

HOUSE BILL REPORT

HB 1461

As Reported by House Committee On:
Economic Development, Agriculture & Trade
Capital Budget

Title: An act relating to the conservation assistance revolving account.

Brief Description: Changing conservation assistance revolving account provisions.

Sponsors: Representatives Linville, Buri and Pettigrew; by request of Conservation Commission.

Brief History:

Committee Activity:

Economic Development, Agriculture & Trade: 2/8/05, 2/11/05 [DPS];
Capital Budget: 3/2/05, 3/3/05 [DPS (EDAT)].

Brief Summary of Substitute Bill

- Expands the use of the Conservation Assistance Revolving Account (CARA) for loans to landowners enrolled in the Continuous Conservation Reserve Program.
- Clarifies that CARA is only to be used to make loans to landowners for projects enrolled in the Conservation Reserve Enhancement Program and the Continuous Conservation Reserve Program.

HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT, AGRICULTURE & TRADE

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 23 members: Representatives Linville, Chair; Pettigrew, Vice Chair; Kristiansen, Ranking Minority Member; Skinner, Assistant Ranking Minority Member; Blake, Buri, Chase, Clibborn, Condotta, Dunn, Grant, Haler, Holmquist, Kenney, Kilmer, Kretz, McCoy, Morrell, Newhouse, Quall, Strow, P. Sullivan and Wallace.

Staff: Meg Van Schoorl (786-7105).

Background:

The Conservation Reserve Enhancement Program (CREP) is a partnership between the U. S. Department of Agriculture and the State of Washington that began in 1998. Under CREP, private agricultural landowners in eligible geographic areas are provided with incentives to restore and improve salmon and steelhead habitat. Eligible areas are those that contain salmon

or steelhead species listed under the Federal Endangered Species Act. Landowners who enroll in CREP voluntarily remove lands from production and grazing under 10-year or 15-year contracts. Landowners then plant trees and shrubs to stabilize stream banks and serve other ecological purposes. In return, landowners get an annual rent, incentive and maintenance payments, and cost-sharing for these installations. Twenty-seven counties in Washington contain eligible lands and streams.

The Continuous Conservation Reserve Program (CCRP) is a federal stream rehabilitation program similar to CREP but is applicable to geographic areas that do not contain federally-listed endangered species.

Conservation Assistance Revolving Account (CARA) is a dedicated, appropriated account initially capitalized by the 2004 Legislature with a \$500,000 capital budget appropriation. Administered by the Conservation Commission through local conservation districts, the purpose of CARA is to provide financial assistance to landowners enrolled in CREP. Ninety percent of a landowner's costs of installing streamside improvements are reimbursed by the U.S. Department of Agriculture (USDA) and the other 10 percent is reimbursed by the Conservation Commission. However, the USDA cannot issue reimbursements until the projects are complete. The CARA funding bridges the financial gap between the time that the landowner invests in restoration installations and the time federal reimbursement is received.

Summary of Substitute Bill:

The CARA may be used only to make loans to landowners for projects enrolled in the CCRP and the CREP.

Substitute Bill Compared to Original Bill:

The Conservation Assistance Revolving Account is retained as an appropriated account.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Substitute Bill: The bill takes effect 90 days after adjournment of session in which bill is passed.

Testimony For: The Conservation Reserve Enhancement Program (CREP) is a voluntary state-federal agreement that allows landowners to enroll their riparian (streamside) acreage in a restoration program. The state pays part of the cost-share to landowners who have installed riparian buffers; the federal government pays 90 percent of the cost-share. There is a lag time before the federal government reimburses the full costs incurred by landowners. To remedy this, under CREP, the Conservation Commission secures assignment of payment from the federal government, loans funds from the CARA to the landowner, and receives the repayment from the federal government. House Bill 1461 expands the use of CARA to cover

lands enrolled under the Continuous Conservation Reserve Program, which is similar to CREP. The Conservation Commission will use the same procedures as they do under CREP to administer this expanded authority. The Washington Association of Conservation Districts supports the bill. They are aware of no opposition. The bill will allow for flexibility at the conservation district level. Some districts have plenty of money, but smaller ones, especially those with large government land bases, are constrained in raising assessments. This will help keep conservation districts open throughout all parts of the state.

Testimony Against: None.

Persons Testifying: Debbie Becker, Washington Conservation Commission; and Jim Jesernig, Washington Association of Conservation Districts.

Persons Signed In To Testify But Not Testifying: None.

HOUSE COMMITTEE ON CAPITAL BUDGET

Majority Report: The substitute bill by Committee on Economic Development, Agriculture & Trade be substituted therefor and the substitute bill do pass. Signed by 27 members: Representatives Dunshee, Chair; Ormsby, Vice Chair; Jarrett, Ranking Minority Member; Hankins, Assistant Ranking Minority Member; Blake, Chase, Cox, DeBolt, Eickmeyer, Ericks, Ericksen, Green, Holmquist, Kretz, Kristiansen, Lantz, McCune, Moeller, Morrell, Newhouse, O'Brien, Roach, Schual-Berke, Serben, Springer, Strow and Upthegrove.

Staff: Jeff Olsen (786-7157).

Summary of Recommendation of Committee On Capital Budget Compared to Recommendation of Committee On Economic Development, Agriculture & Trade:

No new changes were recommended.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.

Testimony For: House Bill 1461 expands the reimbursement program to include the CCRP. This would bridge the up to three year time lag between landowner investment in stream restoration and reimbursement from the U.S. Department of Agriculture. This would allow non-listed streams to receive these bridge loans.

Testimony Against: None.

Persons Testifying: Debbie Becker, Washington State Conservation Commission; and John Larson, Washington Association of Conservation Districts.

Persons Signed In To Testify But Not Testifying: None.