

SENATE BILL REPORT

SB 5159

AS REPORTED BY COMMITTEE ON ECOLOGY & PARKS, FEBRUARY 17, 1993

Brief Description: Encouraging landscaping for energy conservation.

SPONSORS: Senators Talmadge, Owen and Fraser

SENATE COMMITTEE ON ECOLOGY & PARKS

Majority Report: That Substitute Senate Bill No. 5159 be substituted therefor, and the substitute bill do pass.

Signed by Senators Fraser, Chairman; Barr, Deccio, McCaslin, Sutherland, and Talmadge.

Staff: Cathy Baker (786-7708)

Hearing Dates: January 29, 1993; February 17, 1993

BACKGROUND:

Community and urban forestry refers to the planting and managing of trees in parks, greenbelts and along streets. Urban forests help improve air quality, provide wildlife habitat, reduce soil erosion, and increase real estate values.

A recently released report by the U.S. Environmental Protection Agency indicates that strategic planting of trees around buildings and in urban areas may significantly reduce energy use, depending on the region and other conditions. Nationally, a number of utilities and municipalities have begun programs in tree planting for energy conservation.

In 1991 the Legislature authorized the Department of Natural Resources to establish a community and urban forestry program in order to assist municipalities, and other public and private entities in developing urban forestry programs. The program provides technical and financial assistance to communities and local organizations, and administers federal grants. The program is currently supported entirely by federal funds from the U.S. Forest Service and the Small Business Administration.

SUMMARY:

Utilities are encouraged to provide information to customers regarding the energy conservation functions of tree planting. Utilities are also encouraged to request voluntary donations from customers for urban forestry programs.

The energy conservation and other benefits of urban forestry are incorporated into the energy conservation provisions

applicable to municipal utilities, private utilities, and the state government's Department of General Administration.

In establishing rates for gas and electric companies, the Utilities and Transportation Commission shall adopt policies to encourage energy conservation through the use of landscaping with tree plantings.

Deductions in public utility taxes are offered to those utilities that reduce the use of energy through tree planting. Business and occupation tax credits (limited to \$25,000) are extended to private businesses that donate trees to public or private tree planting programs.

The Department of Natural Resources is to undertake a study of funding sources and revenue and tax changes that would benefit urban forestry. The department is also authorized to enter into agreements with one or more nonprofit organizations to encourage public education and volunteer opportunities in tree planting.

The department may provide nursery stock to local governments or nonprofit organizations for urban tree planting programs.

An urban forestry account is created which will be the repository for all federal and state appropriated funds for the urban forestry program. \$460,000 is appropriated from the state general fund for administering the urban forestry program and the provisions in this bill.

EFFECT OF PROPOSED SUBSTITUTE:

Some incentives for promoting tree planting are removed, including deductions in public utility taxes, business and occupation tax credits, and rate incentives for utilities regulated by the UTC.

A dedicated account for urban forestry programs is deleted and the \$460,000 appropriation is removed. The Department of Natural Resources (DNR) will not undertake a study of revenue sources and tax changes that would benefit urban forestry.

DNR is authorized to provide technical assistance in tree planting for energy conservation in those parts of the state where such efforts are most cost-effective.

Appropriation: none

Revenue: none

Fiscal Note: available

TESTIMONY FOR:

The bill would allow the DNR to support local urban forestry programs by providing seedlings at cost. Trees are an important part of urban infrastructure and have been shown to

reduce energy use. Some utilities have already initiated tree planting programs for energy conservation purposes.

TESTIMONY AGAINST: None

TESTIFIED: Steve Hallmark, Puget Power; Tim Sweeney and Ken Elgin, Washington Utilities and Transportation Commission; PRO: Arden Olson, Department of Natural Resources; Ken Johnson, U.S. Forest Service; Sherry Appleton, Washington Community and Urban Forestry Council; Ron Newbry, Bill Edmonds, Pacificorp