

Individual State Agency Fiscal Note

Bill Number: 1509 HB	Title: Forestry riparian easement	Agency: 490-Department of Natural Resources
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Part I: Estimates

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No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Expenditures from:

	FY 2012	FY 2013	2011-13	2013-15	2015-17
FTE Staff Years	0.5	0.0	0.3	0.0	0.0
Account					
Total \$					

Estimated Capital Budget Impact:

	2011-13		2013-15		2015-17	
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Acquisition	0	0	0	0	0	0
Construction	0	0	0	0	0	0
Other	83,700	28,000	0	0	0	0
Total \$	\$83,700	\$28,000	\$0	\$0	\$0	\$0

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☒ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☒ Capital budget impact, complete Part IV.
- ☒ Requires new rule making, complete Part V.

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OFM Review: Chris Stanley	Phone: (360) 902-9810	Date: 01/31/2011

Request # 11-28-1

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

This bill amends and defines eligibility for qualifying small forest landowners for the Forest Riparian Easement Program (FREP). At the time compensation is offered for a Forestry Riparian Easement (FRE) the landowner must:

Section 1(2)(b)(i) - Have owned the property the easement occupies before July 1, 2011 or be a descendant of the owner.

Section 1(2)(b)(ii) - Removes non-profit organizations from program eligibility.

Section 1(2)(b)(iii) - Have a forest stewardship plan or forest certification on the land the easement occupies, applications in the queue prior to July 1, 2011 will have until July 1, 2012 to meet this requirement.

Section 1(2)(c)(iii) - Expands the definition for qualifying timber to include forest trees associated with an approved forest practices application that cannot be harvested according to forest practices rules on areas of potentially unstable slopes or landforms.

Section 1(4) - Changes the date the 50-year easement term will begin from the date the forest practice application pertaining to the easement area is received to the date the easement is acquired.

Section 1(7)(b) - Requires the Department of Natural Resources (DNR) Small Forest Landowner Office (SFLO), subject to the availability of appropriated funds, to determine the value of the easement based on timber values on the date the complete FREP application is received.

Section 1(8) - Limits compensation for timber on potentially unstable slopes or landforms to \$100,000 in a four-year period.

Section 2 - Expands the authority for the DNR to reimburse qualifying landowners for the preparation costs to prepare a FRE (e.g. geotechnical reports, stewardship plans).

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

None

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2012	FY 2013	2011-13	2013-15	2015-17
FTE Staff Years	0.5		0.3		
Total:					

III. B - Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

Job Classification	Salary	FY 2012	FY 2013	2011-13	2013-15	2015-17
NR Specialist 3	55,836	0.1		0.0		
NR Specialist 4	61,632	0.3		0.1		
WMS Band 1	64,464	0.2		0.1		
WMS Band 2	76,602	0.0		0.0		
Total FTE's	258,534	0.5		0.3		0.0

Part IV: Capital Budget Impact

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

Construction Estimate	FY 2012	FY 2013	2011-13	2013-15	2015-17
Acquisition					
Construction					
Other	83,700	28,000	111,700		
Total \$	83,700	28,000	111,700		

There is no GF-S fiscal impact from this proposed legislation as all costs associated with this bill are assumed to be funded through the State Building Construction Account (SBCA) appropriation.

Section 2 expands the authority for the DNR to reimburse qualifying landowners for the costs to prepare a FRE. These additional costs include preparation of alternate plans, geotechnical reports and stewardship plans. For unstable slopes, in FY 07 there were 8 FRE with unstable slopes; assuming approximately \$3,500 per geotechnical report, we could expect approximately \$56,000 of additional reimbursement expenditures per biennium.

Rule making: In FY 2012 rule making staff would include:

- Preparation of rule making products – State Environmental Protection Act (SEPA), Cost Benefit Analysis (CBA), Small Business Environmental Impact Statement (SBEIS), Concise Explanatory Statement (CES), and coordinate Forest Practices Board (FPB) actions.
 - o WMS 2 - .15 staff month / .01 FTE
 - o NR Specialist 4 - 2 staff months / .17 FTE
 - o NR Specialist 3 - 1 staff month / .08 FTE
 - o WMS 1 (economist) - 1 staff month / .08 FTE

Cost Benefit Analysis/SBEIS - \$7,500.

Staffing to the group developing recommendations for potential long-term funding sources for FREP and preparation of report to the legislature by October 31, 2011:

- o WMS 2 - .15 staff month / .01 FTE
- o SFLO Manager WMS 1 - 1 staff month / .08 FTE
- o NR Specialist 4 - 1 staff month / .08 FTE

Goods and services and travel are based on program averages.

Total needed for rule making and staffing alternative funding source meetings would be \$55,700 from the FREP SBCA budget.

Summary of overall expenses:

Salaries - \$32,700

Benefits - \$10,500

Personal Service Contracts: Cost Benefit Analysis/SBEIS - \$7,500; Planning and Geotechnical Reports - \$56,000.

Goods and Services - \$1,800.

Travel - \$3,200.

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

Sec. 1 will require changes to WAC 222-21-010,-020,-045,-050,060,061

Sec. 2 will require changes to WAC 222-21-010, -050