
SUBSTITUTE HOUSE BILL 2368

State of Washington

59th Legislature

2006 Regular Session

By House Committee on Natural Resources, Ecology & Parks (originally sponsored by Representatives B. Sullivan, Jarrett, Morris and Springer)

READ FIRST TIME 01/23/06.

1 AN ACT Relating to the creation of a demonstration project to
2 facilitate better the conservation of natural resource lands; and
3 creating new sections.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** (1) The legislature finds that it is in the
6 best interest of the state to find innovative and economically
7 sustainable ways to protect the state's dwindling natural resource
8 lands from development or other conversion from working lands or
9 wildlife habitat.

10 (2) The legislature further finds that working natural resource and
11 wildlife habitat lands can be conserved through properly functioning
12 transfer of development rights programs. However, to be successful, a
13 transfer of development rights program must be established in a fashion
14 that facilitates an economically robust market in which development
15 credits from natural resource lands are in demand and can be traded
16 openly in a market.

17 (3) The legislature further finds that a number of geographically
18 limited demonstration projects should be established to create a
19 template for the protection of natural resources that can be emulated

1 by other areas within the state. These demonstration projects would
2 require technical and financial support from a state level that would
3 create and nourish the transfer of development rights programs both in
4 their infancy and as a source of ongoing support once the projects are
5 established. Finally, the demonstration projects should be designed in
6 such a way that there is capacity for private third-party entities to
7 facilitate the transfer of credits and ensure a robust market.

8 NEW SECTION. **Sec. 2.** (1) The department of community, trade, and
9 economic development, in consultation with the department of fish and
10 wildlife for the identification of wildlife habitat, shall provide
11 support and funding for a minimum of two county-specific transfer of
12 development rights demonstration projects. These projects must utilize
13 a system to facilitate the trade of development credits from natural
14 resource and habitat lands, including designated or nondesignated farm
15 lands, forest lands, mineral lands, open spaces, and other land the
16 county desires to protect from development, to areas of the county more
17 appropriate for residential or commercial development. Natural
18 resource and habitat lands from which development credits are
19 transferred must be forever protected from additional future
20 development.

21 (2) Projects established under this section must be under the
22 direction and administration of the legislative authority of the county
23 hosting the project, except as the county has delegated administration
24 responsibilities to a city or cities within the county. However, the
25 department of community, trade, and economic development must provide
26 initial funding and guidance along with ongoing financial and technical
27 assistance.

28 (3) The department of community, trade, and economic development
29 may only initiate a demonstration project within counties that are
30 willing hosts. The number of demonstration projects must be determined
31 by the amount of funding provided to the department of community,
32 trade, and economic development. However, at least two projects must
33 be initiated. The demonstration projects may be established in
34 counties without a similar program, or may provide funding and
35 assistance to a county with an existing but underutilized program. Due
36 to unique geographic conditions, existing land uses, and population

1 patterns, Kittitas and Snohomish counties must be given the first
2 option to host one of the demonstration projects.

3 (4) Funding provided by the department of community, trade, and
4 economic development may be used for direct financial support to host
5 counties and for securing private third-party organizations to
6 administer aspects of the credit trading program.

7 (5) The department of community, trade, and economic development
8 shall provide the appropriate committees of the legislature with a
9 status report by December 31, 2006. A final report must be provided to
10 the appropriate committees of the legislature no later than thirty-six
11 months after the initiation of the initial demonstration projects.
12 Both reports must be prepared in coordination with the host counties
13 and include any suggestions for improving either the demonstration
14 projects or the tools available to counties for the operation of their
15 own transfer of development rights programs.

16 NEW SECTION. **Sec. 3.** If specific funding for the purposes of this
17 act, referencing this act by bill or chapter number, is not provided by
18 June 30, 2006, in the omnibus appropriations act, this act is null and
19 void.

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