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**SUBSTITUTE SENATE BILL 6325**

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**State of Washington**

**61st Legislature**

**2010 Regular Session**

**By** Senate Natural Resources, Ocean & Recreation (originally sponsored by Senator Jacobsen)

READ FIRST TIME 01/26/10.

1       AN ACT Relating to the stewardship of forest resources; amending  
2 RCW 76.44.030 and 43.79A.040; adding a new section to chapter 76.44  
3 RCW; adding new sections to chapter 79A.25 RCW; and creating new  
4 sections.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6       NEW SECTION.   **Sec. 1.** The legislature finds that there are many  
7 issues facing the forest sector, such as climate change, forest health  
8 and fire, carbon accounting, habitat and diversity, timber and water  
9 supplies, economic competitiveness, and the economic health of forest  
10 dependent communities. These forest issues, and the approaches taken  
11 to address them, transcend the expertise and missions of the current  
12 University of Washington school of forest resources and its centers and  
13 cooperatives. While each center and cooperative contributes important  
14 expertise and resources, the structure and continuity for the  
15 integrated, interdisciplinary approach to address these complex issues  
16 is lacking. The institute of forest resources will provide this  
17 structure and continuity by drawing contributions from the centers and  
18 cooperatives into a more consolidated, collaborative,

1 interdisciplinary, and integrated process that is responsive to the  
2 critical issues confronting the forest sector.

3 NEW SECTION. **Sec. 2.** The director of the school of forest  
4 resources of the University of Washington must coordinate the existing  
5 school of forest resource's cooperatives and centers to promote a more  
6 holistic, efficient, and integrated approach to broaden its research  
7 program to address the issues facing the forest section.

8 **Sec. 3.** RCW 76.44.030 and 1979 c 50 s 5 are each amended to read  
9 as follows:

10 (1) The institute of forest resources (~~shall~~) must pursue  
11 coordinated research and education related to the forest (~~resource~~)  
12 sector and its multiple uses including: Its conservation, (~~management~~  
13 and utilization; its evaluation of forest land use and the maintenance  
14 of its rural environment)) sustainable management, and utilization; its  
15 economic, ecological, and societal value; the manufacture and marketing  
16 of forest products, including timber, nontimber, and environmental  
17 services; and the provision of recreation and aesthetic values.

18 (2) The institute of forest resources must also seek to provide a  
19 framework to identify, prioritize, fund, and conduct interdisciplinary  
20 research critical to the forest sector and to develop integrated,  
21 synthesized information and decision support tools to improve  
22 understanding of these complex issues for policymakers and others.

23 (3) In pursuit of these objectives, the institute of forest  
24 resources is authorized to cooperate with other entities, including,  
25 but not limited to, universities, state and federal agencies,  
26 industrial institutions, domestic or foreign, where such cooperation  
27 advances these objectives.

28 NEW SECTION. **Sec. 4.** A new section is added to chapter 76.44 RCW  
29 to read as follows:

30 The director of the school of forest resources of the University of  
31 Washington must appoint a policy advisory board consisting of eleven  
32 members to advise the director of the school of forest resources of the  
33 University of Washington on policies for the institute of forest  
34 resources that are consistent with the purposes of the institute.  
35 Membership on the policy advisory board must broadly represent the

1 various interests concerned with the purposes of the institute of  
2 forest resources, including the state and federal governments,  
3 environmental organizations, local communities, the timber industry,  
4 and tribes.

5 Members of the policy advisory committee must be compensated as  
6 provided in RCW 43.03.220 and must be reimbursed for travel expenses as  
7 provided in RCW 43.03.050 and 43.03.060.

8 NEW SECTION. **Sec. 5.** The institute of forest resources shall  
9 provide progress reports to the appropriate committees of the  
10 legislature by July 1, 2011, on the coordination required by section 2  
11 of this act and the implementation of this act.

12 NEW SECTION. **Sec. 6.** A new section is added to chapter 79A.25 RCW  
13 to read as follows:

14 (1) The timber recovery fund board is created. The timber recovery  
15 fund board is composed of five members, of whom two members must be  
16 appointed by the governor. The commissioner of public lands, or the  
17 commissioner's designee, shall serve ex officio as a voting member of  
18 the timber recovery fund board. The director of the University of  
19 Washington school of forest resources and the dean of the Washington  
20 State University college of agriculture, human, and natural resource  
21 sciences, or their designees, shall serve as members of the timber  
22 recovery fund board. In making appointments to the timber recovery  
23 fund board, the governor shall ensure that one member each representing  
24 the interests of forest landowners and conservation interests are  
25 timber recovery fund board members at all times. The governor shall  
26 solicit and give substantial consideration to nominations provided by  
27 organizations representing these interests. Appointments to the timber  
28 recovery fund board by the governor are subject to senate confirmation.

29 (2) The timber recovery fund board shall select a chair from among  
30 the members of the timber recovery fund board.

31 (3) Timber recovery fund board members serve four-year terms,  
32 except that the governor shall designate one of the initial  
33 appointments to serve for a term of two years. The terms commence  
34 January 1, 2011.

35 (4) Staff support to the timber recovery fund board must be

1 provided by the recreation and conservation office. For administrative  
2 purposes, the timber recovery fund board shall be located within the  
3 office.

4 (5) Members of the timber recovery fund board shall be compensated  
5 as provided by RCW 43.03.250, and reimbursed for travel expenses as  
6 provided by RCW 43.03.050 and 43.03.060.

7 NEW SECTION. **Sec. 7.** A new section is added to chapter 79A.25 RCW  
8 to read as follows:

9 The recreation and conservation office shall provide necessary  
10 grants and loan administration support to the timber recovery fund  
11 board. The office shall provide necessary coordination with the  
12 institute of forest resources.

13 When requested by the timber recovery fund board or the office, the  
14 institute of forest resources shall furnish assistance to the timber  
15 recovery fund board and the office for the analysis and review of  
16 proposed plans, activities, and projects.

17 NEW SECTION. **Sec. 8.** A new section is added to chapter 79A.25 RCW  
18 to read as follows:

19 Subject to available resources, the timber recovery fund board is  
20 responsible for allocating grants and loans for the protection of  
21 working forest lands to projects and activities that include, but are  
22 not limited to, the following:

23 (1) Projects and activities that will sustain the working forest  
24 land base and strengthen the connection between economic health and  
25 conservation of forests in Washington, such as forest health, providing  
26 carbon sequestration, production of wood-based biomass energy,  
27 protection of forest ecosystems, benefits for habitats, biodiversity,  
28 and watershed functions;

29 (2) Projects and activities that preserve forest lands over the  
30 long term for working forestry and resist forest land conservation,  
31 such as land exchanges and transfer of development rights programs; and

32 (3) Projects and activities for planning, research, and policy  
33 development related to maintaining working forests as well as for long-  
34 term sustainable supplies of timber products.

1           NEW SECTION.   **Sec. 9.** A new section is added to chapter 79A.25 RCW  
2 to read as follows:

3           (1) The timber recovery fund board shall establish procedures and  
4 criteria consistent with section 8 of this act for making grants and  
5 loans for the protection of working forest lands. To accomplish this  
6 purpose, the timber recovery fund board may:

7           (a) Provide assistance to grant applicants regarding the procedures  
8 and criteria for grant and loan awards;

9           (b) Make and execute all manner of contracts and agreements with  
10 grant recipients, and with other public and private parties as the  
11 timber recovery fund board deems necessary, consistent with the  
12 purposes of sections 6 through 10 of this act;

13           (c) Accept any gifts, grants, or loans of funds, property, or  
14 financial or other aid in any form from any other source on any terms  
15 that are not in conflict with sections 6 through 10 of this act;

16           (d) Adopt rules under chapter 34.05 RCW as necessary to carry out  
17 the purposes of sections 6 through 10 of this act; and

18           (e) Do all acts necessary or convenient to carry out the powers  
19 expressly granted or implied under sections 6 through 10 of this act.

20           (2) The recreation and conservation office shall provide all  
21 necessary grant and loan administration assistance to the timber  
22 recovery fund board and shall distribute and account for funds  
23 appropriated or provided to the timber recovery fund board for the  
24 purposes of sections 6 through 10 of this act.

25           (3) The timber recovery fund board shall adopt guidelines for the  
26 amount of nonstate resources that must be committed for grants from the  
27 categories established by the timber recovery fund board.

28           (4) The timber recovery fund board shall adopt guidelines that  
29 limit the amount of a grant or loan that may be allocated to those  
30 administrative or other expenses of a grant or loan recipient not  
31 directly applied to maintaining Washington's working forest land base.

32           (5) In order to fund as many projects and activities as possible,  
33 the timber recovery fund board shall establish goals to encourage loan  
34 applications and to maximize the amount of funds awarded in the form of  
35 low-interest loans. Only local governments are eligible for low-  
36 interest loans awarded by the timber recovery fund board.

1        NEW SECTION.    **Sec. 10.**    A new section is added to chapter 79A.25  
2    RCW to read as follows:

3        The timber recovery fund board account is created in the state  
4    treasury.    The recreation and conservation office may receive gifts,  
5    grants, or endowments from public and private sources that are made  
6    from time to time, in trust or otherwise, for the use and benefit of  
7    the purposes of sections 6 through 10 of this act and spend gifts,  
8    grants, or endowments or income from the public or private sources  
9    according to their terms, unless the receipt of the gifts, grants, or  
10   endowments violates RCW 42.17.710.

11       Any funds appropriated by the legislature for distribution by the  
12   timber recovery fund board, repayments of principal and interest on  
13   loans extended by the timber recovery fund board, or other public or  
14   private funds provided for distribution by the timber recovery fund  
15   board must be placed in the account.    Grants, gifts, or other financial  
16   assistance, proceeds received from public bodies as administrative cost  
17   contributions, and moneys made available to the state of Washington by  
18   the federal government may be deposited into the account.

19       Only the timber recovery fund board may authorize expenditures from  
20   the account.    The account is subject to allotment procedures under  
21   chapter 43.88 RCW, but an appropriation is not required for  
22   expenditures.    Moneys in the account may be used for administrative  
23   expenses of the timber recovery fund board and the recreation and  
24   conservation office.

25       **Sec. 11.**    RCW 43.79A.040 and 2009 c 87 s 4 are each amended to read  
26   as follows:

27        (1) Money in the treasurer's trust fund may be deposited, invested,  
28   and reinvested by the state treasurer in accordance with RCW 43.84.080  
29   in the same manner and to the same extent as if the money were in the  
30   state treasury.

31        (2) All income received from investment of the treasurer's trust  
32   fund shall be set aside in an account in the treasury trust fund to be  
33   known as the investment income account.

34        (3) The investment income account may be utilized for the payment  
35   of purchased banking services on behalf of treasurer's trust funds  
36   including, but not limited to, depository, safekeeping, and  
37   disbursement functions for the state treasurer or affected state

1 agencies. The investment income account is subject in all respects to  
2 chapter 43.88 RCW, but no appropriation is required for payments to  
3 financial institutions. Payments shall occur prior to distribution of  
4 earnings set forth in subsection (4) of this section.

5 (4)(a) Monthly, the state treasurer shall distribute the earnings  
6 credited to the investment income account to the state general fund  
7 except under (b) and (c) of this subsection.

8 (b) The following accounts and funds shall receive their  
9 proportionate share of earnings based upon each account's or fund's  
10 average daily balance for the period: The Washington promise  
11 scholarship account, the college savings program account, the  
12 Washington advanced college tuition payment program account, the  
13 agricultural local fund, the American Indian scholarship endowment  
14 fund, the foster care scholarship endowment fund, the foster care  
15 endowed scholarship trust fund, the students with dependents grant  
16 account, the basic health plan self-insurance reserve account, the  
17 contract harvesting revolving account, the Washington state combined  
18 fund drive account, the commemorative works account, the Washington  
19 international exchange scholarship endowment fund, the toll collection  
20 account, the developmental disabilities endowment trust fund, the  
21 energy account, the fair fund, the family leave insurance account, the  
22 food animal veterinarian conditional scholarship account, the fruit and  
23 vegetable inspection account, the future teachers conditional  
24 scholarship account, the game farm alternative account, the GET ready  
25 for math and science scholarship account, the grain inspection  
26 revolving fund, the juvenile accountability incentive account, the law  
27 enforcement officers' and firefighters' plan 2 expense fund, the local  
28 tourism promotion account, the pilotage account, the produce railcar  
29 pool account, the regional transportation investment district account,  
30 the rural rehabilitation account, the stadium and exhibition center  
31 account, the youth athletic facility account, the self-insurance  
32 revolving fund, the sulfur dioxide abatement account, the children's  
33 trust fund, the Washington horse racing commission Washington bred  
34 owners' bonus fund and breeder awards account, the Washington horse  
35 racing commission class C purse fund account, the individual  
36 development account program account, the Washington horse racing  
37 commission operating account (earnings from the Washington horse racing  
38 commission operating account must be credited to the Washington horse

1 racing commission class C purse fund account), the life sciences  
2 discovery fund, the Washington state heritage center account, the  
3 reduced cigarette ignition propensity account, (~~and~~) the reading  
4 achievement account, and the timber recovery fund board account.  
5 However, the earnings to be distributed shall first be reduced by the  
6 allocation to the state treasurer's service fund pursuant to RCW  
7 43.08.190.

8 (c) The following accounts and funds shall receive eighty percent  
9 of their proportionate share of earnings based upon each account's or  
10 fund's average daily balance for the period: The advanced right-of-way  
11 revolving fund, the advanced environmental mitigation revolving  
12 account, the city and county advance right-of-way revolving fund, the  
13 federal narcotics asset forfeitures account, the high occupancy vehicle  
14 account, the local rail service assistance account, and the  
15 miscellaneous transportation programs account.

16 (5) In conformance with Article II, section 37 of the state  
17 Constitution, no trust accounts or funds shall be allocated earnings  
18 without the specific affirmative directive of this section.

19 NEW SECTION. **Sec. 12.** The code reviser is directed to alphabetize  
20 the accounts listed in RCW 43.79A.040(4)(b) by their common name.

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