
**Agriculture & Natural Resources
Committee**

HB 1509

Brief Description: Concerning the forestry riparian easement program.

Sponsors: Representatives Blake, Dunshee and Ryu; by request of Commissioner of Public Lands.

Brief Summary of Bill

- Establishes minimum requirements for landowner participation and expands compensation for certain unharvested trees in the Forest Riparian Easement Program.
- Creates a one-time study group to propose long-term funding solutions for the Forest Riparian Easement Program.

Hearing Date: 2/4/11

Staff: Jason Callahan (786-7117).

Background:

The Forest Riparian Easement Program (FREP) is a program managed by the Small Forest Landowner Office (SFLO) in the Department of Natural Resources (DNR) to acquire 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. The DNR can purchase easements from small forest landowners and hold the easements in the name of the state. The easements are restrictive only and allow all landowners to engage in activities except as necessary to protect the riparian functions of the habitat for the term of the easement.

The easements are intended to represent 50 percent of the value of the unharvested trees, plus participation compliance costs. Once a contract from the FREP is executed, the DNR is required to reimburse the landowner for the actual costs to establish streamside buffers and timber marking.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

The value of the easement is determined by the DNR based on the fair market value of the timber volume covered by the easement. This calculation is made by the DNR after it conducts a timber cruise of the entire proposed easement. The data gathered in the timber cruise is then applied to a stumpage value table to calculate the fair market value. Value is calculated only on qualifying timber. Qualifying timber is timber that is located within a commercially reasonable harvest unit that cannot be harvested because of state limitations.

Summary of Bill:

Qualifying Small Forest Landowner.

The minimum requirements for participation on the FREP program are changed. All landowners applying for the FREP must still show that they satisfy the definition of "small harvester" in the tax code; however, in order to participate in the FREP, they must satisfy all three of the following conditions:

- The landowner's ownership interest in the affected parcel must be established in fee before July 1, 2011 or the applicant must be a lineal descendent of a landowner who owned the land in fee prior to that date.
- The landowner must be a non-governmental, for-profit legal entity.
- The affected land must either be enrolled in an internationally recognized forest certification program or have a forest stewardship plan approved by the DNR.

Qualifying Timber.

In addition to the existing unharvested trees that are eligible for FREP compensation, certain other forest trees are added. These include forest trees located within riparian habitats, channel migration zones, and on potentially unstable slopes or landforms.

The DNR must verify, before compensation can be received, that any trees located on unstable slopes are addressed by a forest practices application, are adjacent to a commercially reasonable harvest area, and have the potential to deliver sediment into a public resource. Compensation for trees left harvested on unstable slopes may not exceed \$100,000 during any four-year period.

Compensation.

The value of compensation determined by the SFLO is to be calculated at the time the FREP application was completed and not at the time of the underlying harvest. The resulting easement may not be recorded by the DNR until all compensation is paid to the landowner.

Long-Term Funding.

The chair of the Forest Practices Board must invite relevant stakeholders to recommend potential long-term funding sources for the FREP. These recommendations must be delivered to the Legislature by October 31, 2011.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.