

# HOUSE BILL REPORT

## HB 3015

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**As Reported by House Committee On:**  
Agriculture & Natural Resources

**Title:** An act relating to establishing timelines for the forest riparian easement program.

**Brief Description:** Concerning timelines for forest riparian easements.

**Sponsors:** Representatives Orcutt, Sump, Hunt, Kristiansen, Schoesler and Boldt.

**Brief History:**

**Committee Activity:**

Agriculture & Natural Resources: 2/4/04, 2/6/04 [DP].

**Brief Summary of Bill**

- Requires the Small Forest Landowner Office to provide the compensation to a participant in the Forest Riparian Easement Program within 30 days of the landowner completing his or her requirements.

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### HOUSE COMMITTEE ON AGRICULTURE & NATURAL RESOURCES

**Majority Report:** Do pass. Signed by 13 members: Representatives Linville, Chair; Rockefeller, Vice Chair; Schoesler, Ranking Minority Member; Holmquist, Assistant Ranking Minority Member; Kristiansen, Assistant Ranking Minority Member; Chandler, Eickmeyer, Grant, Hunt, McDermott, Orcutt, Quall and Sump.

**Staff:** Jason Callahan (786-7117).

**Background:**

The Forest Riparian Easement (FRE) Program is a program managed by the Department of Natural Resources' (DNR) Small Forest Landowner Office to acquire 50-year easements along riparian and other sensitive aquatic areas from small forest landowners that are willing to sell or donate easements to the state. The DNR is authorized to purchase easements from small forest landowners and hold the easements in the name of the state. The easements are restrictive only, and do not restrict the landowner's activities except as necessary to protect the riparian functions of the habitat for the term of the easement.

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 100 percent of the proposed easement. The data gathered in the timber cruise is then applied to a stumpage value table to calculate the fair market value.

If a landowner accepts the DNR's offer for the easement's value, payment must be made to the landowner promptly after harvest has occurred, compliance with the state regulations has been verified, and the easement has been executed. The DNR's offer may be accepted or rejected by the landowner, or the landowner may request that a supervisor from the DNR review the offer and consider any identified issues. The request for a review must occur within 30 days of the offer being presented to the landowner.

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**Summary of Bill:**

The Small Forest Landowner Office is required to provide the agreed-to compensation to a participant in the FRE program within 30 days of the landowner completing his or her requirements. If the DNR fails to make payment within 30 days, the landowner will be entitled to the interest that accrues on the payment between the 30th day and when final payment is delivered.

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**Appropriation:** None.

**Fiscal Note:** Available.

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

**Testimony For:** Small forest landowners make an investment in timber, and they should not have to wait for a long time to realize that investment. After harvesting, a landowner can receive payment from a wood mill within 30 days. The state should be held to the same standard.

The FRE program was carefully negotiated as part of the Forests and Fish agreement. It has proven to be clumsy and slow. This bill would help speed up that process.

If the federal government is willing to pay interest for overcharges on a tax bill, then the state should be willing to do the same when it makes FRE program applicants wait for payment.

(Concerns) Although the DNR can process the payments within 30 days, the state could run into a problem if the DNR were forced to make payments when there was not enough money to cover the required payments.

**Testimony Against:** None.

**Persons Testifying:** (In support) Sherry Fox and Martin Flynn, Washington Farm Forestry Association.

(In support with concerns) Leonard Young, Washington State Department of Natural Resources.

**Persons Signed In To Testify But Not Testifying:** None.