

HOUSE BILL REPORT

HB 2553

As Reported by House Committee On:
Agriculture & Natural Resources

Title: An act relating to adjusting assessments levied on hardwood processors.

Brief Description: Adjusting assessments levied on hardwood processors.

Sponsors: Representatives Blake, Orcutt, Morris and Hargrove.

Brief History:

Committee Activity:

Agriculture & Natural Resources: 1/24/18, 1/31/18 [DP].

Brief Summary of Bill

- Replaces the current hardwood processor assessment schedule with an assessment rate of 4 cents per ton produced.
- Allows the assessment to be adjusted annually beginning July 1, 2019, to reflect the percentage change in the implicit price deflator for personal consumption expenditures.

HOUSE COMMITTEE ON AGRICULTURE & NATURAL RESOURCES

Majority Report: Do pass. Signed by 11 members: Representatives Blake, Chair; Chapman, Vice Chair; Buys, Ranking Minority Member; Dent, Assistant Ranking Minority Member; Fitzgibbon, Lytton, Orcutt, Pettigrew, Robinson, Springer and Walsh.

Staff: Rebecca Lewis (786-7339).

Background:

In 1990 the Legislature authorized the creation of a Washington Hardwoods Commission (Commission) to foster the growth and development of the hardwood industry in Washington. The Commission is comprised of seven members, all of whom are members of the hardwood industry. The Commission must assist in the retention, expansion, and attraction of hardwood-related industries by creating a climate for development and support of the industry, and must coordinate efforts to enhance and promote the expansion of the

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forest industry among state and federal agencies, industry organizations, and institutions of higher education. Stated responsibilities of the Commission also include developing an enhancement and protection program that will reduce waste and respect environmental sensitivity, and working cooperatively with the Department of Natural Resources in the development of best management practices for hardwood resources.

To provide for permanent funding of the Commission, an assessment schedule is set in statute based on the hardwood processor's quarterly production by weight. The Commission may develop formulas to convert other measurements to tons of production.

Assessments made by the Commission are personal debts and if a person fails to pay, the Commission may add up to 10 percent of the assessment to defray costs of enforcement. Civil action by the Commission may be brought against persons who fail to pay.

Summary of Bill:

The current assessment schedule is replaced with an assessment rate of 4 cents per ton produced. Beginning July 1, 2019, the assessment rate must be adjusted annually based on the implicit price deflator for personal expenditures for the United States as published by the Bureau of Economic Analysis of the federal Department of Commerce by September 25 of the year before assessments are payable.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect on July 1, 2018.

Staff Summary of Public Testimony:

(In support) The Hardwoods Commission (Commission) was established to promote the hardwoods industry in Washington, and is the only organization in the state exclusively dedicated to the development of the industry. Several thousand people are employed in the hardwoods industry throughout the state, including in rural areas. It is important to keep the Commission funded to ensure a sustainable supply of hardwood products. The work of the Commission includes working with the Department of Natural Resources and the United States Forest Service to increase sale of hardwoods through timber sales, and working with academic institutions, including Washington State University, to develop seedlings that grow to harvest size faster. The assessment structure has not been changed since the creation of the Commission in 1991. All of the processors subject to the fee have been contacted and there is no opposition.

(Opposed) None.

Persons Testifying: Representative Blake, prime sponsor; and Dave Sweitzer, Washington Hardwoods Commission.

Persons Signed In To Testify But Not Testifying: None.