
**Agriculture & Natural Resources
Committee**

HB 1637

Brief Description: Regarding the payment of compensation to small forest landowners participating in the forest riparian easement program.

Sponsors: Representatives Orcutt, Blake, Kretz and Herrera.

Brief Summary of Bill

- Expands the definition of qualifying timber for the Forest Riparian Easement Program to include certain trees left voluntarily unharvested.
- Directs the Small Forest Landowner Office to determine the compensation to be offered to a landowner for an easement as soon as possible after the landowner's application for the Forest Riparian Easement Program.
- Allows Forest Riparian Easement Program compensation to include the costs of hiring experts for the completion of required studies and reports.
- Provides priority payments from the Forest Riparian Easement Program for applicants that are not a local government or non-profit organization.
- Directs that certain appropriations from the Capital Construction Budget will be used for the Forest Riparian Easement Program.

Hearing Date: 2/3/09

Staff: Jason Callahan (786-7117)

Background:

The Forest Riparian Easement Program

The Forest Riparian Easement Program (FRE) is a program managed by the Department of Natural Resources' (DNR) Small Forest Landowner Office (SFLO) to acquire 50-year easements

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.

along riparian and other sensitive aquatic areas from small forest landowners who are willing to sell or donate easements to the state [RCW 76.13.120(1)]. The DNR can purchase easements from small forest landowners and hold the easements in the name of the state [RCW 76.13.120(3)]. The easements are restrictive only, and allow all landowner to engage in activities except as necessary to protect the riparian functions of the habitat for the term of the easement [RCW 76.13.120(5)].

The easements are intended to represent 50 percent of the value of the unharvested trees, plus participation compliance costs [RCW 76.13.140]. Once an FRE contract is executed, the DNR is required to reimburse the landowner for the actual costs to establish streamside buffers and timber marking [RCW 76.13.140].

The value of the easement is determined by the DNR based on the fair market value of the timber volume covered by the easement [RCW 76.13.120]. This calculation is made by the DNR after it conducts a timber cruise of the entire proposed easement [WAC 222-21-040]. The data gathered in the timber cruise is then applied to a stumpage value table to calculate the fair market value [WAC 222-21-045]. Value is calculated only on qualifying timber. Qualifying timber is timber that is located within a commercially reasonable harvest unit that cannot be harvested because of state limitations [RCW 76.13.120].

Exceptions to Riparian Buffers

Although the state's Forest Practice Rules have specific restrictions on the amount of harvest allowed near streams and creeks, there is an exemption available for certain landowners. Parcels that are 20 contiguous acres or less are exempt from the modern riparian buffers rule, as long as the owner of the parcel does not own a cumulative total of more than 80 acres. Instead, these landowners can either follow the Forest Practice Rules in place prior to 1999, or work with the DNR to establish an alternative management plan for the riparian portion of the harvest area [RCW 76.13.130].

Summary of Bill:

Qualifying Timber

The definition of qualifying timber for the purposes of the FRE program is expanded. The new definition includes trees located on parcels less than 20 acres in size that are voluntarily left unharvested by the landowner, but only if the trees would have been required to be set aside had the harvest occurred on a larger parcel. Trees left voluntarily unharvested are not considered qualifying timber if the parcel was harvested and converted to a non-forestry use.

The definition of qualifying timber is also expanded to include timber that is left unharvested due to its location on unstable slopes, in a groundwater recharge, or in a riparian area.

Reimbursing the FRE Program Applicants

The SFLO is directed to initiate the process for determining compensation for an FRE program applicant as soon as possible after an application is received. There is no duty to present an actual offer to a landowner until appropriations allow; however, the SFLO is directed to use any

specified funding made available from the state's Capital Construction Budget to complete compensation estimates and to execute FRE program contracts to landowners who had submitted an application prior to the bill's effective date.

In addition to reimbursement for costs involved with laying out streamside buffers and marking timber, applicants are also entitled to reimbursement for hiring a qualified expert to complete required studies and reports.

FRE program applicants that are not non-profit organizations or local governments are provided with priority payments under the FRE program.

Appropriation: None.

Fiscal Note: Available.

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