

HOUSE BILL REPORT

ESHB 1531

As Passed Legislature

Title: An act relating to the forestry riparian easement program.

Brief Description: Concerning the forest riparian easement program.

Sponsors: House Committee on Agriculture & Natural Resources (originally sponsored by Representatives Chapman, DeBolt, Blake, Koster, Orcutt, Tharinger, Kraft, Pettigrew, Smith, Dolan and Fitzgibbon).

Brief History:

Committee Activity:

Agriculture & Natural Resources: 1/31/17, 2/7/17 [DPS].

Floor Activity:

Passed House: 3/2/17, 98-0.

Passed Senate: 3/30/17, 49-0.

Passed Legislature.

Brief Summary of Engrossed Substitute Bill

- Modifies the definition of "qualifying timber" under the Forest Riparian Enhancement Program (FREP) to specify that it includes trees that the owner is required to leave unharvested as a result of the forest practices rules, in addition to the fish protection rules.
- Directs the Department of Natural Resources (DNR), in the event that the state adopts a climate strategy, to share information regarding the carbon sequestration benefits of the forest riparian easement program, using methods and protocols established in the state climate strategy that attempt to quantify carbon storage or account for carbon emissions.
- Directs the DNR to promote the expansion of funding for the FREP and the ecosystem services supported by the program. Prohibits the state from reimbursing a landowner more than once for the same riparian easement application.

HOUSE COMMITTEE ON AGRICULTURE & NATURAL RESOURCES

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 12 members: Representatives Blake, Chair; Chapman, Vice Chair; Buys, Ranking Minority Member; Dent, Assistant Ranking Minority Member; Fitzgibbon, Kretz, Orcutt, Pettigrew, Robinson, Schmick, Stanford and J. Walsh.

Staff: Robert Hatfield (786-7117).

Background:

The Forest Riparian Easement Program (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 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. Small forest landowners are defined, generally, as landowners who harvest less than an average of two million board feet per year. The easements are restrictive only, and allow 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 under 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 must meet all of the following criteria:

- the trees are ones that the owner is required to leave unharvested under fish protection rules or that are made uneconomic to harvest by the forest practices rules;
- the trees are located within or bordering a commercially reasonable harvest unit, or for which an approved forest practices application cannot be obtained because of forest practices rules restrictions; and
- the trees are in certain sensitive areas, including sensitive aquatic areas, channel migration zones, and areas of potentially unstable slopes or landforms.

Summary of Engrossed Substitute Bill:

The definition of "qualifying timber" is modified to include trees that the owner is required to leave unharvested under the forest practices rules, in addition to the fish protection rules.

The DNR is directed, in the event that the state adopts a climate strategy, to share information regarding the carbon sequestration benefits of the forest riparian easement program, using methods and protocols established in the state climate strategy that attempt to quantify carbon storage or account for carbon emissions.

The DNR is directed to promote the expansion of funding for the forest riparian easement program and the ecosystem services supported by the program.

The State of Washington is prohibited from reimbursing a landowner more than once for the same riparian easement application.

Appropriation: None.

Fiscal Note: Available.

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

Staff Summary of Public Testimony:

(In support) This bill will promote the expansion of the FREP as part of Washington's greenhouse gas emissions reduction strategy. The FREP recognizes the value of carbon sequestration. The bill is not really an expansion of the FREP so much as putting into the forest practices rules what always should have been there. An investment in the FREP is an investment in many ecosystem services. The Department of Natural resources supports sharing carbon sequestration data. The public should have a greater awareness of the carbon sequestration benefits of keeping land in forestry. Harvesting every 40 – 50 years maximizes carbon sequestration. The FREP is an important part of keeping small landowners on the landscape. This bill shows small landowners that they matter for the state's health. The forest and fish law prevented the harvest of many trees that otherwise could have been harvested, and the FREP helps forest owners recover some of the lost money. There is a need for additional funding for the FREP—the current backlog for the FREP applications is roughly five years and \$10 million.

(Opposed) None.

(Other) The FREP has an important purpose, and sharing carbon data is important. It is important to have a baseline for determining carbon sequestration benefits. If there is already an encumbrance on the harvest of a given tree, it might not make sense to count that tree toward a carbon sequestration calculation count as sequestration under the FREP. There should not be double-dipping when it comes to accounting for carbon sequestration. It makes sense to look at a carbon sequestration accounting system for instances of sequestration that go beyond current requirements.

Persons Testifying: (In support) Representative Chapman, prime sponsor; Heather Hansen, Washington Forest Association; Jason Callahan, Washington Forest Protection Association; Stephen Bernath, Department of Natural Resources; and Ken Miller; Don Lentz, and Elaine Oneill, Washington Farm Forestry Association.

(Opposed) None.

(Other) Darcy Nonemacher, Washington Environment Council.

Persons Signed In To Testify But Not Testifying: None.