One of the issues addressed by The *Future of Washington's Forests* study is how to maintain Washington's working forest land base. The study identifies several potential incentives for maintaining working forest lands, including direct payments to landowners for enhancing conservation of their lands, regulatory relief, tax relief, technical assistance, and marketing opportunities such as ecosystem services.

**Summary of Bill:** The Timber Recovery Fund Board (Board) is created. The Board is composed of five members:

- the Commissioner of Public Lands, or the Commissioner's designee;

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- 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 look at projects and activities that include, but are not limited to:

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

In order to fund as many projects and activities as possible, the Board must establish goals to encourage loan applications to maximize the amount of funds awarded in the form of low-interest loans. Only local governments are eligible for low-interest loans awarded by the Board.

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 Institute of Forest Resources must establish and maintain a forest land database.

**Appropriation:** None.

**Fiscal Note:** Available.

**Committee/Commission/Task Force Created:** No.

**Effective Date:** The bill takes effect on August 1, 2009.

**Staff Summary of Public Testimony:** PRO: Our state's forest lands are under threat of conversion and having the Board created in this bill would help us to think strategically and resolve issues facing our forests today. A priority should be our working forests. It is important to create incentives and not additional regulations for our forest landowners. The Board would provide us a way to focus on specific areas and assess the best places to put our resources.

**Persons Testifying:** PRO: Bill Robinson, The Nature Conservancy; Debora Munguia, Washington Forest Protection Association; Craig Partridge, DNR.