

**SENATE BILL REPORT**

**SB 5925**

**AS REPORTED BY COMMITTEE ON WAYS & MEANS, MARCH 7, 1991**

**Brief Description:** Requiring the department of revenue and the department of natural resources to act regarding the federal forestry act.

**SPONSORS:** Senators Amondson, McDonald, Snyder, Barr, Madsen, Anderson and Conner.

**SENATE COMMITTEE ON WAYS & MEANS**

**Majority Report:** That Substitute Senate Bill No. 5925 be substituted therefor, and the substitute bill do pass.

Signed by Senators McDonald, Chairman; Craswell, Vice Chairman; Bailey, Bauer, Cantu, Hayner, Johnson, Matson, Metcalf, Newhouse, Saling, L. Smith, and West.

**Staff:** Michael Groesch (786-7715)

**Hearing Dates:** March 6, 1991; March 7, 1991

**BACKGROUND:**

The federal Forest Resources Conservation and Shortage Relief Act of 1990 prohibits the export of 75 percent of the annual sales volume of unprocessed timber from public lands in Washington. The act also directed the Governor to issue regulations to carry out the purposes of the act. Those regulations are to remain in effect until the Legislature enacts requirements as it deems appropriate to carry out the federal provisions relating to the state export ban.

There is concern that the regulations which have been developed by the Governor are more restrictive than the 75 percent ban which was enacted by Congress. Unnecessary restrictions on unprocessed timber will further erode revenues from the state's public trust lands and will exacerbate the increase in the economic problems which have fallen upon the state's rural ports and timber export dependent communities. There is additional concern that the current rules do not provide equitable access to state timber for all members of the timber community.

**SUMMARY:**

The Board of Natural Resources shall propose alternative rules to implement the federal Forest Resources Conservation and Shortage Relief Act of 1990. The alternative rules will be designed to minimize the economic impact on the state trusts. The Department of Natural Resources and the Department of Revenue shall jointly prepare an enforcement plan and a cost estimate for carrying out the federal act. The proposed

rules, enforcement plan and cost estimate shall be presented to the Legislature by December 1, 1991.

**EFFECT OF PROPOSED SUBSTITUTE:**

The body which shall develop the alternative rules is changed from the Board of Natural Resources to the Department of Natural Resources.

**Appropriation:** none

**Revenue:** none

**Fiscal Note:** none requested

**TESTIMONY FOR:**

The current rules unnecessarily reduce revenues to the forest trusts, they are difficult to implement, and they worsen the economic condition of the timber community.

**TESTIMONY AGAINST:**

Changing the rules will cause instability in the forest industry and the current rules are necessary to save jobs. Without strict substitution rules, the number of bidders on public timber sales will decline in the long term.

**TESTIFIED:** Nels Hanson, Norm Hutson, WA Farm Forestry Assn. (pro); Art Stearns, DNR (pro); Terry Raettig, Governor's Timber Team (con); Nick Kirkmire, Washington Citizens for World Trade (pro)