S-1432.2

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**SUBSTITUTE SENATE BILL 5330**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**State of Washington 66th Legislature 2019 Regular Session**

**By** Senate Agriculture, Water, Natural Resources & Parks (originally sponsored by Senators Braun, Van De Wege, Takko, Short, Becker, Rivers, Wagoner, and Warnick)

AN ACT Relating to analyzing state regulatory impact on small forestland owners; and creating a new section.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

NEW SECTION. **Sec.**  (1) Small forestland owners own and manage approximately three million two hundred thousand acres of Washington's forestlands and exert a tremendous influence on public resources, including fish bearing streams, air, wildlife habitat, and carbon sequestration.

(2) Adoption of the forest and fish report was made possible, in part, by the agreement of small forestland owners who supported the intent of the law despite significant economic impacts to some members of the small forestland owner community. Twenty years after the adoption of the forests and fish report, it is time to evaluate how the increased regulatory burden has impacted small forestland owners and their land.

(3) When the forests and fish report was adopted, the legislature enacted RCW 76.13.100 as follows:

"(1) The legislature finds that increasing regulatory requirements continue to diminish the economic viability of small forest landowners. The concerns set forth in RCW 77.85.180 about the importance of sustaining forestry as a viable land use are particularly applicable to small landowners because of the location of their holdings, the expected complexity of the regulatory requirements, and the need for significant technical expertise not readily available to small landowners. The further reduction in harvestable timber owned by small forest landowners as a result of the rules to be adopted under RCW 76.09.055 will further erode small landowners' economic viability and willingness or ability to keep the lands in forestry use and, therefore, reduce the amount of habitat available for salmon recovery and conservation of other aquatic resources, as defined in RCW 76.09.020.

(2) The legislature finds that the concerns identified in subsection (1) of this section should be addressed by establishing within the department of natural resources a small forest landowner office that shall be a resource and focal point for small forest landowner concerns and policies. The legislature further finds that a forestry riparian easement program shall be established to acquire easements from small landowners along riparian and other areas of value to the state for protection of aquatic resources. The legislature further finds that small forest landowners should have the option of alternate management plans or alternate harvest restrictions on smaller harvest units that may have a relatively low impact on aquatic resources. The small forest landowner office should be responsible for assisting small landowners in the development and implementation of these plans or restrictions."

(4) The twentieth anniversary of the forest and fish law presents on optimal time to review how state regulatory action, intended to benefit both landowners and habitat, has affected small forestland owners. How have programs intended to make up for the disproportionate economic impact been implemented? What can the legislature do to keep small forestland owners on the landscape, so their land will be available for salmon habitat rather than converted?

(5)(a) A legislative work group is created to analyze the state regulatory impact on small forestland owners. The work group is comprised of four members from the western legislative forestry task force, one each from the two largest caucuses in the house of representatives, and one each from the two largest caucuses of the senate. The work group may contract with outside entities such as the Olympic natural resources center.

(b) The work group must address, at a minimum, the following questions:

(i) Have the number of small forestland owners increased or decreased?

(ii)(A) Has the acreage held by small forestland owners increased or decreased?

(B) Did land no longer owned by small forestland owners convert to nonforest use, become industrial forestland, land trust land, or some other use?

(iii) In RCW 76.13.100(2) the legislature described three programs to assist small forestland owners and mitigate the disproportionate economic impact. How have those three programs been implemented?

(A) Small forestland owner office: Does it have adequate resources and authority to successfully address landowner concerns?

(B) Forest riparian easement program: Does the structure of the program adequately address economic impact to landowners? Has funding kept up with need? How has the lack of funding affected the stability of riparian habitat?

(C) Have meaningful alternate management plans or alternate harvest restrictions been developed for smaller harvest units?

(iv) Would meaningful alternate harvest restrictions reduce the financial burden on the forest riparian easement program?

(v) How can the legislature incentivize small forestland owners to maintain their land as forestland?

(vi) Could a program be developed to facilitate small forestland owner's participation in carbon markets?

(6) The work group must report to the appropriate committees of the legislature by November 1, 2020, with recommendations to improve retention of working forestland held by small forestland owners.

**--- END ---**