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**Rural Development, Agriculture, &  
Natural Resources Committee**

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**HB 2714**

**Brief Description:** Valuing the carbon in forest riparian easements.

**Sponsors:** Representatives Hoff, Fitzgibbon, Orcutt, Blake, Chapman, Lekanoff, Van Werven, Tharinger and Kretz.

**Brief Summary of Bill**

- Directs that, for all future applications for the Forest Riparian Easement Program, the fair market value of the qualifying timber on which compensation is based must also include any value attributable to the carbon stored in the qualifying timber, or must reserve that carbon value to be otherwise used or marketed by the landowner.

**Hearing Date:** 1/28/20

**Staff:** Robert Hatfield (786-7117).

**Background:**

The Forest Riparian Easement Program (FREP) is a program managed by the Small Forest Landowner Office (SFLO) in the Department of Natural Resources (DNR) to acquire 50-year easements along riparian and other sensitive aquatic areas from small forest landowners who are willing to sell or donate easements to the state. The DNR can purchase easements from small forest landowners and hold the easements in the name of the state. Small forest landowners are defined, generally, as landowners who harvest less than an average of two million board feet per year. The easements are restrictive only, and allow landowners to engage in activities except as necessary to protect the riparian functions of the habitat for the term of the easement.

The easements are intended to represent 50 percent of the value of the unharvested trees, plus participation compliance costs. Once a contract under the FREP is executed, the DNR is

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required to reimburse the landowner for the actual costs to establish streamside buffers and timber marking.

The value of the easement is determined by the DNR based on the fair market value of the timber volume covered by the easement. This calculation is made by the DNR after it conducts a timber cruise of the entire proposed easement. The data gathered in the timber cruise is then applied to a stumpage value table to calculate the fair market value. Value is calculated only on qualifying timber.

Qualifying timber must meet all of the following criteria:

- the trees are ones that the owner is required to leave unharvested under fish protection rules or the forest practices rules, or that are made uneconomic to harvest by the forest practices rules;
- the trees are located within or bordering a commercially reasonable harvest unit, or for which an approved forest practices application cannot be obtained because of forest practices rules restrictions; and
- the trees are in certain sensitive areas, including sensitive aquatic areas, channel migration zones, and areas of potentially unstable slopes or landforms.

The DNR must, in the event that the state adopts a climate strategy, share information regarding the carbon sequestration benefits of the Forest Riparian Easement Program, using methods and protocols established in the state climate strategy that attempt to quantify carbon storage or account for carbon emissions.

**Summary of Bill:**

For all future applications for the Forest Riparian Easement Program received after the effective date of the bill, the fair market value of the qualifying timber must also include any value attributable to the carbon stored in the qualifying timber, or must reserve that carbon value to be otherwise used or marketed by the landowner.

**Appropriation:** None.

**Fiscal Note:** Available.

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