Washington State House of Representatives Office of Program Research

BILL ANALYSIS

Economic Development, Agriculture & Trade Committee

HB 1461

Brief Description: Changing conservation assistance revolving account provisions.

Sponsors: Representatives Linville, Buri and Pettigrew; by request of Conservation Commission.

Brief Summary of Bill

- Shifts the Conservation Assistance Revolving Account (CARA) from an appropriated to a non-appropriated account, subject to allotment.
- Expands the use of the CARA for loans to landowners enrolled in the Continuous Conservation Reserve Program.

Hearing Date: 2/8/05

Staff: Meg Van Schoorl (786-7105).

Background:

The <u>Conservation Reserve Enhancement Program (CREP)</u> is a partnership between the U.S. Department of Agriculture and the State of Washington that began in 1998. Under CREP, private agricultural landowners in eligible geographic areas are provided with incentives to restore and improve salmon and steelhead habitat. Eligible areas are those that contain salmon or steelhead species listed under the Federal Endangered Species Act. Landowners who enroll in CREP voluntarily remove lands from production and grazing under 10-year or 15-year contracts. Landowners then plant trees and shrubs to stabilize stream banks and serve other ecological purposes. In return, landowners get an annual rent, incentive and maintenance payments, and cost-sharing for these installations. Twenty-seven counties in Washington contain eligible lands and streams.

The <u>Continuous Conservation Reserve Program (CCRP)</u> is a federal stream rehabilitation program similar to CREP but is applicable to geographic areas that do not contain federally-listed endangered species.

<u>Conservation Assistance Revolving Account (CARA)</u> is a dedicated, appropriated account initially capitalized by the 2004 legislature with a \$500,000 capital budget appropriation. Administered by the Conservation Commission through local conservation districts, the purpose

of CARA is to provide financial assistance to landowners enrolled in CREP. Ninety percent of a landowner's costs of installing streamside improvements are reimbursed by the U.S. Department of Agriculture (USDA) and the other ten percent is reimbursed by the Conservation Commission. However, USDA cannot issue reimbursements until the projects are complete. CARA funding bridges the financial gap between the time that the landowner invests in restoration installations and the time federal reimbursement is received.

Summary of Bill:

The CARA is changed from an appropriated to a non-appropriated account, but is subject to allotment. Expenditures from the account may only be authorized by the Conservation Commission or on its behalf by its executive director.

CARA may be used to make loans to landowners for projects enrolled in the Continuous Conservation Reserve Program.

Appropriation: None.

Fiscal Note: Available.

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