

HOUSE BILL REPORT

HB 1857

*As Reported By House Committee on:
Trade & Economic Development
Revenue*

Title: An act relating to the hardwood commission.

Brief Description: Revising provisions relating to the hardwood commission.

Sponsor(s): Representatives Riley, Jones, Belcher, Wilson, Spanel and Sheldon; by request of Washington Hardwoods Commission.

Brief History:

Reported by House Committee on:
Trade & Economic Development, February 28, 1991, DPS;
Revenue, March 9, 1991, DPS(TED).

**HOUSE COMMITTEE ON
TRADE & ECONOMIC DEVELOPMENT**

Majority Report: *That Substitute House Bill No. 1857 be substituted therefor, and the substitute bill do pass.*
Signed by 11 members: Representatives Cantwell, Chair; Sheldon, Vice Chair; Forner, Ranking Minority Member; Betrozoff, Assistant Ranking Minority Member; Ferguson; Kremen; Ludwig; Moyer; Rasmussen; Riley; and Roland.

Staff: Bill Watterson (786-7340).

Background: The Washington Hardwoods Commission was established in 1990 to assist in the retention, expansion, and attraction of hardwood-related industries. The commission is to coordinate state and federal agencies, industry organizations, and higher education institutions. The commission has the power to develop products and markets for hardwood, recommend a tax program to help stabilize existing firms and attract new firms, develop programs that protect the environment, and develop financial assistance programs.

The forest products industry is a key part of Washington's economy. Approximately one-fifth of the manufacturing jobs in the state are forest products related.

Historically, this industry has relied on softwood timber as its primary source of raw materials. Hardwood timber, such as alder, has been used less frequently as a raw material.

Summary of Substitute Bill: Members of the Washington Hardwoods Commission shall be compensated at the standard rate for members of a class three part-time commission.

The commission levies an assessment on hardwood processors based on the processor's production, in thousands of tons, per calendar quarter. Assessments are a personal debt of every person assessed; collection methods are provided.

Substitute Bill Compared to Original Bill: The substitute does not include handlers of hardwood among those subject to an assessment. Assessments will be levied on hardwood processors based on quarterly production rather than amount of timber purchased.

Fiscal Note: Requested February 28, 1991.

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

Testimony For: Collection of assessments on hardwood production will allow the Hardwoods Commission to assist in the retention, expansion, and attraction of hardwood-related industries.

Testimony Against: None.

Witnesses: Kay Eichinger, Department of Trade and Economic Development (in favor of bill with amendment); Terry Raettig, Governor's Timber Team (in favor of bill with amendment); and Richard W. Junk, Washington Forest Protection Association (in favor of bill with amendment).

**HOUSE COMMITTEE ON
REVENUE**

Majority Report: *The substitute bill by Committee on Trade & Economic Development be substituted therefor and the substitute bill do pass.* Signed by 14 members: Representatives Wang, Chair; Fraser, Vice Chair; Holland, Ranking Minority Member; Wynne, Assistant Ranking Minority Member; Appelwick; Belcher; Brumsickle; Day; Leonard; Morris; Morton; Phillips; Rust; and Silver.

Staff: Greg Pierce (786-7102).

Summary of Recommendation of Committee on Revenue Compared to Recommendation of Committee on Trade & Economic Development: No new changes were recommended.

Fiscal Note: Requested February 28, 1991.

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

Testimony For: Same as Committee on Trade & Economic Development testimony.

Testimony Against: None.

Witnesses: Kay Eichinger, DTED (pro); and Rich Nafziger, Governor's Office (pro).