

HOUSE BILL REPORT

E2SHB 1711

As Amended by the Senate

Title: An act relating to prioritizing lands to receive forest health treatments.

Brief Description: Prioritizing lands to receive forest health treatments.

Sponsors: House Committee on Appropriations (originally sponsored by Representatives Kretz, Springer, Pettigrew, Schmick, Short and Condotta).

Brief History:

Committee Activity:

Agriculture & Natural Resources: 2/9/17, 2/16/17 [DPS];
Appropriations: 2/22/17, 2/23/17 [DP2S(w/o sub AGNR)].

Floor Activity:

Passed House: 3/6/17, 98-0.
Senate Amended.
Passed Senate: 4/10/17, 48-0.

Brief Summary of Engrossed Second Substitute Bill

- Directs the Department of Natural Resources (DNR) to develop and implement a policy for prioritizing forest health treatments to protect state lands and state forestlands against wildfire and disease, and to improve forest health and resilience.
- Directs the DNR to develop a prioritized list of parcels of state land that would benefit most from forest health treatments.
- Creates the Forest Health Revolving Account in the State Treasury, which shall receive funds obtained from forest health treatments and which shall be used to fund treatments conducted to improve forest health.

HOUSE COMMITTEE ON AGRICULTURE & NATURAL RESOURCES

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 15 members: Representatives Blake, Chair; Chapman, Vice Chair; Buys, Ranking Minority Member; Dent, Assistant Ranking Minority Member; Chandler, Fitzgibbon, Kretz, Lytton, Orcutt, Pettigrew, Robinson, Schmick, Springer, Stanford and J. Walsh.

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.

Staff: Robert Hatfield (786-7117).

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: The second substitute bill be substituted therefor and the second substitute bill do pass and do not pass the substitute bill by Committee on Agriculture & Natural Resources. Signed by 32 members: Representatives Ormsby, Chair; Robinson, Vice Chair; Chandler, Ranking Minority Member; MacEwen, Assistant Ranking Minority Member; Stokesbary, Assistant Ranking Minority Member; Bergquist, Buys, Caldier, Cody, Condotta, Fitzgibbon, Haler, Hansen, Harris, Hudgins, Jinkins, Kagi, Lytton, Manweller, Nealey, Pettigrew, Pollet, Sawyer, Schmick, Senn, Springer, Sullivan, Taylor, Tharinger, Vick, Volz and Wilcox.

Staff: Dan Jones (786-7118).

Background:

Department of Natural Resources.

The Department of Natural Resources (DNR) manages a number of different categories of land, each for a specific purpose and under different management requirements. These include approximately 3 million acres of federally granted lands and state forestlands, which the DNR manages to support common schools, counties, and other public institutions.

The DNR has the direct charge and responsibility over all matters pertaining to forest fire services in the state. The forest fire-related duties of the DNR include enforcing all forest fire-related laws, investigating the cause of forest fires, and accepting the empowerment to direct all fire suppression efforts.

Resource Management Cost Account.

The Board of Natural Resources is authorized in statute to deduct a percentage of the revenue earned from the activities on the state trust lands. This deduction is transferred to the Resource Management Cost Account within the State Treasury, and used to defray costs incurred by the DNR in managing and administering the trusts.

Summary of Engrossed Second Substitute Bill:

The Department of Natural Resources (DNR) is directed, to the extent feasible given all applicable trust responsibilities, to develop and implement a policy for prioritizing forest health treatments to protect state lands and state forestlands, to reduce wildfire losses, reduce insect infestation and disease, and to improve forest health at a landscape scale.

The DNR's prioritization of parcels to be treated must be based on an evaluation of the economic and noneconomic value of:

- timber or other commercial products removed during any mechanical treatments;
- timber or other commercial products likely to be spared from damage from wildfire;
- homes, structures, agricultural products, and public infrastructure likely to be spared from damage by wildfire;
- impacts to recreation and tourism; and

- ecosystem services such as water quality, air quality, or carbon sequestration.

The DNR must, to the extent feasible given all applicable trust responsibilities, identify areas of state lands and state forestlands that would benefit most from forest health treatments at the landscape level for the next 20 years, must identify areas that would benefit the most during the next six years, and then must prioritize specific lands for treatment during the subsequent biennium.

In developing its prioritized list, the DNR should consider land management plans activities of nearby landowners, if available, including federal and state agencies, local governments, tribes, and private property owners. The DNR may fund forest health treatments on nonstate owned lands provided that the treatments are funded with nontrust funds, and provided the the treatments produce a net benefit to the health of state lands and state forestlands.

No later than December 1 of each even-numbered year, the DNR must submit its prioritized list to the Legislature, to the Office of Financial Management, and to the Board of Natural Resources (Board). The report must include: a brief summary of the DNR's progress toward treating the state lands and state forestlands included on the preceding biennium's prioritization list; a list of lands prioritized for forest health treatments in the next biennium; and recommended funding amounts to carry out the treatment activities for the next biennium, including a summary of potential nontimber revenue sources that could be used to finance forest health treatments.

The Forest Health Revolving Account (Account) is created in the State Treasury. The Account shall receive funds obtained from forest health treatments and shall be used only to fund forest health treatments necessary to improve forest health. Only the Commissioner of Public Lands or the Commissioner's designee may authorize expenditures from the Account. Appropriation is not required for expenditures. The Account is interest-bearing and accrued interest must be credited to the Account.

Beginning in 2018, any unobligated funds in the Account in excess of \$10 million at the end of a calendar year must be disbursed to the appropriate trust beneficiaries as determined by the Board.

If the Board ever determines that the DNR has permanently discontinued the use of the Account for forest health treatments, the Board must disburse to the appropriate trust beneficiaries all remaining funds in the Account attributable to forest health treatments.

EFFECT OF SENATE AMENDMENT(S):

The Senate amendment makes the specific provisions of the act subject to available appropriated funds.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed. However, the bill is null and void unless funded in the budget.

Staff Summary of Public Testimony (Agriculture & Natural Resources):

(In support) Forest health is one of the Department of Natural Resources' (DNR) highest priorities. The current condition of the forests is a result of ill-advised forest management, lack of funding, and a lack of sufficient authority to manage the forests. British Columbia, Idaho, and Oregon are facing similar issues, and they are also trying to make a plan to deal with forest health over the long term. It makes sense to approach forest health on a grand scale rather than parcel by parcel. The bill acknowledges the multiple benefits that healthy forests generate, including water storage, safety, and economic benefits.

It makes sense to prioritize forestlands in eastern Washington. Monitoring the economics of forest health treatments makes sense when considering the forest health work to be done. This bill enhances the DNR's mandate to support local schools. Planning for forest health across multiple biennia is helpful for forest health. Private forestlands do not represent the most urgent need, and it would make more sense to see resources focused on state and federal lands. There is concern about a list of lands to be treated that includes private lands. This bill will improve the management of state timber resources, and fits with the DNR's fiduciary duty to the trusts. It will provide better protection for people who live close to state trust lands. It is logical to prioritize parcels for treatment.

(Opposed) None.

(Other) There is now good science regarding how to improve forest resilience and to get in front of wildfire behavior.

Staff Summary of Public Testimony (Appropriations):

(In support) This bill represents one of those instances where spending a little money offers the opportunity to save a lot of money. The state has spent almost \$400 million on fighting forest fires over the last three biennia, but only \$21 million on forest health treatments. Increasing the state's investment in forest health treatments will accelerate the rate at which the state is able to conduct forest health treatments, which in turn will increase the return to the trust by reducing hazards from wildfires, as well as reduce negative impacts to water quality, fisheries, and wildlife. Revenue generated from the program will be available for additional forest health treatments.

(Opposed) None.

Persons Testifying (Agriculture & Natural Resources): (In support) Representative Kretz, prime sponsor; Dave Warren and Loren Torgensen, Department of Natural Resources; Tom Bugert, Nature Conservancy; Matthew Comisky, American Forest Resource Council; Jason Callahan, Washington Forest Protection Association; and Tom Davis, Washington Farm Bureau.

(Other) Mitch Friedman, Conservation Northwest; and Dawn Vyvyan, Yakama Nation.

Persons Testifying (Appropriations): Representative Kretz, prime sponsor; and Loren Torgerson, Washington Department of Natural Resources.

Persons Signed In To Testify But Not Testifying (Agriculture & Natural Resources): None.

Persons Signed In To Testify But Not Testifying (Appropriations): None.