

SENATE BILL REPORT

SHB 2714

As of February 26, 2020

Title: An act relating to valuing the carbon in forest riparian easements.

Brief Description: Valuing the carbon in forest riparian easements.

Sponsors: House Committee on Rural Development, Agriculture, & Natural Resources (originally sponsored by Representatives Hoff, Fitzgibbon, Orcutt, Blake, Chapman, Lekanoff, Van Werven, Tharinger and Kretz).

Brief History: Passed House: 2/16/20, 96-0.

Committee Activity: Agriculture, Water, Natural Resources & Parks: 2/28/20.

Brief Summary of Bill

- Requires that any state program that places a value on carbon must recognize and include the value of the carbon stored in forest riparian easements.
- Allows forestland owners with existing riparian easements to market the carbon stored in the easement.

SENATE COMMITTEE ON AGRICULTURE, WATER, NATURAL RESOURCES & PARKS

Staff: Jeff Olsen (786-7428)

Background: The Small Forest Landowner Office (Office) was established in 1999 to provide assistance to small forest land owners (SFLOs) in Washington. A SFLO is an owner of forestland who harvests no more than an average of 2 million board feet of timber from their land per year. The Office offers technical assistance to SFLOs, and manages several assistance programs for landowners including the Forest Riparian Easement Program (FREP). The FREP is a voluntary program providing reimbursement to certain SFLOs for trees they are required to leave unharvested under forest practice rules to protect fish habitat. The FREP provides compensation for no more than 50 percent of the timber value, and applies to trees adjacent to streams, wetlands, seeps, or unstable slopes. The SFLO determines fair market value based on timber excise tax data and stumpage values provided

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by the Department of Revenue. The SFLO must determine the fair market value of the qualifying timber as of the date the complete FREP application is received.

If the state adopts a climate strategy, the Department of Natural Resources must share information regarding the carbon sequestration benefits of the FREP.

Summary of Bill: Any state program that places a value on carbon must recognize and include the value of the carbon stored in forest riparian easements. For riparian easement applications received after the effective date of the act, the Department of Natural Resources must calculate the amount of carbon stored in the qualifying timber according to established formulas. Small forestland owners with existing riparian easements may market the carbon stored in the easement. If the state develops methods, protocols and markets for valuing carbon, future riparian easements must include the full value of carbon stored in all the qualifying timber or allow the landowner to market the value of the carbon separately.

Appropriation: None.

Fiscal Note: Available.

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

Effective Date: Ninety days after adjournment of session in which bill is passed.