

# HOUSE BILL REPORT

## HB 2446

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**As Reported by House Committee On:**  
Capital Budget

**Title:** An act relating to investing in reforestation efforts following landscape-scale forest disturbances.

**Brief Description:** Investing in reforestation efforts following landscape-scale forest disturbances.

**Sponsors:** Representatives Paul, Dent and Ramel.

**Brief History:**

**Committee Activity:**

Capital Budget: 2/1/24, 2/2/24 [DPS].

**Brief Summary of Substitute Bill**

- Establishes a reforestation grant program at the Department of Natural Resources to incentivize climate-informed reforestation after large forest stand replacement events including wildfires and landslides.
- Creates eligibility criteria and limitations for the reforestation grant program.

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### HOUSE COMMITTEE ON CAPITAL BUDGET

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 27 members: Representatives Tharinger, Chair; Callan, Vice Chair; Hackney, Vice Chair; Abbarno, Ranking Minority Member; McClintock, Assistant Ranking Minority Member; Steele, Assistant Ranking Minority Member; Alvarado, Bateman, Cheney, Christian, Dye, Eslick, Farivar, Fosse, Kloba, Kretz, Maycumber, Morgan, Mosbrucker, Orwall, Peterson, Reed, Rule, Sandlin, Shavers, Stearns and Waters.

**Staff:** John Wilson-Tepeli (786-7115).

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.*

## **Background:**

The Department of Natural Resources (DNR) manages approximately 3 million acres of federally granted lands and state forestlands which are managed to support common schools, counties, and other public institutions. To facilitate reforestation efforts on its managed lands, the DNR maintains a state forest nursery and seed orchard. The DNR is authorized to sell to or exchange tree seedling stock and tree seed with persons intending to restock forest areas. The DNR may also provide, at cost, stock or seed to local governments or nonprofit organizations for urban tree planting programs consistent with the community and urban forestry program. Revenue from the sale of stock or seed must be deposited in the State Forest Nursery Revolving Fund for the maintenance of the state tree nursery or the planting of denuded state-owned lands.

The Natural Climate Solutions Account (NCSA) is an account established to: (1) increase the resilience of the state's waters, forests, and other vital ecosystems to the impacts of climate change; and (2) conserve working forestlands at risk of conversion and increase their carbon pollution reduction capacity through sequestration, storage, and overall system integrity. Funding in the account must be spent in a manner that is consistent with existing and future assessments of climate risks and resilience from the scientific community and expressed concerns of and impacts to overburdened communities. Funding in the account may be allocated for a broad range of purposes, including various uses related to forest health, carbon sequestration, and climate change and wildfire resilience.

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## **Summary of Substitute Bill:**

### Reforestation Grant Program.

The DNR must administer a reforestation grant program, subject to appropriation, designed to incentivize and invest in climate-informed reforestation after large forest stand replacement events such as wildfire, landslides, volcanic eruptions, tsunamis, earthquakes, and other natural catastrophic events that damage the ecoservices of natural or managed forests. The DNR must limit the overall size of the program to the level of appropriations provided specifically for this purpose.

### Grant Program Criteria.

The DNR must establish criteria for the grant program allowing land preparation, sourcing of seedling, reforestation, and additional efforts to promote seedling survival, which must include: (1) a cost-share percentage with the grant recipient not to exceed 25 percent of the grant award, including any in-kind contributions; (2) minimum and maximum potential grant awards; (3) applicant eligibility inclusive of tribal ownerships, nonprofit landowners and managers, industrial and nonindustrial private forestland owners, local governments, and other state agencies; (4) the prioritization of funds for direct reforestation efforts and which may be utilized to support aspects of the reforestation pipeline to ensure the sustainability of the program; (5) ensuring the applicant's projects are not required by law;

(6) specific considerations for grant applicants proposing to include, as part of the project, the reforestation of riparian buffers, potentially unstable slopes, or other areas where harvest is restricted due to state regulations that were affected by the underlying catastrophic event; and (7) consideration of any relevant environmental justice assessments.

Lands owned by the federal government or lands managed by the DNR are not eligible for the grant program. Applicants are not restricted regarding whether they direct funds in their proposal to a program of the DNR to execute their reforestation program of work.

**Substitute Bill Compared to Original Bill:**

As compared to the original bill, the substitute bill:

- requires that the reforestation grant program also be designed to incentivize and invest in climate-informed reforestation;
- specifies that land preparation, sourcing of seedling, reforestation, and efforts to promote seedling survival are eligible activities under the reforestation grant program;
- specifies that applicants to the reforestation grant program are not restricted regarding whether they direct funds in their proposal to a program of the DNR to execute their reforestation program of work;
- removes priority scoring for reforestation investments on private forestland whose owners or managers are not required, by regulation or other mechanism, to replant after a catastrophic event;
- provides specific consideration for grant applicants proposing to include project areas where harvest is restricted due to state regulations;
- specifies that funds may be prioritized for direct reforestation efforts and may be utilized to support aspects of the reforestation pipeline to ensure sustainability of the program;
- removes changes to the Natural Climate Solutions Account specifically allowing investments in reforestation of lands affected by natural disturbances and reforestation on the DNR's lands; and
- removes appropriations totaling \$20 million from the Natural Climate Solutions Account to the DNR for the reforestation grant program and the reforestation of DNR-managed lands.

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**Appropriation:** None.

**Fiscal Note:** Requested on January 23, 2024.

**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) There are many benefits to our public and private forestlands, which support salmon habitat and sequester carbon. However, these forests are under stress from the changing climate. The DNR and small forest landowners are struggling to keep pace with reforestation due to the large wildfires that have become increasingly common on our landscape. There is no requirement for private forestland owners to reforest those lands after natural disasters. The \$10 million provided to DNR for reforestation of its managed lands would fund the reforestation of about 25,000 acres.

Managed forest lands are a critical tool for fighting climate change. Research shows that managed forests generate twice the carbon sequestration as compared to unmanaged forests. Wood products sequester carbon and are renewable. There was a lot of debate about the DNR's proposed carbon offset legislation from last session which would have used the associated revenue to reforest trust lands. However, there is support for this bill's funding, which would increase the DNR's ability to reforest its own lands and assist small forest landowners with the cost of reforestation after natural disasters. The bill would work well with the DNR's existing policies for forest management. The DNR supports the bill but would appreciate the Committee's consideration and inclusion of the changes that are included in a similar bill in the Senate.

(Opposed) None.

**Persons Testifying:** Representative Dave Paul, prime sponsor; Tom Davis, Washington Forest Protection Association; Csenka Favorini-Csorba, Department of Natural Resources; and Heath Heikkila, American Forest Resource Council.

**Persons Signed In To Testify But Not Testifying:** None.