

SENATE BILL REPORT

SB 6073

As Passed Senate, January 25, 2018

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

Brief Description: Adjusting assessments levied on hardwood processors.

Sponsors: Senator Takko.

Brief History:

Committee Activity: Agriculture, Water, Natural Resources & Parks: 1/16/18, 1/18/18 [DP].

Floor Activity:

Passed Senate: 1/25/18, 48-1.

Brief Summary of Bill

- Amends the assessment on hardwood processors to be \$0.04 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.

SENATE COMMITTEE ON AGRICULTURE, WATER, NATURAL RESOURCES & PARKS

Majority Report: Do pass.

Signed by Senators Van De Wege, Chair; McCoy, Vice Chair; Warnick, Ranking Member; Honeyford and Nelson.

Staff: Karen Epps (786-7424)

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 members 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. The Commission must coordinate efforts to enhance and promote the

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expansion of the forest industry among state and federal agencies, industry organizations, and institutions of higher education. The Commission has a duty to develop an enhancement and protection program that will reduce waste and respect environmental sensitivity. The Commission must also work 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 and is 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 assessment shall be \$0.04 per ton produced. Beginning July 1, 2019, and every July 1 thereafter, the assessment must be adjusted to reflect the percentage change in the implicit price deflator for personal consumption expenditures for the United States as published for the most recent twelve-month period by September 25th of the year before the assessments are payable.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

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

Staff Summary of Public Testimony: PRO: This bill is important to the industry to make sure that there is hardwood for mills in the future. There has been a steady decline in the supply of hardwood since the mid-1990s. The Commission has been working diligently on a variety of projects related to education for landowners, research on ways to improve the aspects of alder, and working with other businesses to develop improved alder strains. The Commission hopes to work with DNR, BLM, and the Forest Service to have them provide more alder through timber sales. Producers appreciate the good work of the Commission and they would like to see the work continue. This fee change will maintain the Commission's budget. This is an important part of the rural economy.

Persons Testifying: PRO: Senator Dean Takko, Prime Sponsor; Michael Johnson, Washington Hardwoods Commission; David Sweitzer, Washington Hardwoods Commission.

Persons Signed In To Testify But Not Testifying: No one.