



## **WALT 2020 Legislative Session Wrap-Up**

Washington's 66th legislative session closed on March 12th. This session was described as a "storms of bills", with a relatively large number of legislative proposals introduced for only a 60-day short session. This meant that there were additional logistical barriers to passing legislation, even if it was not controversial and received bi-partisan support. However, the legislature finished on time with a budget completed in typically bi-partisan fashion.

Before the session, WALT came together to form our collective [2020 Policy Priorities](#). Based on our goals, this ended up being a good year for us in the supplemental budget, but a tough road on the policy front. A huge thanks to all of our members and supporters who helped raise awareness of these key issues on project tours last year, during our Advocacy Days in late January, as well as in emails and phone calls at strategic points during negotiations. This collective work has helped to move the needle on key natural resource conservation issues even if we don't yet have permanent policy wins on the books.

Here is how things shook out in terms of our 6 main policy priorities:

### **1. Community Forests (Status: INCLUDED IN BUDGET)**

Throughout last summer, WALT supported the efforts of the Northwest Community Forest Coalition ("Coalition") to host a series of legislative tours to existing or planned community forest projects that were highlighted during the 2019 session. However, despite the success of these tours, all of the stakeholders at the table were not able to come to a clear consensus around a politically viable, bipartisan policy bill that would provide ongoing funding for community forest projects.

Instead, the Coalition decided to hold a work session in the House Capital Budget Committee to help raise awareness, and focus on passing a one-time budget proviso. Representative Tharinger took on a leadership role in coordinating both the work session and the inclusion of the budget proviso (see final language below), which allocates \$50,000 to RCO to develop ranking criteria and deliver a community forest project list to the legislature by December 31, 2020. However, this project list will not come with any guaranteed funding, so it will be up to WALT and the members of the Coalition to advocate strongly for funding to support the top ranked projects in the 2021 session.

Two areas of discussion around the budget proviso help illustrate some of the dynamics at play. While some stakeholders were supportive of not explicitly naming the multiple benefits community forests provide (active management, access, local engagement, ecosystem health, etc.), some legislators wanted to see a clear enumeration of these benefits in statute, in part to demonstrate the commitment to active forestry. Secondly, Senate staffers recommended the inclusion of high-level language about how revenue from the forest should be accounted for. Whenever the state grants funds for acquisitions that can develop ongoing revenue, there is heightened need to ensure that those monies are not used in such a way so as to cause a private benefit.

With this on the books, WALT is pivoting towards working with agencies to help ensure that we have strong ranking criteria and great projects coming in the door that clearly demonstrate the value of community forests.

Here was the final community forest budget proviso language:

**FOR THE RECREATION AND CONSERVATION OFFICE (\$50,000)**  
Community Forest Project List Development (91001354)

*The appropriation in this section is subject to the following conditions and limitations.*

*(1) The recreation and conservation office shall consult with the department of natural resources and stakeholders to develop funding criteria and a ranked project list to establish community forest projects for funding consideration in the 2021-2023 biennium.*

*(2) The recreation and conservation office shall develop options for establishing accounting assurances for future revenues that may be generated from community forests.*

*(3) The criteria established under subsection (1) of this section must allow for a review of project submissions by the recreation and conservation funding board in a manner that is complementary to existing conservation funding programs administered by the office.*

*(4) A project may be included in the ranked list created under subsection (1) of this section only if it meets the following conditions:*

*(a) The property under consideration must be forestland;*

*(b) Acquisition of the property under consideration must be fee simple;*

*(c) The entity acquiring the property under consideration must be a nonprofit conservation organization, local government, tribe, or a state agency working directly with one or more of these entities; and*

*(d) The community forest project must promote, enhance, or develop community and economic benefits.*

*(5) The recreation and conservation office shall submit the funding criteria and the ranked project list required under subsection (1) of this section and the accounting options required under subsection (2) of this section to the legislature by December 31, 2020.*

**2. Net Ecological Gain - [HB 2550](#) (Status: NOT PASSED, INCLUDED IN BUDGET)**

This policy priority asked the legislature to fully fund the implementation of existing salmon recovery plans, shift to a “[net ecological gain](#)” standard for shorelands land use planning in Puget Sound. This change in standard was a key recommendation of the Governor’s Orca Task Force released in the fall of 2019.

HB 2550, supported by the Environmental Priorities Coalition as one of their 4 priorities, proposed 1) the development of an implementation plan to incorporate this new “net ecological gain” standard into existing environmental, development, and land use laws (shoreline mgmt act, growth management act, etc.), and 2) set it as the policy of the state to pursue a net ecologic gain standard where currently possible through state agencies.

[HB 2550](#) was opposed by city and county governments, due to a combination of concerns such as 1) a lack of clarity in the scope of the proposed changes, 2) a lack

of engagement in the policy development process, and 3) the additional capacity burden this would create without any compensatory funding to implement.

The legislation made it through the Environment and Energy Committee on a party-line vote after significant amendments/reductions, and was not heard by the Appropriations Committee. Despite the bill not passing, the House Supplemental Operating Budget included a \$256,000 budget proviso directing the Office of Financial Management to create a report and recommendations on how to incorporate a net ecological gain standard into existing laws. This budget proviso was included in the final budget under the purview of WDFW.

### 3. **Natural Climate Solutions**

Although WALT did not take a formal position on any natural climate solutions legislation this session, WALT nonetheless included this in the policy platform and encouraged members to highlight the potential for natural and working lands to offset carbon emissions and mitigate the impacts of climate change. Along with other partners, the goal of this session is to highlight the issue, get decision-makers comfortable with the concept and terminology, and continue to develop legislative champions for natural climate solutions. However, there were a couple different pieces of legislation that had a natural climate solutions nexus, including:

*Greenhouse Gas Limits* ([HB 2311/SB 6272](#)) (PASSED) - In addition to updated the greenhouse gas emission reduction goals for the state of Washington, this legislation also directed state agencies, to the extent possible, to integrate carbon sequestration on natural and working lands into their operations. A budget proviso was also included in the final budget that provided funds to help agencies with this integration effort, provided that HB 2311 was passed. This may have implications for agency grant-making and project prioritization in programs like WWRP, so WALT will be looking to help ensure this guidance is implemented in a way that takes land trusts needs into consideration.

*Sustainable Farm & Fields* ([HB 2095/SB 5947](#)) (PASSED) - This legislation creates the Sustainable Farms & Fields Grant Program at the Washington State Conservation Commission (WSCC). Funds from this account could support a variety of on-farm conservation activities by producers designed to increase carbon storage, or infrastructure purchases designed to reduce greenhouse gas emissions. Read more coverage of this legislation in [Crosscut](#).

*State Forest Products Sector* - [HB 2528/SB 6355](#) (PASSED)

This bill sets it as the policy of the state to support the forest products sector in its role as a major carbon sink, and creates an unfunded Reforestation Account that would grant funds to landowners, non-profits, corporations, or governments to advance the state's carbon sequestration goals through efforts such as reforestation, forest buffers, non-native species removal, and afforestation.

**4. Agricultural Protection Capacity (Status: INCLUDED IN BUDGET)**

Along with WALT, the Washington Association of Conservation Districts (WACD) supported the \$2.25 million request for Regional Conservation Partnership Program (RCPP) match by the Washington State Conservation Commission (WSCC). As a reminder, this included funding that would not only support key salmon recovery and in-stream flow projects, but also contained some limited funding that was allocated to support ACEP-ALE project implementation in Washington. Because these funds were in the Governor's budget, helped correct a deficit from last session, and leverage significant federal funding, it made for a clear and compelling ask. WALT spoke with most capital budget leads in the House and Senate on this issue of RCPP match, and they were very responsive and requested follow-up materials in nearly every case.

The full \$2.25 million was included in the Senate Capital Budget, while only \$895,000 was originally included in the House Capital Budget. Outreach revealed that the discrepancy was due to a mis-understanding from budget leads, rather than an indication of a lack of support for the RCPP program in Washington. Along with other partners, WALT sent a formal budget letter to request the Senate allocation in the final budget, and it was ultimately funded at the full \$2.25 million level.

Despite this success, there is still significant work to do with both the WSCC and the Natural Resource Conservation Service (NRCS) to examine the ongoing feasibility of supporting a new staff position with funds from the legislature and leveraging additional funds for state ACEP-ALE implementation capacity.

**5. WDFW Payment in Lieu of Taxes (PILT) - [HB 2559/SB 6365](#) (Status: NOT PASSED)**

During the late fall of 2019, the PILT Coalition decided that the best strategy was

to introduce a simple piece of legislation that would only address one of the three major improvements that are recommended to the PILT system for the Washington Department of Fish and Wildlife (WDFW). Specifically, HB 2559/SB 6365 proposed moving the payment of PILT to the Treasurer's office, rather than having it be allocated to and paid by the agency. This helps to insulate the funding from the budget process, and provide more surety to counties that they will receive their full payment. In addition, the PILT Coalition hosted a work session in the Senate Ways and Means Committee to help describe the history behind the legislation and discuss the different WDFW PILT changes recommended by the Department of Revenue in a past study.

It was not seen as a particularly controversial bill, but the strain on committee capacity this session was evident from the start. The house version of the bill ([HB 2559](#)) made it through its policy committee, but the prime sponsor didn't feel like there was enough bandwidth to get it through the Appropriations committee and onto the floor for a vote. As a result, [SB 6365](#) became the vehicle for the WDFW PILT legislation, where it passed cleanly through the Ways and Means Committee and was placed on the second reading in the Rules Committee. However SB 6365 was not placed on the floor calendar until the last couple hours of the cut-off day, and was sidelined by a discussion on a more controversial piece of legislation such that it never got a full vote.

There were some last minute efforts to have this legislation re-classified as "necessary to implement the budget" so that it would be exempt from the cut-off dates, but this was not successful. This essentially means that after significant progress last session by the PILT Coalition to secure adequate one-time funding and Treasurer's payment for WDFW PILT, the payment structure has to shift back to WDFW and we are back policy-wise to where things were a couple years ago. This year will likely need to involve some strong outreach and engagement with Democratic budget leaders to continue to elevate the importance and urgency of the issue to build support for a lasting fix.

#### 6. **Wildfire and Forest Health - [HB 2413](#) (Status: NOT PASSED)**

This bill would have created a flat \$5 surcharge on individual property and casualty insurance policies, and create an account for those funds to go towards wildfire response capacity, community wildfire preparedness, and forest health activities as consistent with existing DNR Forest Health plans.

This legislation did not receive a hearing in the fiscal committee where it was originally assigned. In a large part, it did not move due to concerns from key committee leadership, opposition from the insurance industry around the funding model, as well as feedback from more progressive stakeholders around the regressive nature of the fee structure. However, this issue of funding for forest health and wildfire is not likely to go away anytime soon in the legislature or in the public sphere.

### **Other Bills and Budget Items of Interest**

#### *Tribal Consultation - HB 2850 / HB 6519 (NOT PASSED)*

These bills, in slightly different forms, would have required all entities receiving state funds for groundbreaking activities to go through a review and consultation process to determine whether it may impact archaeological or cultural sites. Neither bill made it through their respective policy committee, however, the process and timing of agency review and tribal consultation as it relates to groundbreaking projects will be an area of ongoing discussion that WALT will continue to follow closely.

#### *WDFW Operating Budget*

The Washington Department of Fish and Wildlife requested \$26 million in order to help correct a large structural deficit. The House Operating Budget allocated \$23.8 million (\$17.8 of which would be ongoing annually) and Senate Operating Budget allocated \$20.7 million (\$12.85 million of which would be ongoing annually). The final budget allocated an additional \$24.6 million out of the General Fund, over \$16 million of which would be ongoing.

#### *Orca Recovery Coordinator*

The final operating budget included \$140,000 for RCO to support an Orca Recovery Coordinator who could continue to help coordinate stakeholders in the ongoing efforts to implement the final recommendations of the Governor's Orca Task Force.

#### *WWRP Stewardship Proviso*

The final operating budget includes \$300,000 for RCO to work with natural resources agencies to develop a standardized methodology to measure and report stewardship needs and costs on lands purchased through WWRP.

*Outdoor Recreation Advisory Group*

The final operating budget includes \$75,000 for RCO to convene agency and non-profit stakeholders to develop a vision and 20-year legislative strategy to invest in, promote, and support state outdoor recreation in Washington.