
SUBSTITUTE HOUSE BILL 1711

State of Washington

65th Legislature

2017 Regular Session

By House Agriculture & Natural Resources (originally sponsored by Representatives Kretz, Springer, Pettigrew, Schmick, Short, and Condotta)

READ FIRST TIME 02/17/17.

1 AN ACT Relating to prioritizing lands to receive forest health
2 treatments; reenacting and amending RCW 43.79A.040; adding new
3 sections to chapter 79.10 RCW; and adding a new section to chapter
4 79.64 RCW.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 NEW SECTION. **Sec. 1.** A new section is added to chapter 79.10
7 RCW to read as follows:

8 (1)(a) The department shall develop and implement a policy for
9 prioritizing investments on forest health treatments to protect state
10 lands and state forestlands, as those terms are defined in RCW
11 79.02.010, against losses from wildfire to: (i) Reduce wildfire
12 hazards; (ii) reduce insect infestation and disease; and (iii)
13 achieve cumulative impact of improved forest health and resilience at
14 a landscape scale.

15 (b) The prioritization policy in (a) of this subsection must
16 consider whether lands are within an area that is subject to a forest
17 health hazard warning or order pursuant to RCW 76.06.180.

18 (2)(a) The department's prioritization of public lands must be
19 based on an evaluation of the economic and noneconomic value of:

20 (i) Timber or other commercial forest products removed during any
21 mechanical treatments;

1 (ii) Timber or other commercial forest products likely to be
2 spared from damage by wildfire;

3 (iii) Homes, structures, agricultural products, and public
4 infrastructure likely to be spared from damage by wildfire;

5 (iv) Impacts to recreation and tourism; and

6 (v) Ecosystem services such as water quality, air quality, or
7 carbon sequestration.

8 (b) The department's evaluation of economic values may rely on
9 heuristic techniques.

10 (3) For purposes of this section and sections 2 and 3 of this
11 act, "forest health treatment" or "treatment" means actions taken by
12 the department including, but not limited to, sublandscape assessment
13 and project planning, site preparation, reforestation, mechanical
14 treatments, road realignment for fire protection and aquatic
15 improvements, and prescribed burning to reduce insect, disease, and
16 wildfire hazards to restore the condition of a forest to one that has
17 the capacity to meet landowner objectives, is sound in ecological
18 function, is capable of being sustainably managed by the department,
19 and has improved resiliency and resistance to degradation by insect,
20 disease, or wildfire-related disturbances.

21 NEW SECTION. **Sec. 2.** A new section is added to chapter 79.10
22 RCW to read as follows:

23 (1)(a) Consistent with the prioritization policy developed
24 pursuant to section 1 of this act, the department must identify areas
25 of public land that would benefit from forest health treatments at
26 the landscape level for the next twenty years, and ones that would
27 benefit the most during the following six years, and prioritize and
28 list specific lands for treatment during the subsequent biennium. The
29 department shall update this list by November 15th of each even-
30 numbered year.

31 (b) To expedite initial treatments under this act, for the
32 2017-2019 biennium the department may prioritize and, if funds are
33 appropriated for this purpose, address lands for treatment that are
34 currently identified by the department as pilot treatment projects.

35 (2) In order to develop a prioritized list that evaluates forest
36 health treatments at a landscape scale, the department should consult
37 with and take into account the land management plans and activities
38 of nearby landowners, if available, including federal agencies, other
39 state agencies, local governments, tribes, and private property

1 owners, in addition to any statewide assessments done by the
2 department. The department may include federally, locally, or
3 privately managed lands on the list, provided that the treatment of
4 such lands, in conjunction with the treatment of department-managed
5 forested lands, will accrue superior landscape-scale benefits to
6 state lands.

7 (3) By December 1st of each even-numbered year, the department
8 must submit a report to the legislature consistent with the
9 requirements of RCW 43.01.036, to the office of financial management,
10 and to the board of natural resources. The report must include:

11 (a) A brief summary of the department's progress towards treating
12 the lands included on the preceding biennium's prioritization list;

13 (b) A list of lands prioritized for forest health treatments in
14 the next biennium, including public lands prioritized for treatment
15 pursuant to subsection (1) of this section;

16 (c) Recommended funding amounts required to carry out the
17 treatment activities for the next biennium, including a summary of
18 potential nontimber revenue sources that could finance specific
19 forest health treatments pursuant to section 1 of this act, including
20 but not limited to ecosystem services such as water and carbon
21 sequestration as well as insurance and fire mitigation; and

22 (d) A summary of trends in forest health conditions.

23 NEW SECTION. **Sec. 3.** A new section is added to chapter 79.64
24 RCW to read as follows:

25 (1) The forest health revolving account is created in the custody
26 of the state treasurer. All receipts from the gross proceeds of
27 forest health treatments as defined in this section and sections 1
28 and 2 of this act must be deposited into the account. Expenditures
29 from the account may be used for the payment of costs incurred on
30 forest health or silvicultural treatments necessary to improve forest
31 health as defined in section 1 of this act. Only the commissioner or
32 the commissioner's designee may authorize expenditures from the
33 account. The board of natural resources has oversight of the account,
34 and the commissioner must periodically report to the board of natural
35 resources as to the status of the account, its disbursement, and
36 receipts. The account is subject to allotment procedures under
37 chapter 43.88 RCW, but an appropriation is not required for
38 expenditures.

1 (2) The gross proceeds from a forest health treatment must be
2 deposited into the forest health revolving account. Moneys equal to
3 the costs incurred on forest health or silvicultural treatments must
4 be retained in the account and must be deducted from the gross
5 proceeds to determine the net proceeds. The gross proceeds and costs
6 from multiple sales within the same trust may be combined prior to
7 determining net proceeds. The net proceeds, if any, must be
8 distributed in accordance with RCW 43.30.325(1)(b). The final receipt
9 of gross proceeds on a forest health treatment must be retained in
10 the forest health revolving account until all required costs for that
11 treatment have been paid. The forest health revolving account is an
12 interest-bearing account and the interest must be credited to the
13 account. The account balance may not exceed ten million dollars at
14 the end of each calendar year. Moneys in excess of twenty million
15 dollars must be disbursed according to RCW 79.22.040, 79.22.050, and
16 79.64.040. If the department permanently discontinues the use of
17 forest health treatment sales, any sums remaining in the forest
18 health revolving account must be returned to the resource management
19 cost account and the forest development account in proportion to each
20 account's contribution, if any, to the forest health revolving
21 account.

22 (3)(a) Except as provided in (b) and (c) of this subsection,
23 expenditures on public lands for forest health treatments by the
24 department from the forest health revolving account must be
25 consistent with the prioritization policy under section 1 of this act
26 and the prioritization list created under section 2 of this act.

27 (b) The department is not bound to adhere to the list submitted
28 to the legislature under section 1 of this act in the event that
29 emerging information or changed circumstances support a
30 reprioritization of lands consistent with the policy created under
31 section 1 of this act.

32 (c) The department is not required to apply the prioritization
33 policy of section 1 of this act where doing so would be incompatible
34 with the conditions of funding provided by the federal government or
35 another organization that is contributing funds to forest health
36 treatments involving the department.

37 **Sec. 4.** RCW 43.79A.040 and 2016 c 203 s 2, 2016 c 173 s 10, 2016
38 c 69 s 21, and 2016 c 39 s 7 are each reenacted and amended to read
39 as follows:

1 (1) Money in the treasurer's trust fund may be deposited,
2 invested, and reinvested by the state treasurer in accordance with
3 RCW 43.84.080 in the same manner and to the same extent as if the
4 money were in the state treasury, and may be commingled with moneys
5 in the state treasury for cash management and cash balance purposes.

6 (2) All income received from investment of the treasurer's trust
7 fund must be set aside in an account in the treasury trust fund to be
8 known as the investment income account.

9 (3) The investment income account may be utilized for the payment
10 of purchased banking services on behalf of treasurer's trust funds
11 including, but not limited to, depository, safekeeping, and
12 disbursement functions for the state treasurer or affected state
13 agencies. The investment income account is subject in all respects to
14 chapter 43.88 RCW, but no appropriation is required for payments to
15 financial institutions. Payments must occur prior to distribution of
16 earnings set forth in subsection (4) of this section.

17 (4)(a) Monthly, the state treasurer must distribute the earnings
18 credited to the investment income account to the state general fund
19 except under (b), (c), and (d) of this subsection.

20 (b) The following accounts and funds must receive their
21 proportionate share of earnings based upon each account's or fund's
22 average daily balance for the period: The 24/7 sobriety account, the
23 Washington promise scholarship account, the Washington advanced
24 college tuition payment program account, the Washington college
25 savings program account, the accessible communities account, the
26 Washington achieving a better life experience program account, the
27 community and technical college innovation account, the agricultural
28 local fund, the American Indian scholarship endowment fund, the
29 foster care scholarship endowment fund, the foster care endowed
30 scholarship trust fund, the contract harvesting revolving account,
31 the Washington state combined fund drive account, the commemorative
32 works account, the county enhanced 911 excise tax account, the toll
33 collection account, the developmental disabilities endowment trust
34 fund, the energy account, the fair fund, the family leave insurance
35 account, the food animal veterinarian conditional scholarship
36 account, the forest health revolving account, the fruit and vegetable
37 inspection account, the future teachers conditional scholarship
38 account, the game farm alternative account, the GET ready for math
39 and science scholarship account, the Washington global health
40 technologies and product development account, the grain inspection

1 revolving fund, the industrial insurance rainy day fund, the juvenile
2 accountability incentive account, the law enforcement officers' and
3 firefighters' plan 2 expense fund, the local tourism promotion
4 account, the multiagency permitting team account, the pilotage
5 account, the produce railcar pool account, the regional
6 transportation investment district account, the rural rehabilitation
7 account, the Washington sexual assault kit account, the stadium and
8 exhibition center account, the youth athletic facility account, the
9 self-insurance revolving fund, the children's trust fund, the
10 Washington horse racing commission Washington bred owners' bonus fund
11 and breeder awards account, the Washington horse racing commission
12 class C purse fund account, the individual development account
13 program account, the Washington horse racing commission operating
14 account, the life sciences discovery fund, the Washington state
15 heritage center account, the reduced cigarette ignition propensity
16 account, the center for childhood deafness and hearing loss account,
17 the school for the blind account, the Millersylvania park trust fund,
18 the public employees' and retirees' insurance reserve fund, and the
19 radiation perpetual maintenance fund.

20 (c) The following accounts and funds must receive eighty percent
21 of their proportionate share of earnings based upon each account's or
22 fund's average daily balance for the period: The advanced right-of-
23 way revolving fund, the advanced environmental mitigation revolving
24 account, the federal narcotics asset forfeitures account, the high
25 occupancy vehicle account, the local rail service assistance account,
26 and the miscellaneous transportation programs account.

27 (d) Any state agency that has independent authority over accounts
28 or funds not statutorily required to be held in the custody of the
29 state treasurer that deposits funds into a fund or account in the
30 custody of the state treasurer pursuant to an agreement with the
31 office of the state treasurer shall receive its proportionate share
32 of earnings based upon each account's or fund's average daily balance
33 for the period.

34 (5) In conformance with Article II, section 37 of the state
35 Constitution, no trust accounts or funds shall be allocated earnings
36 without the specific affirmative directive of this section.

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