
**Agriculture & Natural Resources
Committee**

HB 1161

Brief Description: Regarding the payment of compensation to small forest landowners participating in the forest riparian easement program.

Sponsors: Representatives Orcutt, Blake, Rivers, Kretz and Short.

Brief Summary of Bill

- Expands the definition of qualifying timber for the Forest Riparian Easement Program (FREP) to include certain trees left voluntarily unharvested.
- Directs the Small Forest Landowner Office to determine the compensation to be offered to a landowner for an easement after the landowner's application for the Program.
- Allows compensation from the FREP to include the costs of hiring experts for the completion of required studies and reports.
- Provides priority payments from the FREP for applicants that are not a local government or a non-profit organization.
- Directs that certain appropriations from the Capital Construction Budget will be used for the Program.

Hearing Date: 2/4/11

Staff: Jason Callahan (786-7117).

Background:

The Forest Riparian Easement Program (FREP).

The FREP is a program managed by the Small Forest Landowner Office (SFLO) in the Department of Natural Resources (DNR) to acquire 50-year easements along riparian and other

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sensitive aquatic areas from small forest landowners who are willing to sell or donate easements to the state. The DNR can purchase easements from small forest landowners and hold the easements in the name of the state. The easements are restrictive only and allow all landowners to engage in activities except as necessary to protect the riparian functions of the habitat for the term of the easement.

The easements are intended to represent 50 percent of the value of the unharvested trees, plus participation compliance costs. Once a contract from the FREP is executed, the DNR is required to reimburse the landowner for the actual costs to establish streamside buffers and timber marking.

The value of the easement is determined by the DNR based on the fair market value of the timber volume covered by the easement. This calculation is made by the DNR after it conducts a timber cruise of the entire proposed easement. The data gathered in the timber cruise is then applied to a stumpage value table to calculate the fair market value. Value is calculated only on qualifying timber. Qualifying timber is timber that is located within a commercially reasonable harvest unit that cannot be harvested because of state limitations.

Exceptions to Riparian Buffers.

Although the state's Forest Practice Rules have specific restrictions on the amount of harvest allowed near streams and creeks, there is an exemption available for certain landowners. Parcels that are 20 contiguous acres or less are exempt from the modern riparian buffers rule, as long as the owner of the parcel does not own a cumulative total of more than 80 acres. Instead, these landowners can either follow the Forest Practice Rules in place prior to 1999, or work with the DNR to establish an alternative management plan for the riparian portion of the harvest area.

Summary of Bill:

Qualifying Timber.

The definition of qualifying timber for the purposes of the FREP is expanded. The new definition includes trees located on parcels less than 20 acres in size that are voluntarily left unharvested by a landowner who took possession of the property after June 5, 2006, but only if the trees would have been required to be set aside had the harvest occurred on a larger parcel. Trees left voluntarily unharvested are not considered qualifying timber if the parcel was harvested and converted to a non-forestry use.

The definition of qualifying timber is also expanded to include timber that is left unharvested due to its location on unstable slopes, in a groundwater recharge, or in a riparian area.

Reimbursing the Forest Riparian Easement Program Applicants.

The SFLO is directed to initiate the process for determining compensation for a FREP applicant as soon as possible after an application is received. There is no duty to present an actual offer to a landowner until appropriations allow; however, the SFLO is directed to use any specified funding made available from the state's Capital Construction Budget to complete compensation

estimates and to execute FREP contracts to landowners who had submitted an application prior to the bill's effective date.

In addition to reimbursement for costs involved with laying out streamside buffers and marking timber, applicants are also entitled to reimbursement for hiring a qualified expert to complete required studies and reports.

Applicants to the Program that are not non-profit organizations or local governments are provided with priority payments under the Program.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.