SENATE BILL REPORT
E2SHB 1563

As of March 17, 2025

Title: An act relating to a prescribed fire claims fund pilot program.

Brief Description: Establishing a prescribed fire claims fund pilot program.

Sponsors: House Committee on Appropriations (originally sponsored by Representatives Bernbaum, Dent, Timmons, Orcutt, Nance, Reeves, Hackney, Tharinger, Ybarra, Springer, Reed, Fitzgibbon, Cortes, Hill, Obras, Lekanoff, Paul, McClintock, Couture, Griffey, Berry, Leavitt, Zahn and Scott).

Brief History: Passed House: 3/7/25, 96-1.
Committee Activity: Agriculture & Natural Resources: 3/17/25.

Brief Summary of Bill

- Establishes a Prescribed Fire Claims Pilot Program to support coverage for losses from prescribed fires and cultural burning.

SENATE COMMITTEE ON AGRICULTURE & NATURAL RESOURCES

Staff: Jeff Olsen (786-7428)

Background: The Department of Natural Resources (DNR) has direct charge and responsibility over all matters relating to forest fire services in the state. DNR is also responsible for issuing and regulating permits for certain burning activities on lands under DNR's fire protection authority, including silvicultural or prescribed burning. DNR maintains and implements the Smoke Management Plan to regulate burning on DNR-protected lands, and to meet requirements of the state Clean Air Act.

Prescribed burning is the controlled application of fire to wildland fuels under specific environmental conditions, which allow the fire to be confined to a predetermined area, and at the same time to produce the intensity and rate of spread required to attain planned

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management objectives. Cultural burning is a longstanding indigenous practice of managing land with low intensity fires for the cultivation of habitat, resources, and ecosystems.

The Office of Risk Management (ORM) administers the Self-Insurance Liability Program and also manages risk financing, provides loss prevention services, and administers the Loss Prevention Review Team Program. ORM loss prevention program assists state agencies to reduce liability exposure, safeguard state assets, and reduce costs associated with state liability and property losses. The Risk Management Administration Account is used for the payment of costs for liability, property, and vehicle claims relating to settlements and judgments against the state.

Summary of Bill: Subject to appropriation, ORM, in consultation with DNR, shall establish and administer a pilot program to reimburse claims for damage and suppression costs from a prescribed fire or cultural burn conducted on lands under DNR fire's protection authority or on tribal lands where there is an agreement with DNR or approval by the tribe.

To be eligible for reimbursement, a claim must be from a prescribed fire or cultural burn conducted:

- by a certified burn manager, under an approved burn plan, with applicable permits and in accordance with any other applicable conditions or requirements as determined by DNR; or
- by a cultural fire practitioner, in accordance with any applicable burn plan or permit.

An eligible claim may also include costs of suppression of an escapement for which a person is liable to a third party.

Upon submission of a claim, DNR shall determine and certify to ORM whether the claim meets the eligibility criteria. ORM may reimburse an eligible claim up to $2 million per claim. Payment of claims are conditional based on availability of funding. A claim suffered as a result of a fire caused by a criminal or negligent act is not eligible for reimbursement.

ORM shall collaborate with DNR and relevant stakeholders to establish guidelines for the pilot program including procedures for claim submission, criteria for claim eligibility, and prioritization of claims payment. ORM and DNR may adopt rules to implement the pilot program.

The Prescribed Fire Claims Account is created in the state Treasury for the purposes of claim reimbursement. Money in the account may be spent only after appropriation. Through June 30, 2033, the purposes of the Risk Management Administration Account are expanded to include administration of the pilot program.

The pilot program expires June 30, 2033.

Appropriation: The bill contains a null and void clause requiring specific funding be provided in an omnibus appropriation act.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: The bill contains an emergency clause and takes effect immediately.

Staff Summary of Public Testimony: PRO: Prescribed fire is an important forest management tool that is under-used due to liability concerns. Proper use of prescribed fire reduces fuel loads and creates defensible space. Conducting a prescribed fire is a very structured event that is a science-based process. Tribes use prescribed fire for cultural objectives, and this would provide flexibility to use prescribed fire for other purposes. California and Oregon have successfully conducted a similar prescribed fire program and serve as an example of how the policy works. There are very few examples of fires that escape from a prescribed burn. If the program is successful, private insurers may re-enter the market. Prescribed fires can prevent catastrophic wildfires and we need to conduct more prescribed burns.

Persons Testifying: PRO: Representative Adam Bernbaum, Prime Sponsor; Mark Charlton, The Nature Conservancy; Cody Desautel , Colville Tribes; Dylan Kruse, Sustainable NW; Sara Clark, Shute, Mihaly & Weinberger; Lucas King, WA Prescribed Fire Council; Mt. Adams Resource Stewards; Pat Sullivan, Department of Natural Resources.

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