

HOUSE BILL REPORT

HB 1273

As Reported by House Committee On:
Rural Development, Agriculture, & Natural Resources

Title: An act relating to analyzing state regulatory impact on small forest landowners.

Brief Description: Analyzing state regulatory impact on small forest landowners.

Sponsors: Representatives Kretz, Blake, Orcutt, Chapman, Rude, Maycumber, Fitzgibbon, Hoff, MacEwen, Smith, Van Werven and Tharinger.

Brief History:

Committee Activity:

Rural Development, Agriculture, & Natural Resources: 1/23/19, 1/30/19 [DPS].

Brief Summary of Substitute Bill

- Requires the School of Environmental and Forest Sciences at the University of Washington to complete a trends analysis, and to report on certain impacts to small forest landowners.

HOUSE COMMITTEE ON RURAL DEVELOPMENT, AGRICULTURE, & NATURAL RESOURCES

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 12 members: Representatives Blake, Chair; Shewmake, Vice Chair; Chandler, Ranking Minority Member; Dent, Assistant Ranking Minority Member; Chapman, Fitzgibbon, Orcutt, Pettigrew, Ramos, Schmick, Springer and Walsh.

Staff: Rebecca Lewis (786-7339).

Background:

The Forests and Fish Law.

The Forest and Fish Report was presented to the Forest Practices Board (Board) and the Governor's Salmon Recovery Office on February 22, 1999. The report contained recommendations for the development and implementation of rules, statutes, and programs

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.

designed to improve and protect riparian habitat on non-federal forestlands in Washington. The report was authored by various stakeholders, including the federal government, state government, and various interest and constituency groups. The rules proposed in the report were designed to provide compliance with the federal Endangered Species Act, restore and maintain minimum riparian habitat to support a harvestable supply of fish, meet Clean Water Act standards, and keep the timber industry economically viable.

The Legislature responded to the Forest and Fish Report in 1999 by passing the Forests and Fish Law. The law directed the Board to adopt emergency rules implementing the recommendations of the Forest and Fish Report. Among other things, the Forests and Fish Law created the Small Forest Landowner Office (Office) in the Department of Natural Resources and the Forestry Riparian Easement Program (FREP), and directed the development of alternate management plans or harvest restrictions.

Small Forest Landowner Office.

The Office was established in 1999 to provide assistance to small forest landowners (SFLOs) in Washington. An SFLO, generally, is an owner of forestland who harvests no more than an average of 2 million board feet of timber from his or her land per year. The Office offers technical assistance to SFLOs, and manages several assistance programs for landowners including the FREP and the Family Forest Fish Passage Program (FFFPP).

Forest Riparian Easement Program.

The FREP is a voluntary program that provides reimbursement to certain SFLOs for trees which they are required to leave unharvested under forest practice rules and in order to protect fish habitat. The program provides compensation for a minimum of 50 percent of the timber value, and applies to trees adjacent to streams, wetlands, seeps, or unstable slopes. An SFLO may qualify for the FREP if they own a parcel larger than 20 contiguous acres, or more than 80 forested acres in Washington, the timber harvest would occur next to a stream, river, wetland, or pond, and the harvest does not convert the qualifying land to a use that is incompatible with growing timber.

Family Forest Fish Passage Program.

The FFFPP is a cost-share program created in 2003 and administered by the Office that provides SFLOs with financial assistance to remove fish barriers from their property. Enrolled landowners are not required to replace a barrier until the state determines a barrier is a funding priority.

Alternate Plans.

The Board must condition the adopted forest practice rules in such a manner that allows forest practices applicants to propose harvest plans as an alternative to the default rules. These alternative plans are to be developed in response to site-specific physical features and must provide protection to public resources that is equal to the standard harvest rules adopted by the Board. The Board is directed to consult with the Office in developing alternate harvest restrictions for SFLOs.

Summary of Substitute Bill:

The School of Environmental and Forest Sciences at the University of Washington (UW School of Environmental and Forest Sciences) must complete a trends analysis and report for the stated purpose of analyzing the state regulatory impact on small forest landowners (SFLOs). The work group must address a series of questions in the course of its work, including:

- changes in the number of SFLOs and acreage held by SFLOs, and factors that have lead to SFLOs selling their land;
- changes to the use of land no longer owned by SFLOs from forest use to non-forest or other use;
- how the Small Forest Landowner Office and Forest Riparian Easement Program have been implemented; and
- whether alternate management plans or harvest restrictions have been developed for smaller harvest units, and whether the Family Forest Fish Passage Program has addressed economic impacts to landowners adequately.

The UW School of Environmental and Forest Sciences must report its findings to the appropriate committees of the Legislature and the Forest Practices Board by November 1, 2020. In the report, the work group must include recommendations to improve retention of working forestland held by SFLOs.

Substitute Bill Compared to Original Bill:

The legislative task force is removed. The School of Environmental and Forest Sciences at the University of Washington (UW School of Environmental and Forest Sciences) must complete a trends analysis to address the change in the number of small forest landowners (SFLOs), acreage of land held by SFLOs, and change in the use of land no longer owned by SFLOs, as described in the underlying bill.

In addition to assessing the effectiveness of the Small Forest Landowner Office, Forest Riparian Easement Program, and alternate management plans, as required by the underlying bill, the UW School of Environmental and Forest Sciences must use the trends analysis and other pertinent data to:

- determine factors that led small forest landowners to sell their land;
- make recommendations to the Legislature regarding how to keep forestland working and how to improve mitigation measures for SFLOs; and
- assess whether the Family Forest Fish Passage Program has addressed economic impacts to landowners and fish passage barriers adequately.

The UW School of Environmental and Forest Sciences may reach out to a broad variety of stakeholders for input.

The report due date is changed from November 1, 2019, to November 1, 2020. The report must be submitted to the Forest Practices Board as well as to the Legislature.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Substitute Bill: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) This bill is important in order to address historic issues that small forest landowners (SFLOs) face. A review of the mitigation required under the Forest and Fish Law is overdue. There has been a lot of progress, but there is still a lot of work to do. The original Forest and Fish Law recognized that there would be a disproportionate impact on SFLOs, and the original language required a trend analysis every four years with regard to SFLOs. Such trend analysis and data collection has never been funded. The federal government provided funds for an analysis, and the most recent data is 12 years old. No one knows how much land is currently held by SFLOs. Farm Forestry Association members are concerned about being forced to move away from forestland ownership by economic factors. Internal evaluation is not going to work. The stakeholders are looking forward to the policy analysis required in this bill and moving forward. Small forest landowners are stewards of the land, and have to deal with the same three-legged stool of economic, social, and environmental criteria as others do. It is estimated that 91 percent of forestland owners own 80 acres or less.

(Opposed) None.

Persons Testifying: Joe Shramek, Department of Natural Resources; Elaine Oneil and Ken Miller, Washington Farm Forestry Association; and Victor Musselman.

Persons Signed In To Testify But Not Testifying: None.