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**ENGROSSED SUBSTITUTE SENATE BILL 5330**

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**State of Washington**

**66th Legislature**

**2019 Regular Session**

**By** Senate Agriculture, Water, Natural Resources & Parks (originally sponsored by Senators Braun, Van De Wege, Takko, Short, Becker, Rivers, Wagoner, and Warnick)

READ FIRST TIME 02/08/19.

1       AN ACT Relating to analyzing state regulatory impact on small  
2 forestland owners; creating a new section; and providing an  
3 expiration date.

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

5       NEW SECTION.   **Sec. 1.**   (1) Small forestland owners own and manage  
6 approximately three million two hundred thousand acres of  
7 Washington's forestlands and exert a tremendous influence on public  
8 resources, including fish bearing streams, water quality, air,  
9 wildlife habitat, and carbon sequestration.

10       (2) Adoption of the forests and fish report was made possible, in  
11 part, by the agreement of small forestland owners who supported the  
12 intent of the law despite significant economic impacts to some  
13 members of the small forestland owner community. Twenty years after  
14 the adoption of the forests and fish report, it is time to evaluate  
15 how the increased regulations have impacted small forestland owners  
16 and their land.

17       (3) When the forests and fish report was adopted, the legislature  
18 enacted RCW 76.13.100 as follows:

19       "(1) The legislature finds that increasing regulatory  
20 requirements continue to diminish the economic viability of small  
21 forest landowners. The concerns set forth in RCW 77.85.180 about the

1 importance of sustaining forestry as a viable land use are  
2 particularly applicable to small landowners because of the location  
3 of their holdings, the expected complexity of the regulatory  
4 requirements, and the need for significant technical expertise not  
5 readily available to small landowners. The further reduction in  
6 harvestable timber owned by small forest landowners as a result of  
7 the rules to be adopted under RCW 76.09.055 will further erode small  
8 landowners' economic viability and willingness or ability to keep the  
9 lands in forestry use and, therefore, reduce the amount of habitat  
10 available for salmon recovery and conservation of other aquatic  
11 resources, as defined in RCW 76.09.020.

12 (2) The legislature finds that the concerns identified in  
13 subsection (1) of this section should be addressed by establishing  
14 within the department of natural resources a small forest landowner  
15 office that shall be a resource and focal point for small forest  
16 landowner concerns and policies. The legislature further finds that a  
17 forestry riparian easement program shall be established to acquire  
18 easements from small landowners along riparian and other areas of  
19 value to the state for protection of aquatic resources. The  
20 legislature further finds that small forest landowners should have  
21 the option of alternate management plans or alternate harvest  
22 restrictions on smaller harvest units that may have a relatively low  
23 impact on aquatic resources. The small forest landowner office should  
24 be responsible for assisting small landowners in the development and  
25 implementation of these plans or restrictions."

26 (4) The twentieth anniversary of the adoption of the forests and  
27 fish report into law presents an optimal time to review how the  
28 state's regulatory actions, intended to benefit both landowners and  
29 habitat, have affected small forestland owners. How have programs  
30 intended to make up for the disproportionate economic impact been  
31 implemented? What can the legislature do to keep small forestland  
32 owners on the landscape, so their land will be available for salmon  
33 habitat and water quality rather than converted?

34 (5) (a) The school of environmental and forest sciences within the  
35 college of the environment at the University of Washington must  
36 complete a trends analysis.

37 (b) The trends analysis must address, at a minimum, the following  
38 questions:

39 (i) Have the number of small forestland owners increased or  
40 decreased?

1 (ii) (A) Has the acreage held by small forestland owners increased  
2 or decreased?

3 (B) Of the land no longer owned by small forestland owners, what  
4 percentage was converted to nonforest use, became industrial  
5 forestland, trust land, or some other use?

6 (c) (i) The school of environmental and forest sciences at the  
7 University of Washington, using the data from the trends analysis and  
8 other pertinent information, must:

9 (A) Determine which factors contributed to small forestland  
10 owners selling their land;

11 (B) Recommend actions the legislature can take to help keep  
12 forestland working; and

13 (C) Assess the effectiveness and implementation of the programs  
14 created in RCW 76.13.100(2) which described three programs to assist  
15 small forestland owners and mitigate the disproportionate economic  
16 impact. The assessment must include:

17 (I) Evaluating the effectiveness of the small forest landowner  
18 office: Does it have adequate resources and authority to successfully  
19 address landowner concerns? Has it received adequate funding to  
20 implement fully the duties as assigned through RCW 76.13.110?

21 (II) Forest riparian easement program: Does the structure of the  
22 program adequately address economic impact to small forestland  
23 owners? Has funding kept up with need? Has the lack of funding  
24 resulted in the loss of riparian habitat?

25 (III) Have meaningful alternate management plans or alternate  
26 harvest restrictions been developed for smaller harvest units?

27 (IV) Has the family forest fish passage program addressed  
28 economic impact to landowners and fish passage barriers adequately?

29 (ii) Would meaningful alternate harvest restrictions reduce the  
30 financial burden on the forest riparian easement program?

31 (iii) How can the legislature incentivize small forestland owners  
32 to maintain their land as forestland?

33 (iv) Could a program be developed to facilitate small forestland  
34 owner's participation in carbon markets?

35 (6) The University of Washington may reach out to a broad variety  
36 of stakeholders for input.

37 (7) The policy analysis must use the trends analysis, the  
38 regulatory impact analysis, and other data to provide recommendations  
39 on ways the forest practices board and the legislature can provide  
40 more effective incentives to encourage continued management of

1 nonindustrial forests for forestry uses, including traditional timber  
2 harvest uses, open space uses, or as part of developing carbon market  
3 schemes.

4 (8) The University of Washington must report the results of the  
5 trends analysis and policy analysis to the appropriate committees of  
6 the legislature and the forest practices board by November 1, 2020,  
7 with recommendations to improve mitigation measures for small  
8 forestland owners and improve retention of working forestland held by  
9 small forestland owners.

10 (9) This section expires December 31, 2020.

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