

SENATE BILL REPORT

SB 6498

As of February 2, 2020

Title: An act relating to valuing the carbon in forest riparian easements.

Brief Description: Valuing the carbon in forest riparian easements.

Sponsors: Senators Braun, Takko, Rolfes, Wagoner, Becker and Mullet.

Brief History:

Committee Activity: Agriculture, Water, Natural Resources & Parks: 1/30/20.

Brief Summary of Bill

- Adds the value of carbon stored in timber to the fair market value of qualifying timber for the small forest landowner Forest Riparian Easement Program.

SENATE COMMITTEE ON AGRICULTURE, WATER, NATURAL RESOURCES & PARKS

Staff: Jeff Olsen (786-7428)

Background: The Small Forest Landowner Office (Office) was established in 1999 to provide assistance to small forest land owners (SFLOs) in Washington. A SFLO, generally, is an owner of forestland who harvests no more than an average of 2 million board feet of timber from their land per year. The Office offers technical assistance to SFLOs, and manages several assistance programs for landowners including the Forest Riparian Easement Program (FREP). The FREP is a voluntary program providing reimbursement to certain SFLOs for trees they are required to leave unharvested under forest practice rules to protect fish habitat. The FREP provides compensation for no more than 50 percent of the timber value, and applies to trees adjacent to streams, wetlands, seeps, or unstable slopes. The SFLO determines fair market value based on timber excise tax data and stumpage values provided by the Department of Revenue. The SFLO must determine the fair market value of the qualifying timber as of the date the complete FREP application is received.

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: When determining values for the FREP, the SFLO must include the value of carbon stored in timber in the fair market value of qualifying timber, or reserve that carbon value to be otherwise used or marketed by the landowner.

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: PRO: New growing trees is a very effective way to capture carbon. The bill adds the value of carbon capture in timber, and helps balance the growing divide between rural and urban Washington. While the carbon value amounts may not be significant, it is significant to recognize the contribution made by small forest landowners. There is an ecosystem value, and this helps set the stage to figure out how to value ecosystem services. The Legislature has still not fully implemented the small forest landowner programs, which were enacted 21 years ago. It is common sense to include the value of storing carbon in the value of the trees.

OTHER: DNR supports the intent of carbon sequestration, however, there needs to be additional details included to implement the bill. The current FREP is underfunded, and the changes in the bill would add to the funding challenge. In addition, legislation passed last year included a policy analysis to research ways to keep small forest landowners on the landscape.

Persons Testifying: PRO: Senator John Braun, Prime Sponsor; Ken Miller, SFLO with Washington Farm Forestry Association; Elaine Oneil, Washington Farm Forestry Association; Greg Rock, Carbon Washington.

OTHER: Stephen Bernath, DNR.

Persons Signed In To Testify But Not Testifying: No one.