

HOUSE BILL REPORT

SSB 5394

As Reported by House Committee On:
Agriculture & Natural Resources

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

Brief Description: Concerning the forest riparian easement program.

Sponsors: Senate Committee on Natural Resources & Parks (originally sponsored by Senators Rivers, Takko, Hasegawa, Braun, Chase, Warnick, Honeyford, Rolfes and Zeiger).

Brief History:

Committee Activity:

Agriculture & Natural Resources: 3/16/17, 3/23/17 [DPA].

**Brief Summary of Substitute Bill
(As Amended by Committee)**

- 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 (FREP), 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

Majority Report: Do pass as amended. Signed by 15 members: Representatives Blake, Chair; Chapman, Vice Chair; Buys, Ranking Minority Member; Dent, Assistant Ranking Minority Member; Chandler, Fitzgibbon, Kretz, Lytton, Orcutt, Pettigrew, Robinson, Schmick, Springer, Stanford and J. Walsh.

Staff: Robert Hatfield (786-7117).

Background:

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.

The Forest Riparian Easement Program.

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 2 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 the compliance costs for participating in the FREP, including the cost of preparing and recording the forestry riparian easement, and any business and occupation tax and real estate excise tax imposed because of entering into the forestry riparian easement. 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 to mark qualifying timber.

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 due to forest practices rules restrictions.
- The trees are in certain sensitive areas, including sensitive aquatic areas, channel migration zones, and areas of potentially unstable slopes or landforms.

Summary of Amended Bill:

The DNR is directed, in the event that the state adopts a climate strategy, to share information regarding the carbon sequestration benefits of the FREP, 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 FREP 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.

Amended Bill Compared to Substitute Bill:

The direction to the DNR to share information regarding the carbon sequestration benefits of the FREP with other state programs attempting to quantify carbon storage or account for carbon emissions is made contingent on the state's adoption of a climate strategy. The DNR is directed to quantify the carbon sequestration benefits of the forest riparian easement program using methods and protocols established in the state climate strategy. The amended bill prohibits the state from reimbursing a landowner more than once for the same riparian easement application.

Appropriation: None.

Fiscal Note: Available.

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

Staff Summary of Public Testimony:

(In support) The proposed amendment would bring the bill in line with the companion bill that passed the House of Representatives. The bill recognizes the environmental services that the Forest Riparian Easement Program provides. The small forest landowner community and the environmental community agreed on the proposed amendment language.

(Opposed) None.

Persons Testifying: Jason Callahan, Washington Forest Protection Association; and Stephen Bernath, Department of Natural Resources.

Persons Signed In To Testify But Not Testifying: None.