AN ACT Relating to prioritizing lands to receive forest health treatments; amending RCW 79.64.020; reenacting and amending RCW 79.64.100; and adding new sections to chapter 79.10 RCW.

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

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

(1) The department shall develop and implement a policy for prioritizing investments on forest health treatments in strategic defensible areas to protect public lands against losses from wildfire. The policy must cover forest health treatments whose primary purpose is to reduce wildfire hazards as well as treatments whose purposes include both reducing wildfire hazards and achieving other forest health and financial sustainability goals, such as reducing insect infestations and disease. The policy must consider the cumulative impact of forest health investments at a landscape scale.

(2)(a) The department's prioritization of parcels or groups of parcels for forest health treatments must place primary emphasis on the rate of return that the department estimates that it will achieve from the treatment. The department shall estimate the rate of return from a forest health treatment by evaluating the economic value of:
(i) Timber or other commercial forest products removed during any mechanical treatments;

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

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

(iv) Impacts to recreation and tourism; and

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

(b) The department's evaluation of economic values for purposes of determining a rate of return may rely on heuristic techniques.

(c) The department's evaluation of economic values in subsection (2)(a)(ii) through (v) of this section must consider the differential in the likelihood and intensity of wildfire on lands benefiting from the forest health treatment.

(3) The prioritization policy in subsection (1) of this section must consider whether parcels are within an area that is subject to a forest health hazard warning or order pursuant to RCW 76.06.180.

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

(1) Consistent with the prioritization policy developed pursuant to section 1 of this act, the department must develop a prioritized list of parcels of state land that would benefit most from forest health treatments during the following six years. The department shall update this list by November 15th of each even-numbered year.

(2) In order to develop a prioritized list that evaluates the return on forest health treatments at a landscape scale, the department must consult with and take into account the land management plans and activities of nearby landowners, including federal agencies, local governments, and private property owners. The department may include federally, locally, or privately managed parcels on the list provided that the treatment of such parcels in conjunction with the treatment of department-managed parcels will accrue superior landscape-scale benefits to state lands.

(3)(a) By December 1st of each even-numbered year, the department must submit the list created pursuant to subsection (1) of this section to the legislature in a manner consistent with the requirements of RCW 43.01.036.
(b) Beginning December 1, 2020, and every two years thereafter, the list submitted to the legislature must be accompanied by a brief report summarizing the department's progress towards treating the parcels included on the list that was submitted to the legislature during the preceding biennium. The report must also summarize trends in the locations and types of parcels listed for future forest health treatments.

(4)(a) Except as provided in (b) and (c) of this subsection, expenditures on forest health treatments by the department, regardless of the account from which funds originate, must be consistent with the prioritization policy under section 1 of this act and the list created under this section.

(b) The department is not bound to adhere to the list submitted to the legislature under subsection (3) of this section in the event that emerging information or changed circumstances support a reprioritization of parcels consistent with the policy created under subsection (1) of this section.

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

(5) For purposes of this section, section 1 of this act, and RCW 79.64.020 and 79.64.100, "forest health treatments" or "treatment" means actions taken by the department, including prescribed burning or mechanical treatments, to restore the condition of a forest to one that has the capacity to meet landowner objectives, is sound in ecological function, is capable of being sustainably managed by the department, and is resilient or resistant to degradation by insect, disease, or wildfire-related disturbances.

Sec. 3. RCW 79.64.020 and 2014 c 32 s 3 are each amended to read as follows:

(1) A resource management cost account in the state treasury is created to be used solely for the purpose of defraying the costs and expenses necessarily incurred by the department in managing and administering state lands and aquatic lands and the making and administering of leases, sales, contracts, licenses, permits, easements, and rights-of-way as authorized under the provisions of this title. Appropriations from the resource management cost account
to the department shall be expended for no other purposes. Funds in
the resource management cost account may be appropriated or
transferred by the legislature for the benefit of all of the trusts
from which the funds were derived. ((During the 2013-2015 fiscal
biennium, the legislature may transfer from the aquatics revenues in
the resource management cost account to the marine resources
stewardship trust account for the purposes of chapter 43.372 RCW.))
Department expenditures from the account for purposes of conducting
forest health treatments must be consistent with the prioritization
policy and list developed pursuant to sections 1 and 2 of this act.
(2) For the purposes of this section, "forest health treatments"
has the same meaning as defined in section 2(5) of this act.

Sec. 4. RCW 79.64.100 and 2012 c 166 s 5 and 2012 2nd sp.s. c 7
s 928 are each reenacted and amended to read as follows:
(1) There is created a forest development account in the state
treasury. The state treasurer shall keep an account of all sums
deposited, expended, or withdrawn from the account.
(2)(a) Any sums placed in the forest development account shall be
pledged for the purpose of:
(i) Paying interest and principal on the bonds issued by the
department under RCW 79.22.080 and 79.22.090 and the provisions of
this chapter; and
(ii) The purchase of land for growing timber.
(b) Any bonds issued shall constitute a first and prior claim and
lien against the account for the payment of principal and interest.
(3) No sums for the purposes identified in subsection (2) of this
section shall be withdrawn or paid out of the account except upon
approval of the department.
(4) Appropriations may be made by the legislature from the forest
development account to the department for the purpose of:
(a) Carrying on the activities of the department on state
forestlands;
(b) Establishing a state forestland pool under RCW 79.22.140 and
carrying on the activities of the department on lands included in the
land pool;
(c) Carrying on the activities of the department on lands managed
on a sustained yield basis as provided for in RCW 79.10.320; and
(d) Reimbursement of expenditures that have been made or may be made from the resource management cost account created in RCW 79.64.020 in the management of state forestlands.

(5)(a) Department expenditures from the forest development account for purposes of conducting forest health treatments must be consistent with the prioritization policy and list developed pursuant to sections 1 and 2 of this act.

(b) For the purposes of this subsection, "forest health treatments" has the same meaning as defined in section 2(5) of this act.