

**HB 2084 - DIGEST**

(SEE ALSO PROPOSED 1ST SUB)

Provides that, from July 1, 2005, until June 30, 2015, the board may authorize the department to deduct up to thirty percent of the moneys received by the department in connection with any one transaction pertaining to state lands.

Requires that any deductions authorized by the board under this act must be reviewed and reauthorized by the board each biennium.

Declares that deductions authorized by this act shall replace the deductions authorized by RCW 79.64.040(2), and shall be deposited into the resource management cost account created in RCW 79.64.020.

Provides that a portion of any revenue generated by a deduction authorized under this act in excess of twenty-five percent must be used by the department for variable density thinnings, silvicultural operations designed to address forest health issues, and other activities designed to develop complex forest stands.

Provides that, if the board authorizes a deduction under this act in excess of twenty-five percent in connection with any one transaction pertaining to state lands, then the state auditor shall conduct two audits, one following the second biennium after the triggering action by the board, and a second following the third biennium after the triggering action by the board.

Directs the joint legislative audit and review committee to, consistent with chapter 44.28 RCW, conduct a performance audit focusing on the success of the department in meeting the ecological and economic outcomes outlines in the sustainable yield harvest level adopted by the board pursuant to RCW 79.10.320 in 2004.

Provides that, by November 1, 2007, the department of natural resources shall prepare a report to the appropriate committees of the legislature that provides the following: (1) A review of opportunities for the department of natural resources to increase revenue to the trust beneficiaries without increasing the harvest of trees, including a comparison of the opportunities and the identification of any barriers in place that restrict the department's implementation of the opportunity. The opportunities to be studied should include, but not be limited to: (a) Long-term leases for recreation, ecological conservation, carbon sequestration, development mitigation, and watershed protection; (b) creation of a state-operated log yard; (c) marketing of niche products such as red cedar, red alder, and nontimber forest products; (d) pursuing third-party certification for state-produced timber; (e) producing and selling value-added forest products; (f) leasing land for wind power and communication sites; (g) loosening the timber substitution rules to allow additional bidders on state sales; (h) increasing the profitability of variable density thinning projects.

(2) A review on the status of the forest development account, including information on expenditures, revenues, and year-end fund balances beginning with fiscal year 2001, as well as projected

expenditures, revenues, and fund balances for fiscal years 2008 through 2011.