
SENATE BILL 5598

State of Washington

61st Legislature

2009 Regular Session

By Senator Jacobsen

Read first time 01/27/09. Referred to Committee on Natural Resources,
Ocean & Recreation.

1 AN ACT Relating to Washington's timber recovery fund board;
2 reenacting and amending RCW 43.79A.040; adding a new section to chapter
3 76.44 RCW; adding a new chapter to Title 76 RCW; creating a new
4 section; and providing an effective date.

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

6 NEW SECTION. **Sec. 1.** The legislature finds that more than half of
7 the state's forty-two and one-half million acres are forest lands and
8 that the majority of these lands are available for harvest. However,
9 many of the state's forest lands are threatened by conversion to
10 nonforest uses, mostly from commercial and residential development. In
11 addition, worldwide fiber commodity prices, increased environmental
12 regulations, forest health issues, and changing patterns in corporate
13 and individual ownership of forest lands are also contributing to the
14 declines in forest lands in the state. Therefore, it is the intent of
15 this chapter and this act to provide greater state financial assistance
16 to maintain Washington's working forest land base through the creation
17 of a funding board to make grants and loans on a competitive basis that
18 support protection of working forest land and that assist in developing

1 innovative strategies for supporting economically and environmentally
2 healthy forests and forest-dependent communities.

3 NEW SECTION. **Sec. 2.** The definitions in this section apply
4 throughout this chapter unless the context clearly requires otherwise.

5 (1) "Board" means the timber recovery fund board created in section
6 3 of this act.

7 (2) "Department" means the department of natural resources.

8 (3) "Local government" means any county, city, town, port district,
9 or special purpose district.

10 NEW SECTION. **Sec. 3.** (1) The timber recovery fund board is
11 created. The board is composed of five members, of whom two members
12 must be appointed by the governor. The commissioner of public lands,
13 or the commissioner's designee, shall serve ex officio as a voting
14 member of the board. The deans of the University of Washington college
15 of forest resources and the Washington State University college of
16 agriculture, human and natural resource sciences, or their designees,
17 shall serve as members of the board. In making appointments to the
18 board, the governor shall ensure that one member each representing the
19 interests of forest landowners and conservation interests are board
20 members at all times. The governor shall solicit and give substantial
21 consideration to nominations provided by organizations representing
22 these interests. Appointments to the board by the governor are subject
23 to senate confirmation.

24 (2) The board shall select a chair from among the members of the
25 board.

26 (3) Board members serve four-year terms, except that the governor
27 shall designate one of the initial appointments to serve for a term of
28 two years. The terms commence January 1, 2010.

29 (4) Staff support to the board must be provided by the department.
30 For administrative purposes, the board shall be located within the
31 department.

32 (5) Members of the board shall be compensated as provided by RCW
33 43.03.250, and reimbursed for travel expenses as provided by RCW
34 43.03.050 and 43.03.060.

1 NEW SECTION. **Sec. 4.** The board is responsible for allocating
2 grants and loans for the protection of working forest lands to projects
3 and activities that include, but are not limited to, the following:

4 (1) Projects and activities that will sustain the working forest
5 land base and strengthen the connection between economic health and
6 conservation of forests in Washington, such as forest health, providing
7 carbon sequestration, production of wood-based biomass energy,
8 protection of forest ecosystems, benefits for habitats, biodiversity,
9 and watershed functions;

10 (2) Projects and activities that preserve forest lands over the
11 long term for working forestry and resist forest land conversion, such
12 as land exchanges and transfer of development rights programs; and

13 (3) Projects and activities for planning, research, and policy
14 development related to maintaining working forests as well as for
15 long-term sustainable supplies of timber products.

16 NEW SECTION. **Sec. 5.** (1) The board shall establish procedures and
17 criteria consistent with section 4 of this act for making grants and
18 loans for the protection of working forest lands. To accomplish this
19 purpose, the board may:

20 (a) Provide assistance to grant applicants regarding the procedures
21 and criteria for grant and loan awards;

22 (b) Make and execute all manner of contracts and agreements with
23 grant recipients, and with other public and private parties as the
24 board deems necessary, consistent with the purposes of this chapter;

25 (c) Accept any gifts, grants, or loans of funds, property, or
26 financial or other aid in any form from any other source on any terms
27 that are not in conflict with this chapter;

28 (d) Adopt rules under chapter 34.05 RCW as necessary to carry out
29 the purposes of this chapter; and

30 (e) Do all acts necessary or convenient to carry out the powers
31 expressly granted or implied under this chapter.

32 (2) The department shall provide all necessary grant and loan
33 administration assistance to the board and shall distribute and account
34 for funds appropriated or provided to the board for the purposes of
35 this chapter.

36 (3) The board shall adopt guidelines for the amount of nonstate

1 resources that must be committed for grants from the categories
2 established by the board. The amount may not be less than ten percent
3 of the amount of the grant or the loan from the board.

4 (4) The board shall adopt guidelines that limit the amount of a
5 grant or loan that may be allocated to those administrative or other
6 expenses of a grant or loan recipient not directly applied to
7 maintaining Washington's working forest land base.

8 (5) In order to fund as many projects and activities as possible,
9 the board shall establish goals to encourage loan applications and to
10 maximize the amount of funds awarded in the form of low-interest loans.
11 Only local governments are eligible for low-interest loans awarded by
12 the board.

13 NEW SECTION. **Sec. 6.** The timber recovery fund board account is
14 created in the custody of the state treasurer. Any funds appropriated
15 by the legislature for distribution by the board, repayments of
16 principal and interest on loans extended by the board, or other public
17 or private funds provided for distribution by the board must be placed
18 in the account. Only the board may authorize expenditures from the
19 account. The account is subject to allotment procedures under chapter
20 43.88 RCW, but an appropriation is not required for expenditures.
21 Moneys in the account may only be used by the board to make grants and
22 loans under sections 4 and 5 of this act, and may not be used for the
23 administrative expenses of the board.

24 **Sec. 7.** RCW 43.79A.040 and 2008 c 239 s 9, 2008 c 208 s 9, 2008 c
25 128 s 20, and 2008 c 122 s 24 are each reenacted and amended to read as
26 follows:

27 (1) Money in the treasurer's trust fund may be deposited, invested,
28 and reinvested by the state treasurer in accordance with RCW 43.84.080
29 in the same manner and to the same extent as if the money were in the
30 state treasury.

31 (2) All income received from investment of the treasurer's trust
32 fund shall be set aside in an account in the treasury trust fund to be
33 known as the investment income account.

34 (3) The investment income account may be utilized for the payment
35 of purchased banking services on behalf of treasurer's trust funds
36 including, but not limited to, depository, safekeeping, and

1 disbursement functions for the state treasurer or affected state
2 agencies. The investment income account is subject in all respects to
3 chapter 43.88 RCW, but no appropriation is required for payments to
4 financial institutions. Payments shall occur prior to distribution of
5 earnings set forth in subsection (4) of this section.

6 (4)(a) Monthly, the state treasurer shall distribute the earnings
7 credited to the investment income account to the state general fund
8 except under (b) and (c) of this subsection.

9 (b) The following accounts and funds shall receive their
10 proportionate share of earnings based upon each account's or fund's
11 average daily balance for the period: The Washington promise
12 scholarship account, the college savings program account, the
13 Washington advanced college tuition payment program account, the
14 agricultural local fund, the American Indian scholarship endowment
15 fund, the foster care scholarship endowment fund, the foster care
16 endowed scholarship trust fund, the students with dependents grant
17 account, the basic health plan self-insurance reserve account, the
18 contract harvesting revolving account, the Washington state combined
19 fund drive account, the commemorative works account, the Washington
20 international exchange scholarship endowment fund, the toll collection
21 account, the developmental disabilities endowment trust fund, the
22 energy account, the fair fund, the family leave insurance account, the
23 food animal veterinarian conditional scholarship account, the fruit and
24 vegetable inspection account, the future teachers conditional
25 scholarship account, the game farm alternative account, the GET ready
26 for math and science scholarship account, the grain inspection
27 revolving fund, the juvenile accountability incentive account, the law
28 enforcement officers' and firefighters' plan 2 expense fund, the local
29 tourism promotion account, the pilotage account, the produce railcar
30 pool account, the regional transportation investment district account,
31 the rural rehabilitation account, the stadium and exhibition center
32 account, the youth athletic facility account, the self-insurance
33 revolving fund, the sulfur dioxide abatement account, the children's
34 trust fund, the Washington horse racing commission Washington bred
35 owners' bonus fund account, the Washington horse racing commission
36 class C purse fund account, the individual development account program
37 account, the Washington horse racing commission operating account
38 (earnings from the Washington horse racing commission operating account

1 must be credited to the Washington horse racing commission class C
2 purse fund account), the life sciences discovery fund, the Washington
3 state heritage center account, the reduced cigarette ignition
4 propensity account, (~~and~~) the reading achievement account, and the
5 timber recovery fund board account. However, the earnings to be
6 distributed shall first be reduced by the allocation to the state
7 treasurer's service fund pursuant to RCW 43.08.190.

8 (c) The following accounts and funds shall receive eighty percent
9 of their proportionate share of earnings based upon each account's or
10 fund's average daily balance for the period: The advanced right-of-way
11 revolving fund, the advanced environmental mitigation revolving
12 account, the city and county advance right-of-way revolving fund, the
13 federal narcotics asset forfeitures account, the high occupancy vehicle
14 account, the local rail service assistance account, and the
15 miscellaneous transportation programs account.

16 (5) In conformance with Article II, section 37 of the state
17 Constitution, no trust accounts or funds shall be allocated earnings
18 without the specific affirmative directive of this section.

19 NEW SECTION. Sec. 8. A new section is added to chapter 76.44 RCW
20 to read as follows:

21 The institute of forest resources shall establish and maintain a
22 forest land database that may include, but is not limited to, forest
23 and forest characteristics, parcel level information, ownership,
24 streams, roads, wetlands, and geological features.

25 NEW SECTION. Sec. 9. This act takes effect August 1, 2009.

26 NEW SECTION. Sec. 10. The code reviser is directed to alphabetize
27 the accounts listed in RCW 43.79A.040(4)(b) by their common name.

28 NEW SECTION. Sec. 11. Sections 1 through 6 of this act constitute
29 a new chapter in Title 76 RCW.

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