

SENATE BILL REPORT

SB 5973

As Reported by Senate Committee On:
Natural Resources & Parks, January 21, 2014
Ways & Means, January 30, 2014

Title: An act relating to the community forest trust account.

Brief Description: Creating the community forest trust account.

Sponsors: Senators Rolfes, Pearson, Honeyford, Cleveland, Hargrove, Hewitt, Fraser, Litzow, Parlette, Kline and McAuliffe; by request of Commissioner of Public Lands.

Brief History:

Committee Activity: Natural Resources & Parks: 1/14/14, 1/21/14 [DPS].
Ways & Means: 1/28/14, 1/30/14 [DP2S, w/oRec].

SENATE COMMITTEE ON NATURAL RESOURCES & PARKS

Majority Report: That Substitute Senate Bill No. 5973 be substituted therefor, and the substitute bill do pass.

Signed by Senators Pearson, Chair; Dansel, Hargrove, Hewitt, Kline and Parlette.

Staff: Curt Gavigan (786-7437)

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Second Substitute Senate Bill No. 5973 be substituted therefor, and the second substitute bill do pass.

Signed by Senators Hill, Chair; Baumgartner, Vice Chair; Honeyford, Capital Budget Chair; Hargrove, Ranking Member; Keiser, Assistant Ranking Member on the Capital Budget; Ranker, Assistant Ranking Member on the Operating Budget; Bailey, Becker, Billig, Braun, Conway, Dammeier, Fraser, Hasegawa, Hatfield, Hewitt, Kohl-Welles, Parlette, Rivers and Schoesler.

Minority Report: That it be referred without recommendation.

Signed by Senator Padden.

Staff: Sherry McNamara (786-7402)

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.

Background: The Community Forest Trust (CFT) Program Generally. In 2011 the Legislature provided the Department of Natural Resources (DNR) with discretionary authority to create and manage CFTs. A CFT is a discrete category of non-fiduciary lands held by DNR and actively managed to generate financial support for the CFT and to sustain working forest conservation objectives.

The CFT program must satisfy statutory principles that include the following:

- protecting in perpetuity working forest lands that are at a significant risk of conversion to another land use;
- maintaining the land in a working status;
- generating revenue at levels that are, at a minimum, capable of reimbursing DNR for management costs; and
- providing for ongoing, sustainable public recreational access.

DNR may acquire lands for the CFT through purchase, donation, transfer, or a variety of means other than eminent domain. Once acquired, a CFT must be managed consistent with a management plan developed in cooperation with a local advisory committee.

Accounts Related to the CFT Program. The CFT law includes a variety of transactional elements involving either acquisition or distribution of funds. These include provisions:

- requiring that if state trust lands are transferred into the CFT, the value of that transfer must be provided to the beneficiaries of the trust;
- requiring DNR to obtain a financial commitment from the local community prior to establishing a CFT; and
- legislative direction on how revenue from CFT lands may be used.

The Legislature authorized DNR to use the Resource Management Cost Account and Parkland Trust Revolving Fund to hold and manage funds relating to CFT acquisitions and DNR's management costs. Each of these accounts is also used by DNR to hold and manage funds that relate to transactions involving federally granted lands or state forest lands.

Summary of Bill (Recommended Second Substitute): A new account, entitled the CFT account (account), is established for purposes of holding and managing funds relating to the CFT program. All funds received for CFT purposes, including appropriations, funds transfers, and revenue from valuable material sales, must be deposited in the account. DNR may use funds from the account for purposes of the CFT program, such as for CFT acquisitions and reimbursement of its management costs.

The account is an appropriated account that retains its earned interest. The Commissioner of Public Lands generally approves account expenditures, except the Board of Natural Resources must do so for expenditures to acquire CFT land or reimburse state and local government contributions for an acquisition.

References to CFT-related funds are removed from the current Resource Management Cost Account and Parkland Trust Revolving Fund statutes.

EFFECT OF CHANGES MADE BY WAYS & MEANS COMMITTEE (Recommended Second Substitute):

- Changes the CFT account to an appropriated account.

EFFECT OF CHANGES MADE BY NATURAL RESOURCES & PARKS COMMITTEE (Recommended First Substitute):

- Makes grammatical and organizational changes; and
- Conforms language to reflect the creation and features of the account, including references in several other statutes.

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 Original Bill (Natural Resources & Parks): PRO: This bill will allow the CFT program to work better. The new account will provide better clarity between CFT funds and trust land funds, which have very different purposes.

Persons Testifying (Natural Resources & Parks): PRO: Senator Rolfes, prime sponsor; Lisa Largent, DNR.

Staff Summary of Public Testimony on Substitute (Ways & Means): PRO: The bill creates a new account to be used solely for CFT financial activities. This will improve transparency and clarity for the CFT program. It ensures that revenues and expenditures from DNR's two accounts for the state trust lands are kept separate and not used in a manner that is incompatible with the law as it applies to those lands.

Persons Testifying (Ways & Means): PRO: Lisa Largent, DNR.