

SENATE BILL REPORT

SB 5873

As of February 28, 2019

Title: An act relating to community forests.

Brief Description: Concerning community forests. [**Revised for 1st Substitute:** Establishing a community forests pilot project.]

Sponsors: Senators Hawkins and Van De Wege.

Brief History:

Committee Activity: Agriculture, Water, Natural Resources & Parks: 2/19/19, 2/21/19 [DPS].

Ways & Means: 3/01/19.

Brief Summary of First Substitute Bill

- Creates the Community Forest Pilot Program at the Department of Natural Resources to demonstrate the feasibility of establishing an ongoing competitive grant program.

SENATE COMMITTEE ON AGRICULTURE, WATER, NATURAL RESOURCES & PARKS

Majority Report: That Substitute Senate Bill No. 5873 be substituted therefor, and the substitute bill do pass.

Signed by Senators Van De Wege, Chair; Salomon, Vice Chair; Warnick, Ranking Member; Honeyford, McCoy, Rolfes and Short.

Staff: Jeff Olsen (786-7428)

SENATE COMMITTEE ON WAYS & MEANS

Staff: Jed Herman (786-7346)

Background: The Department of Natural Resources (DNR) is authorized to create and manage the Community Forest Trust (CFT). The CFT is a discrete category of non-fiduciary

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trust lands held by DNR and actively managed to generate financial support for the CFT and to sustain working forest conservation objectives.

The CFT program must satisfy statutory principles including:

- protecting in perpetuity working forest lands that are at a significant risk of conversion to another land use;
- maintaining the land in a working status;
- generating revenue at levels that are, at a minimum, capable of reimbursing DNR for management costs; and
- providing for ongoing, sustainable public recreational access.

DNR may acquire lands for the CFT through purchase, donation, transfer, or a variety of means other than eminent domain. Once acquired, a CFT must be managed consistent with a management plan developed in cooperation with a local advisory committee. The CFT account is used to manage funds relating to the CFT program including appropriations, funds transfers, and revenue from valuable material sales. DNR may use funds from the account for purposes of the CFT program, such as for CFT acquisitions and reimbursement of its management costs.

In the 2017-19 supplemental capital budget, the Legislature directed DNR to consult with nonprofit stakeholders, counties, municipalities, tribes, and small and large private forest landowners, to develop a nonstate-owned community forest project list and a process to prioritize and recommend projects to the Legislature. The list was due November 1, 2018, and DNR was directed to further prioritize a list of community forest projects to submit to the Legislature as required under the CFT. The project list was required to include projects solicited from both eastern and western Washington having demonstrable community support. An appropriation was provided for DNR to perform an economic and ownership modeling analysis using at least one project proposed through DNR's Rural Communities Partnership Initiative as a case study.

Summary of Bill (First Substitute): The Community Forest Pilot Program is created at DNR. DNR must establish the pilot project, subject to available funding, by including the highest scoring projects from a 2018 Capital Budget proviso report that contains a list of prioritized community forest projects. All lands acquired under the pilot must be a voluntary transaction, and sponsors must provide at least a 15 percent match. Property or property interests acquired may not be converted to a use other than the use for which funds were originally approved without prior approval from DNR.

The pilot program must be managed consistent with the following community forest principles:

- a community forest is owned and managed by or on behalf of a local community;
- the governance structure of a community forest ensures collaboration and community participation in management decisions and the allocation of revenue generated from the forest;
- the community has secure and reliable access to the values and benefits of the forest;
- the forest is managed in accordance with a community forest management plan; and
- the conservation values of the forest ecosystem are protected and incorporated into a community forest management plan.

It is assumed that community forests serve the public interest, and a deed of right must convey to the people of Washington the rights to preserve, protect, and use the property for public purposes consistent with the pilot program.

The DNR must submit biannual reports to the legislature summarizing the outcomes of the pilot program, with the first report due October 31, 2020. The pilot program expires June 30, 2025.

EFFECT OF CHANGES MADE BY AGRICULTURE, WATER, NATURAL RESOURCES & PARKS COMMITTEE (First Substitute): The substitute replaces the Community Forest Grant Program and Community Forestland Account with a Community Forest Pilot Program at DNR. Subject to available funding, the substitute directs DNR to establish the pilot by including the highest scoring projects from a 2018 Capital Budget report containing a list of prioritized projects. The substitute requires DNR to report back on the pilot program every two years, and the pilot program expires June 30, 2025.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

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

Staff Summary of Public Testimony on Original Bill (Agriculture, Water, Natural Resources & Parks): *The committee recommended a different version of the bill than what was heard.* PRO: There is interest in developing community forests to save working forest lands and to manage forests locally for multiple values. Community forests are managed for a variety of outcomes including forest resiliency, habitat, and to create local jobs. Community forests are a tool to address contentious issues in forest management. With a large amount of forest land being converted to other uses, a community forest can bring together a diverse group of stakeholders to preserve the land as a working forest. There are currently a number of community forest projects across the state that are ready to receive funding to maintain and protect a working landscape.

OTHER: While there are benefits to the bill, there are also risks including legal, economic, and political risks. The risks could use additional work to figure out how best to manage the program. There are concerns about converting additional private land into public land and the possible loss of jobs. This new program will compete for funding in the capital budget with other important programs such as the Forest Riparian Easement Program and the Family Forest Fish Passage Program.

Persons Testifying (Agriculture, Water, Natural Resources & Parks): PRO: Senator Brad Hawkins, Prime Sponsor; Brock Milliern, DNR; Dr. Paul Hessberg, United States Forest Service; Curt Soper, Chelan-Douglas Land Trust; Jay McLaughlin, Mt Adams Resource Stewards; Max Webster, Washington Environmental Council.

OTHER: Jason Callahan, Washington Forest Protection Association; Heather Hansen, Washington Farm Forestry Association; Matthew Comisky, American Forest Resource Council.

Persons Signed In To Testify But Not Testifying (Agriculture, Water, Natural Resources & Parks): No one.

Staff Summary of Public Testimony on First Substitute (Ways & Means): PRO: The program is important as it helps keep “working” lands working, and maintains jobs. There are some kinks yet to work out in the bill. The bill is a real opportunity for local land trusts. It will help keep local ownership control of land. The revenue generated will be reinvested in the local community. We need this as another tool in our tool box. Give us a chance to make some money.

Persons Testifying (Ways & Means): PRO: Brock Milliern, DNR; Nick Norton, Washington Association of Land Trusts; Mike Backman, Wahliakum County.

Persons Signed In To Testify But Not Testifying (Ways & Means): No one.