

SENATE BILL REPORT

SB 6501

As of January 28, 2008

Title: An act relating to forest practices regulations applicable to small forest landowners.

Brief Description: Regarding forest practices regulations that apply to small forest landowners.

Sponsors: Senators Hargrove, Swecker, Morton, Hatfield and Rasmussen.

Brief History:

Committee Activity: Natural Resources, Ocean & Recreation: 1/24/08.

SENATE COMMITTEE ON NATURAL RESOURCES, OCEAN & RECREATION

Staff: Sherry McNamara (786-7402)

Background: In 1999, the Legislature created the Forest Riparian Easement Program (FREP), a program administered by the Department of Natural Resources (DNR) Small Forest Landowner Office (SFLO). The program involves DNR acquiring and holding 50 year easements for riparian and other sensitive areas as granted by small forest landowners.

Upon application, the SFLO must determine the compensation appropriate for a riparian easement based on the fair market value of qualifying timber. The SFLO gathers data necessary to determine fair market value by conducting timber cruises. The SFLO must generally provide small forest landowners 50 percent of the fair market value of the qualifying timber, plus compliance and reimbursement costs. Such costs include the cost of entering into the easement, and the costs of laying out stream side buffers and marking qualified timber.

The term "qualifying timber," for purposes of determining the easement size and value, includes trees that a small forest landowner must leave unharvested, or where harvest becomes uneconomical, due to the rules adopted pursuant to the Forests and Fish Agreement.

Small forest landowners maintain the ability to utilize property subject to an easement, so long as those activities do not impair riparian function.

Under a provision known as the "20-acre exemption" landowners with parcels of 20 contiguous acres or less, who own less than 80 acres total, are not required to leave riparian buffers under the Forests and Fish standards. These landowners must follow the rules in effect prior to Forests and Fish, although DNR may require some riparian buffer volumes.

Summary of Bill: The bill as referred to committee was not considered.

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.

SUMMARY OF BILL (Proposed Substitute): Several changes are made to the FREP. The scope of timber qualifying for the easement program and compensation is expanded. The term qualifying timber includes timber left unharvested by a landowner who could harvest the timber under the 20-acre exemption to the Forests and Fish Rules if they took ownership after June 5, 2006, but not those trees covered by a forest practices application with a proposal to convert to a use other than commercial timber production. The term qualifying timber is also expanded to specifically include timber subject to unstable slope harvest restrictions.

The SFLO must initiate the process for determining compensation amounts as soon as possible after it receives an application. The SFLO need not present an actual offer, however, until appropriations allow. The priority for payment of compensation is to be given to small forest landowners who are not nonprofit organizations or municipalities, municipal corporations, or special districts.

The SFLO must reimburse small forest landowners for costs associated with hiring a qualified expert to complete required studies or reports as part of the forest practices application upon which an easement is based.

By the end of the 2007-09 biennium, the SFLO must, to the extent funds are specifically made available for this purpose, complete compensation estimates and execute easement applications for small forest landowners who have previously submitted applications for the FREP. The Forest Practices Board must also remove the rule language directing the SFLO to send a landowner a notice of compensation within 60 days of completing the required timber cruise.

This section expires July 1, 2009.

Appropriation: None.

Fiscal Note: Requested on January 17, 2008.

Committee/Commission/Task Force Created: No.

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

Staff Summary of Public Testimony: PRO: This bill will assist the Department of Natural Resources (DNR) to work on eliminating the large backlog of FREP easement applications that currently exist. Establishing a value for an easement earlier in the process will allow DNR to better predict how much funding the program will need from the Legislature in the future. DNR will need approximately \$1.1 million to complete the current backlog; this is a one time only funding. The FREP would need on-going funding of approximately \$100,000 per year for operation. Improvements to the FREP program will increase the incentive for small forest landowners to stay in forestry and to protect riparian habitat.

Persons Testifying: PRO: Vicki Christiansen, DNR; Sherry Fox, Washington Farm Forestry.