

# SENATE BILL REPORT

## ESB 6776

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As Amended by House, February 28, 2010

**Title:** An act relating to creating the joint work group on small forest landowner sustainability.

**Brief Description:** Creating the joint work group on small forest landowner sustainability.

**Sponsors:** Senators Jacobsen, Swecker, Fraser, Morton, Zarelli, Schoesler, Hargrove, Ranker, Hatfield and McCaslin.

**Brief History:**

**Committee Activity:** Natural Resources, Ocean & Recreation: 2/03/10 [DP].

Passed Senate: 2/16/10, 44-0.

Passed House: 2/28/10, 96-0.

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### SENATE COMMITTEE ON NATURAL RESOURCES, OCEAN & RECREATION

**Majority Report:** Do pass.

Signed by Senators Jacobsen, Chair; Ranker, Vice Chair; Morton, Ranking Minority Member; Fraser, Hatfield and Swecker.

**Staff:** Sherry McNamara (786-7402)

**Background:** Small forest landowner is defined generally as a person or entity that harvests an average of two million board feet or less each calendar year.

In 1999 the Legislature created the Forestry Riparian Easement Program (FREP), which included a Small Landowner Assistance Office (SFLO) within the Department of Natural Resources (DNR). The FREP was created to prevent small forest landowners from being disproportionately affected by the riparian buffer requirements outlined in the Forests and Fish Report. SFLO acquires 50-year easements along riparian and other sensitive aquatic areas from small forest landowners who are willing to sell or donate easements to the state. Generally, compensation is offered for the trees that the landowner is unable to harvest due to the riparian restrictions in the forest practices rules.

The SFLO is required to assist small forest landowners in developing alternate management plans or alternate harvest strategies. Although the state's Forest Practice rules generally have specific restrictions on the amount of harvest allowed near streams and creeks, there is an exemption available from these restrictions for certain landowners. Parcels that are 20

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contiguous acres or less are exempt from the modern riparian buffers rules, as long as the owner of the parcel does not own a cumulative total of more than 80 acres. Instead, these landowners can opt to either follow the Forest Practice rules in effect prior to 1999, or work with the DNR to establish an alternate management plan for the riparian portion of the harvest area.

**Summary of Engrossed Bill:** A joint work group on small forest landowner sustainability (joint work group) is created with members of the House of Representative's Agriculture and Natural Resources Committee and the Senate Natural Resources, Ocean, and Recreation Committee. The joint work group is to utilize research conducted by the University of Washington's School of Forest Resources to look at ways to remove regulatory barriers and disincentives for small forest landowners.

The joint work group must consult with stakeholders and experts in the field of forestry, tax policy, transfer of development rights, fish, and ecosystem service payments. The joint work group is to utilize existing legislative staff, as well as teleconferencing to minimize travel and per diem expenditures for legislators and staff.

The joint work group is to build on existing reports and must consider:

- the long-term sustainability of FREP and ways to reform the program;
- how to address issues unique to small forest lands east of the Cascade mountains;
- whether, how, and to what extent DNR has evaluated the cumulative impact of small forest landowner alternate management plans on essential riparian functions;
- the complexity of administrative rules for small harvests;
- recommendations on ways the Forest Practices Board could provide more effective incentives to encourage continued management of nonindustrial forests;
- ways to address conversion pressures; and
- possible pilot program for ecosystem service payments.

The joint work group must deliver it's report to the Legislature, the Commissioner of Public Lands, and the Governor by September 15, 2010, including implementing legislation if necessary.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Committee/Commission/Task Force Created:** Yes.

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

**Staff Summary of Public Testimony:** PRO: The small forest landowners have been working on fine-tuning issues for ten years. This bill would provide us incentives to stay on the landscape and continue to provide the people of Washington with clean water, healthy habitats, recreational opportunities, and sustainably managed forests. The state has 700,000 fewer acres of private forestland than we had 20 years ago, which has been lost to development. Excessive forest practice regulations make owning and managing forestland an economically poor investment. This bill will assist us all in looking at the shortcomings

and challenges of our policies and regulatory actions and hopefully bring us to act on correcting the failures before it is too late for the small forest landowners. It would be beneficial to look at this bill along with a couple of other bills that deal with incentives and consider merging them altogether.

OTHER: In addition, other areas that might be considered by the work group are conversion pressure, emerging markets, and tax incentives. It also might be helpful to add the Department of Commerce, transfer of development rights, ecosystem payments, and Land Trusts to the experts to confer with.

**Persons Testifying:** PRO: Darin Cramer, Heath Packard, DNR; Stephen Bernath, Department of Ecology; David Whipple, Washington Department of Fish and Wildlife; Steve Stinson, Michelle Blake, Steve Webster, Ken Miller, Rick Dunning, Washington Farm Forestry Association; Bruce Lippke, University of Washington.

OTHER: Miguel Perez, Washington Environmental Council.

**House Amendment(s):** The House amendment:

- limits the membership of the work group to two members from each legislative chamber;
- removes a legislative finding relating to the failure of the forest practices board to provide alternative plans or alternative harvest restrictions to small forest landowners;
- requires the work group to have closer interactions with relevant state agencies; and
- requires the consideration of how any recommendations may impact the state's obligations under the forest and fish habitat conservation plan.