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SENATE BILL 6233

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State of Washington

60th Legislature

2008 Regular Session

By Senator Jacobsen

Read first time 01/14/08. Referred to Committee on Natural Resources, Ocean & Recreation.

1 AN ACT Relating to maintaining Washington's working forest land  
2 base; reenacting and amending RCW 43.79A.040; adding a new chapter to  
3 Title 76 RCW; and making an appropriation.

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

5 NEW SECTION. **Sec. 1.** The legislature finds that more than half of  
6 the state's forty-two and one-half million acres are forest lands and  
7 that the majority of these lands are available for harvest. However,  
8 many of the state's forest lands are threatened by conversion to  
9 nonforest uses, mostly from commercial and residential development. In  
10 addition, worldwide fiber commodity prices, increased environmental  
11 regulations, forest health issues, and changing patterns in corporate  
12 and individual ownership of forest lands are also contributing to the  
13 declines in forest lands in the state. Therefore, it is the intent of  
14 this chapter and this act to provide greater state financial assistance  
15 to maintain Washington's working forest land base through the creation  
16 of a funding board to make grants and loans on a competitive basis that  
17 support protection of working forest land and that assist in developing  
18 innovative strategies for supporting economically and environmentally  
19 healthy forests and forest-dependent communities.

1        NEW SECTION.    **Sec. 2.** The definitions in this section apply  
2 throughout this chapter unless the context clearly requires otherwise.

3        (1) "Board" means the working forest land board created in section  
4 3 of this act.

5        (2) "Department" means the department of natural resources.

6        (3) "Local government" means any county, city, town, port district,  
7 or special purpose district.

8        NEW SECTION.    **Sec. 3.** (1) The working forest land board is  
9 created. The board is composed of five members, of whom two members  
10 must be appointed by the governor. The commissioner of public lands,  
11 or the commissioner's designee, shall serve ex officio as a voting  
12 member of the board. The deans of the University of Washington college  
13 of forest resources and the Washington State University college of  
14 agriculture, human and natural resource sciences, or their designees,  
15 shall serve as members of the board. In making appointments to the  
16 board, the governor shall ensure that one member each representing the  
17 interests of forest landowners and conservation interests are board  
18 members at all times. The governor shall solicit and give substantial  
19 consideration to nominations provided by organizations representing  
20 these interests. Appointments to the board by the governor are subject  
21 to senate confirmation.

22        (2) The board shall select a chair from among the members of the  
23 board.

24        (3) Board members serve four-year terms, except that the governor  
25 shall designate one of the initial appointments to serve for a term of  
26 two years. The terms commence January 1, 2009.

27        (4) Staff support to the board must be provided by the department.  
28 For administrative purposes, the board shall be located within the  
29 department.

30        (5) Members of the board shall be compensated as provided by RCW  
31 43.03.250, and reimbursed for travel expenses as provided by RCW  
32 43.03.050 and 43.03.060.

33        NEW SECTION.    **Sec. 4.** The board is responsible for allocating  
34 grants and loans for the protection of working forest lands to projects  
35 and activities that include, but are not limited to, the following:

1 (1) Projects and activities that will sustain the working forest  
2 land base and strengthen the connection between economic health and  
3 conservation of forests in Washington, such as providing carbon  
4 sequestration, production of wood-based biomass energy, benefits for  
5 habitats, biodiversity, and watershed functions;

6 (2) Projects and activities that preserve forest lands over the  
7 long term for working forestry, such as land exchanges and transfer of  
8 development rights programs; and

9 (3) Projects and activities for planning, research, and policy  
10 development related to maintaining working forests as well as for  
11 long-term sustainable supplies of timber products.

12 NEW SECTION. **Sec. 5.** (1) The board shall establish procedures and  
13 criteria consistent with section 4 of this act for making grants and  
14 loans for the protection of working forest lands. To accomplish this  
15 purpose, the board may:

16 (a) Provide assistance to grant applicants regarding the procedures  
17 and criteria for grant and loan awards;

18 (b) Make and execute all manner of contracts and agreements with  
19 grant recipients, and with other public and private parties as the  
20 board deems necessary, consistent with the purposes of this chapter;

21 (c) Accept any gifts, grants, or loans of funds, property, or  
22 financial or other aid in any form from any other source on any terms  
23 that are not in conflict with this chapter;

24 (d) Adopt rules under chapter 34.05 RCW as necessary to carry out  
25 the purposes of this chapter; and

26 (e) Do all acts necessary or convenient to carry out the powers  
27 expressly granted or implied under this chapter.

28 (2) The department shall provide all necessary grant and loan  
29 administration assistance to the board and shall distribute and account  
30 for funds appropriated or provided to the board for the purposes of  
31 this chapter.

32 (3) The board shall adopt guidelines for the amount of nonstate  
33 resources that must be committed for grants from the categories  
34 established by the board. The amount may not be less than ten percent  
35 of the amount of the grant or the loan from the board.

36 (4) The board shall adopt guidelines that limit the amount of a

1 grant or loan that may be allocated to those administrative or other  
2 expenses of a grant or loan recipient not directly applied to  
3 maintaining Washington's working forest land base.

4 (5) In order to fund as many projects and activities as possible,  
5 the board shall establish goals to encourage loan applications and to  
6 maximize the amount of funds awarded in the form of low-interest loans.  
7 Only local governments are eligible for low-interest loans awarded by  
8 the board.

9 NEW SECTION. **Sec. 6.** The working forest land account is created  
10 in the custody of the state treasurer. Any funds appropriated by the  
11 legislature for distribution by the board, repayments of principal and  
12 interest on loans extended by the board, or other public or private  
13 funds provided for distribution by the board must be placed in the  
14 account. Only the board may authorize expenditures from the account.  
15 The account is subject to allotment procedures under chapter 43.88 RCW,  
16 but an appropriation is not required for expenditures. Moneys in the  
17 account may only be used by the board to make grants and loans under  
18 sections 4 and 5 of this act, and may not be used for the  
19 administrative expenses of the board.

20 **Sec. 7.** RCW 43.79A.040 and 2007 c 523 s 5, 2007 c 357 s 21, and  
21 2007 c 214 s 14 are each reenacted and amended to read as follows:

22 (1) Money in the treasurer's trust fund may be deposited, invested,  
23 and reinvested by the state treasurer in accordance with RCW 43.84.080  
24 in the same manner and to the same extent as if the money were in the  
25 state treasury.

26 (2) All income received from investment of the treasurer's trust  
27 fund shall be set aside in an account in the treasury trust fund to be  
28 known as the investment income account.

29 (3) The investment income account may be utilized for the payment  
30 of purchased banking services on behalf of treasurer's trust funds  
31 including, but not limited to, depository, safekeeping, and  
32 disbursement functions for the state treasurer or affected state  
33 agencies. The investment income account is subject in all respects to  
34 chapter 43.88 RCW, but no appropriation is required for payments to  
35 financial institutions. Payments shall occur prior to distribution of  
36 earnings set forth in subsection (4) of this section.

1 (4)(a) Monthly, the state treasurer shall distribute the earnings  
2 credited to the investment income account to the state general fund  
3 except under (b) and (c) of this subsection.

4 (b) The following accounts and funds shall receive their  
5 proportionate share of earnings based upon each account's or fund's  
6 average daily balance for the period: The Washington promise  
7 scholarship account, the college savings program account, the  
8 Washington advanced college tuition payment program account, the  
9 agricultural local fund, the American Indian scholarship endowment  
10 fund, the foster care scholarship endowment fund, the foster care  
11 endowed scholarship trust fund, the students with dependents grant  
12 account, the basic health plan self-insurance reserve account, the  
13 contract harvesting revolving account, the Washington state combined  
14 fund drive account, the commemorative works account, the Washington  
15 international exchange scholarship endowment fund, the developmental  
16 disabilities endowment trust fund, the energy account, the fair fund,  
17 the family leave insurance account, the fruit and vegetable inspection  
18 account, the future teachers conditional scholarship account, the game  
19 farm alternative account, the GET ready for math and science  
20 scholarship account, the grain inspection revolving fund, the juvenile  
21 accountability incentive account, the law enforcement officers' and  
22 firefighters' plan 2 expense fund, the local tourism promotion account,  
23 the produce railcar pool account, the regional transportation  
24 investment district account, the rural rehabilitation account, the  
25 stadium and exhibition center account, the youth athletic facility  
26 account, the self-insurance revolving fund, the sulfur dioxide  
27 abatement account, the children's trust fund, the Washington horse  
28 racing commission Washington bred owners' bonus fund account, the  
29 Washington horse racing commission class C purse fund account, the  
30 individual development account program account, the Washington horse  
31 racing commission operating account (earnings from the Washington horse  
32 racing commission operating account must be credited to the Washington  
33 horse racing commission class C purse fund account), the life sciences  
34 discovery fund, the Washington state heritage center account, (~~and~~)  
35 the reading achievement account, and the working forest land account.  
36 However, the earnings to be distributed shall first be reduced by the  
37 allocation to the state treasurer's service fund pursuant to RCW  
38 43.08.190.

1 (c) The following accounts and funds shall receive eighty percent  
2 of their proportionate share of earnings based upon each account's or  
3 fund's average daily balance for the period: The advanced right-of-way  
4 revolving fund, the advanced environmental mitigation revolving  
5 account, the city and county advance right-of-way revolving fund, the  
6 federal narcotics asset forfeitures account, the high occupancy vehicle  
7 account, the local rail service assistance account, and the  
8 miscellaneous transportation programs account.

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

12 NEW SECTION. **Sec. 8.** The sum of ten million dollars, or as much  
13 thereof as may be necessary, is appropriated for the fiscal year ending  
14 June 30, 2009, from the general fund to the working forest land account  
15 for the purposes of this act.

16 NEW SECTION. **Sec. 9.** Sections 1 through 6 of this act constitute  
17 a new chapter in Title 76 RCW.

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