

SENATE BILL REPORT

ESHB 2541

As Reported by Senate Committee On:
Natural Resources, Ocean & Recreation, February 25, 2010

Title: An act relating to maximizing the ecosystem services provided by forestry through the promotion of the economic success of the forest products industry.

Brief Description: Promoting the economic success of the forest products industry.

Sponsors: House Committee on Agriculture & Natural Resources (originally sponsored by Representatives Takko, Orcutt, Kessler, Kretz and Blake).

Brief History: Passed House: 2/15/10, 98-0.

Committee Activity: Natural Resources, Ocean & Recreation: 2/22/10, 2/25/10 [DPA].

SENATE COMMITTEE ON NATURAL RESOURCES, OCEAN & RECREATION

Majority Report: Do pass as amended.

Signed by Senators Jacobsen, Chair; Morton, Ranking Minority Member; Fraser, Hargrove, Hatfield and Stevens.

Staff: Sherry McNamara (786-7402)

Background: Washington's Forest Practices Board (Board) sets the specific standards for forest practices such as timber harvest, precommercial thinning, road construction, and fertilization. The state's Forest Practices Act (Act) established the Board in 1974 as an independent state agency chaired by the Commissioner of Public Lands.

The Act directs the Board to adopt forest practice rules for nonFederal and nontribal forestlands that protect public resources while maintaining a viable timber industry. Public resources include water, fish, wildlife, and capital improvements of the state or its political subdivisions.

The Department of Natural Resources (DNR) coordinates the development of forest practice rules.

Summary of Bill (Recommended Amendments): The stated purposes of the Act are modified by adding an additional purpose to assist forest landowners in accessing market capital and financing for ecosystem services that are provided to the public as a result of the

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protection of public resources. Language is provided that relates to the issues facing the forest sector and states that need for the University of Washington School of Forest Resources to continue to work with various entities to improve their ability to competitively recruit, educate, and train a high quality workforce.

DNR must, to the degree resources are available, develop landowner conservation incentive proposals that support forest landowners maintaining their land in forestry. The incentives may include, but are not limited to ecosystem service markets, tax incentives, easements, technical assistance, and recognition or certification.

DNR must consult with the Board, representatives of federal, state, and local government, Indian tribes, small forest landowners, conservation groups, industrial foresters and others.

By December 31, 2011, DNR must present their research and proposed incentives to the Governor, the Legislature, the Commissioner of Public Lands, and the Board. DNR must also present their findings and recommendations to the Washington Congressional delegation, local governments, and any appropriate state or federal agency.

DNR's actions or decisions related to the development of the incentive proposals must not cause, promote, or delay rulemaking by the Board.

Ecosystem services and ecosystem services markets are defined.

EFFECT OF CHANGES MADE BY NATURAL RESOURCES, OCEAN & RECREATION COMMITTEE (Recommended Amendments): Adds legislative intent to Chapter 76.44 (Institute of Forest Resources) relating to the issues facing the forest sector and states the need for the University of Washington School of Forest Resources to continue to work with various entities to improve their ability to competitively recruit, educate, and train a high quality workforce.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

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

Staff Summary of Public Testimony on Engrossed Substitute House Bill: PRO: This bill takes the carrot approach to providing incentives which, hopefully, in the long run will provide better options to maintain forest land. Ecosystem services provide benefits to people, and this bill will allow forest landowners to achieve some economic incentives for managing their lands in a way that protects the environment and water quality. The definition for Ecosystem Services comes from Oregon's bill that passed last year. In the development of the incentive proposals, DNR must consult with various groups and government representatives. The reference to Indian tribes should be to Federally Recognized Tribes.

Persons Testifying: PRO: Representative Takko, prime sponsor; Heath Packard, DNR; Debora Munguia, Washington Forest Protection Association; Dawn Vyvyan, Yakama Nation.