

# HOUSE BILL REPORT

## HB 2105

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### As Reported by House Committee On:

Natural Resources

**Title:** An act relating to small forest landowners.

**Brief Description:** Modifying provisions related to small forest landowners.

**Sponsors:** Representatives Sump, Doumit, Pearson, Rockefeller and Woods.

### Brief History:

#### Committee Activity:

Natural Resources: 2/19/01, 2/26/01 [DPS].

#### Brief Summary of Substitute Bill

- Owners of parcels of 20 contiguous acres or less, who are exempt from the riparian buffer requirements of the forest practices rules adopted under the Forests and Fish report, may choose to comply with these rules and become eligible for compensation under the forest riparian easement program.
- A small forest landowner who is unable to cut any timber because of restrictions under the forest practices rules may be eligible to participate in the riparian easement program.
- The compensation offered to small forest landowners for a forest riparian easement must include the compliance costs for participation in the riparian easement program. These costs include the cost of preparing and recording the easement, and any real estate excise tax or business and occupation tax imposed because of entering into the easement.

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### HOUSE COMMITTEE ON NATURAL RESOURCES

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 11 members: Representatives Doumit, Democratic Co-Chair; Sump, Republican Co-Chair; Pearson, Republican Vice Chair; Rockefeller, Democratic Vice Chair; Buck, G. Chandler, Eickmeyer, Ericksen, Jackley, Murray and Pennington.

**Staff:** Bill Lynch (786-7092).

**Background:**

Owners of parcels of 20 contiguous acres or less are exempt from the riparian buffer requirements of the forest practices rules adopted under the Forests and Fish report if the landowner implements an alternative management plan for the riparian buffers. These landowners are unable to participate in the forest riparian easement program because they are not subject to the forest practices rules. This particular exemption to the forest practices rules has not yet received approval from federal agencies for purposes of assurances under the Endangered Species Act.

The small forest landowner office (office) was established within the Department of Natural Resources by the Legislature in 1999 as part of the Forests and Fish legislation. The office is required to work with small forest landowners on the development of alternate management plans and alternate harvest restrictions for riparian buffers, and is required to develop criteria for adoption by the Forest Practices Board (board) in a manual for these alternate management plans and harvest restrictions. The board is not required to adopt the criteria on alternate management plans and harvest restrictions by rule.

A forest landowner must obtain an approved forest practices application for timber harvest on his or her property as a prerequisite for participating in the forest riparian easement program. The office determines the amount of compensation to be offered to the small forest landowner for the easement. Those landowners who are unable to cut any timber on their property because of restrictions under the forest practices rules are ineligible to participate in this program.

The amount of compensation offered by the office for a riparian easement is an amount equal to 50 percent of the value of the timber that was covered in a forest practices application that is required to be left unharvested. Small forest landowners who wish to participate in the easement program are subject to costs that were not anticipated in the development of the Forests and Fish legislation.

The office is authorized to contract with private consultants to conduct timber cruises of forestry riparian easements, but is not authorized to contract with private consultants for laying out streamside buffers or other regulatory requirements associated with the forest riparian easement program.

The office made an initial report to the Legislature and the board on December 1, 2000, on the estimated amounts of nonindustrial forests in various sizes of acreage and the estimated number of forest practices applications filed each year. This report also included recommendations on ways the Legislature and the board could provide more effective incentives to encourage the continued management of nonindustrial forests in ways which best protect salmon, fish and other wildlife, water quality, and environmental values. This report is to be updated on December 1, 2002, and every four years

thereafter with a description of trends in the holdings of forest lands and how they are managed. The creation of the office was delayed, so there was little information available for the initial report.

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**Summary of Substitute Bill:**

Owners of parcels of 20 contiguous acres or less, who are exempt from the riparian buffer requirements of the forest practices rules adopted under the Forests and Fish report, may choose to comply with these rules. Landowners who choose to comply with these rules are eligible for compensation under the forest riparian easement program.

The Forest Practices Board must adopt the criteria developed by the small forest landowner office on alternate management plans and alternate harvest restrictions by rule and by a manual.

A landowner who is unable to obtain an approved forest practices application for timber harvest on his or her land because of restrictions under the forest practices rules may still qualify as a small forest landowner for purposes of participating in the forest riparian easement program. The board must adopt criteria by rule for these forest landowners to enter into forest riparian easements. The small forest landowner office determines the amount of compensation to be offered for a riparian easement to a small forest landowner who is unable to obtain approval for a forest practices application for timber harvest because of forest practice rules restrictions.

The amount of compensation offered to small forest landowners for a riparian easement must include the compliance costs for participating in the riparian easement program. Compliance costs include the cost of preparing and recording the easement, and any business and occupation tax and real estate excise tax imposed because of entering into the easement.

The office may contract with private consultants for laying out streamside buffers or other regulatory requirements associated with the forest riparian easement program.

The office must submit a report to the Legislature and the board by December 1, 2002, on estimated amounts of nonindustrial forests in various sizes of acreage, the estimated number of forest practices applications filed, as well as recommendations on ways to provide more effective incentives to encourage the continued management of nonindustrial forests in ways which best protect salmon, fish and other wildlife, water quality, and environmental values. This report is to be updated on December 1, 2004, and every four years thereafter with a description of trends in the holdings of forest lands and how they are managed.

### **Substitute Bill Compared to Original Bill:**

Language which addressed alternative management plans and allowed for flexibility in management practices as long as riparian functions were still protected is deleted. Amendments are made which allow small forest landowners to participate in the riparian easement program when they cannot obtain an approved forest practices application. Owners of less than 20 contiguous acres may participate in the riparian easement program. Technical corrections are made.

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**Appropriation:** None.

**Fiscal Note:** Requested on February 14, 2001.

**Effective Date of Substitute Bill:** Ninety days after adjournment of session in which bill is passed.

**Testimony For:** (Original proposed substitute bill) Washington was the first state in the nation to adopt Forest and Fish legislation like we have in 1999, so there was no blueprint to follow. Now that the rules are being developed, there are some areas affecting small forest landowners that need some adjustment to implement the intent of the legislation.

**Testimony Against:** (Concerns original proposed substitute bill) The alternative management plan language regarding no significant diminishment of essential aquatic functions is problematic and needs refining. Some technical amendments will be necessary.

**Testified:** (In support original proposed substitute bill) Representative Sump, prime sponsor; Sherry Fox, Washington Farm Forest Association; and Pat McElroy, Department of Natural Resources.

(With concerns original proposed substitute bill) Dick Wallace, Washington Department of Ecology.