

# SENATE BILL REPORT

## EHB 2318

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As Reported By Senate Committee On:  
Natural Resources, Energy & Water, February 19, 2004

**Title:** An act relating to the verification of small forest landowner status for a forest riparian easement program application.

**Brief Description:** Concerning the verification of a landowner as a small forest landowner.

**Sponsors:** Representatives Orcutt, Hatfield, Mielke, Rockefeller and Newhouse.

**Brief History:**

**Committee Activity:** Natural Resources, Energy & Water: 2/19/04 [DP].

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### SENATE COMMITTEE ON NATURAL RESOURCES, ENERGY & WATER

**Majority Report:** Do pass.

Signed by Senators Morton, Chair; Hewitt, Vice Chair; Doumit, Fraser, Hale, Hargrove, Honeyford, Oke and Regala.

**Staff:** Vic Moon (786-7469)

**Background:** The forest riparian easement (FRE) program is a program managed by the Department of Natural Resources's (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. 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 FRE program is only available to small forest landowners who file a forest practices application with DNR. Generally, compensation is offered for the trees that the landowner is unable to harvest due to the riparian restrictions in the forest practices rules. To qualify as a "small forest landowner," a landowner, among other things, generally may not have harvested more than two million board feet of timber in the three years prior to filing a FRE program application. Information relating to harvest levels are reported to, and maintained by, the Department of Revenue for the purposes of calculating the landowner's timber excise tax.

Landowners wishing to participate in the FRE program must file an application with the Small Forest Landowners Office. That application requires certain information, including a certification by the landowner that he or she meets the harvest threshold required of small forest landowners, the tax identification number of the landowner, and permission for DNR to access harvest information on file with the Department of Revenue.

**Summary of Bill:** DNR is prohibited from reviewing the timber harvest records of a FRE program applicant, or any other tax-related information on file with the Department of

Revenue, when establishing whether the applicant satisfies the criteria for small forest landowner status.

Upon request from DNR, the Department of Revenue must confirm or deny, based on submitted tax documents, that a FRE program applicant has not exceeded the three-year harvest limit required to be considered a small forest landowner. The Department of Revenue is prohibited from disclosing more information than whether or not the qualifying thresholds have been met. The Department of Revenue is not prohibited from supplying aggregate or general information to DNR.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Testimony For:** It is important to maintain the confidence of small forest landowners and since tax information is confidential in the Department of Revenue, it should not be put in any Department of Natural Resources file which would be subject to public disclosure. The Department of Revenue can easily confirm small landowner status and can supply aggregate or general information to the Department of Natural Resources.

**Testimony Against:** None.

**Testified:** Rep. Ed Orcutt; Martin Flynn, Washington Farm Forestry Associaton.