

SENATE BILL REPORT

SB 5345

As of February 16, 2005

Title: An act relating to the timber land revitalization board.

Brief Description: Creating the timber land revitalization board.

Sponsors: Senator Jacobsen.

Brief History:

Committee Activity: Natural Resources, Ocean & Recreation: 2/16/05.

SENATE COMMITTEE ON NATURAL RESOURCES, OCEAN & RECREATION

Staff: Curt Gavigan (786-7437)

Background: Concerns have been raised that changes in land use, declines in the value of fiber products, and increasing environmental regulations are contributing to declines in the state's forest lands. Forests cover over half of Washington's 42.5 million acres. Additionally, over half of these forest lands are classified as commercial forests.

Forestry and forest lands in Washington face significant challenges, however. The state's population has increased from approximately 4.8 million in 1990 to almost 5.9 million in 2000. During that period, employment in the natural resources industry fell from .58 percent to .35 percent of Washington's total jobs. Additionally, timber harvests in the state fell from 5,849 to 4,177 million board feet between 1990 and 2000.

Summary of Bill: The Timber Land Revitalization Board (board) is created. The board consists of the Commissioner of Public Lands, serving in a nonvoting capacity, and four members appointed by the Governor. Staff support to the board must be provided by the Department of Natural Resources (Department).

The board is responsible for making grants and loans for the revitalization of timber lands. Between 30 percent and 40 percent of loans and grants must be for projects that sustain the forest land base and strengthen the connection between economic health and forest conservation. Between 30 Percent and 40 percent of loans and grants must be for projects that preserve forest lands for working forestry. Between 30 percent and 40 percent of loans and grants must be for planning, research, and policy development related to revitalizing the state's working forests.

The Cascade Foothills Focus Area (focus area) is created to assist landowners and communities in the focus area develop innovative approaches to forest revitalization. The focus area is composed of the nonurbanized lands within the Cascade mountain range, and its drainages, that lie between 300 and 3,000 feet above sea level in Whatcom, Skagit, King, Pierce, and Thurston counties. In fiscal years 2005 and 2006, the board may provide grants for programs that address specific criteria relating to working forests in the focus area.

The Department is authorized to transfer real property, without public auction, to a nonprofit land conservation organization where the transaction is approved by the Board of Natural Resources.

The Forestry Revitalization Account, funded from the state timber excise tax and other sources, is created to distribute moneys for working forestry revitalization. The Forestry Revitalization Revolving Account is also created to accept appropriations and loan repayments and to provide funds for working forestry revitalization loans.

Appropriation: \$7,500,000 is appropriated from the Forestry Revitalization Account to the board for the biennium ending June 30, 2007. \$2,500,000 is appropriated from the Forestry Revitalization Revolving Account to the board for the biennium ending June 30, 2007.

Fiscal Note: Available.

Committee/Commission/Task Force Created: Yes.

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

Testimony For: Retaining the state's forest for working forestry is vitally important. The tools that would be fostered by this program, such as leasing and cooperative agreements, could help keep lands in forestry. However, before a large grant and loan program is undertaken, a study on where this aid would have the greatest impact is necessary. Additionally, areas outside of the Cascade mountains have special needs that should be focused on.

Testimony Against: None.

Other: The forest products excise tax is not a stable source of revenue for use by the revitalization board. Grants and leases for revitalization would come from funds that previously went into the general fund, taking that revenue away from other activities. Accomplishing tax reform will be even more difficult with timber tax revenues tied into a revitalization program.

Who Testified: PRO: Miguel Perez-Gibson, Cascade Land Conservancy; Ryan Dicks, Cascade Land Conservancy. OTHER: Martin Flynn, Washington Farm Forestry Association; Rick Dunning, Washington Farm Forestry Association; Bill Garvin, Washington Forest Protection Association; John Ehrenreich, Washington Forest Protection Association; Pat McElroy, Department of Natural Resources; Paul Parker, Washington State Association of Counties.