

**JEFFERSON COUNTY  
BOARD OF COUNTY COMMISSIONERS  
AGENDA REQUEST**

**TO:** Board of County Commissioners  
Mark McCauley, County Administrator

**FROM:** Heidi Eisenhour, Commissioner

**DATE:** May 22, 2023

**SUBJECT:** 2023 Legislative Session debrief on forestry issues

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**STATEMENT OF ISSUE:** The Legislative Session ended with some serious investment in state forests including those in Jefferson County. The Trust Land Transfer program was written into law via HB 1460. Since 1989, when it was funded, it was via budget provisos. Additionally, the Capital Budget Committee, chaired by Steve Tharinger allocated \$19.5M for 6 Trust Land Transfer projects around Washington including \$5.2M for Devils Lake just south of Quilcene. \$2.3M was also allocated for completion of the Dabob Bay transfer that was started in the last biennium.

In addition, an \$83M budget proviso (via the Natural Climate Solutions Account) will permanently conserve 2,000 acres of older, carbon dense, structurally complex DNR managed state forests across Western Washington and buy younger replacement forests to provide revenue to rural communities. Some of the replacement timberlands bought by the funds will also replace “encumbered” lands that were previously removed from the timber sale schedule due to endangered species requirements – including in Jefferson County. This package also funds silvicultural practices on state lands that will improve forest health and increase carbon sequestration.

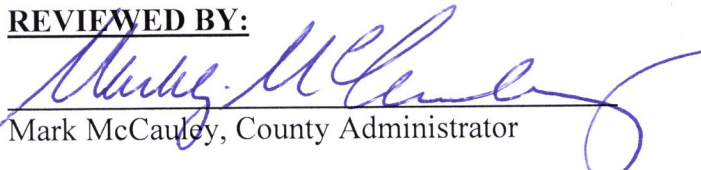
These programs, funding allocations and future related efforts will protect special forests and contribute to the forest products economy in Jefferson County.

**ANALYSIS:** We’ll hear from Paul Jewell from the Washington Association of Counties, who was central to all of this work during and leading up to the Legislative session, and Mary Jean Ryan, a Jefferson County resident and board member of the Center for Responsible Forestry. We have the opportunity to shape the work ahead and should develop a list of Jefferson County forests we would like to see protected as part of the 2000 acres – and then also play an active role in identifying replacement lands for acquisition to benefit the forest economy in our county.

**FISCAL IMPACT:** None in the short term, we’ll likely see increased recreational tourism and timber revenue in the long term resulting from these developments.

**RECOMMENDATION:** Listen, learn, talk about next steps.

**REVIEWED BY:**

  
Mark McCauley, County Administrator

5/17/23  
Date



Presentation to the Jefferson County  
Board of County Commissioners

Mary Jean Ryan  
May 22nd, 2023

# Forest Functions



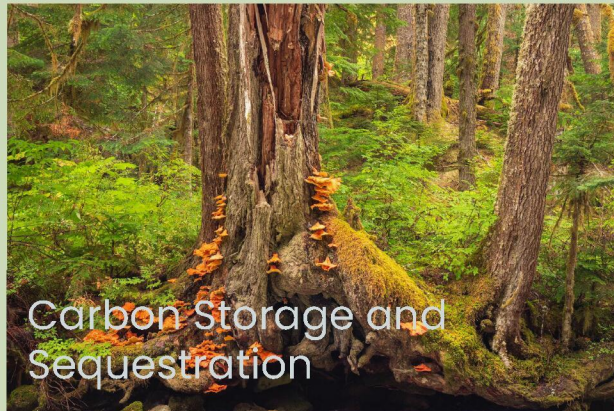
Timber Supply



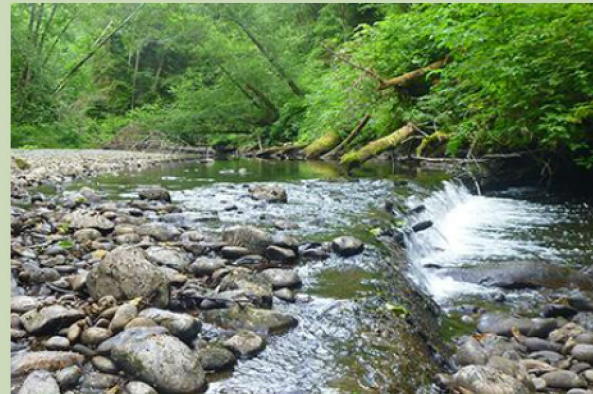
Open Space/Recreation



Salmon Recovery



Carbon Storage and Sequestration



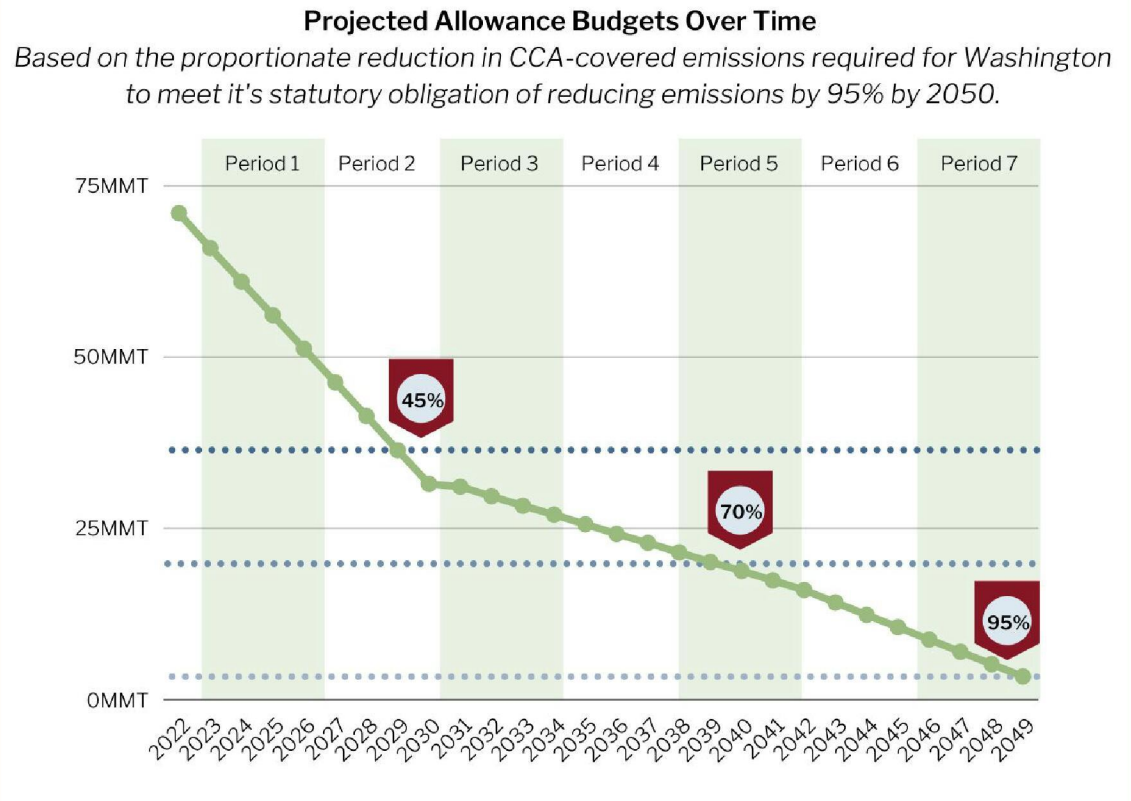
Water Quality



Critical Habitat for Biodiversity

# Climate Commitment Act of 2021

- Set a total cap on carbon emissions for all anthropogenic activity in the state
- Lowers cap over time to reach net zero emissions by 2050
- Mandates that Washington's biggest polluters buy allowances at quarterly auctions for the carbon they emit
- Invests the raised money into climate and clean energy projects in Washington
- Earmarks at least 35% of that funding for the direct benefit of overburdened communities



Graph from WA Dept of Ecology

# Natural Climate Solutions Account-Intent

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- RCW 70A.65.270
- Created in the state budget by the Climate Commitment Act
- Is “intended to increase the resilience of the state's waters, forests, and other vital ecosystems to the impacts of climate change, conserve working forestlands at risk of conversion, and increase their carbon pollution reduction capacity through sequestration, storage, and overall system integrity.”
- Section VII: “[Money may be allocated to] **Either preserve or increase, or both, carbon sequestration and storage benefits in forests,** forested wetlands, agricultural soils, tidally influenced agricultural or grazing lands, or freshwater, saltwater, or brackish aquatic lands”

# First CCA Auction

Environment

## First auction held for 'licenses to pollute' in Washington

KNKX Public Radio | By [Bellamy Pailthorp](#)

Published March 1, 2023 at 3:34 PM PST



The first auction of allowances under the CCA took place on February 28, 2023. It sold all 6,185,222 permits available for \$48.50 each, raising a total of \$300 million, more than had been expected.

## First Session with CCA Money

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- 2023 was the first year where state could budget CCA money
- \$10 million of the Governor's proposed budget for NCS was for DNR to enhance carbon sequestration on state lands, and support conservation and ecological management of the most carbon-dense, structurally complex forests
- Senate initially proposed a proviso at \$80 million but passed \$83M with amendments
- House initially proposed \$10M but matched Senate at \$83M in the end

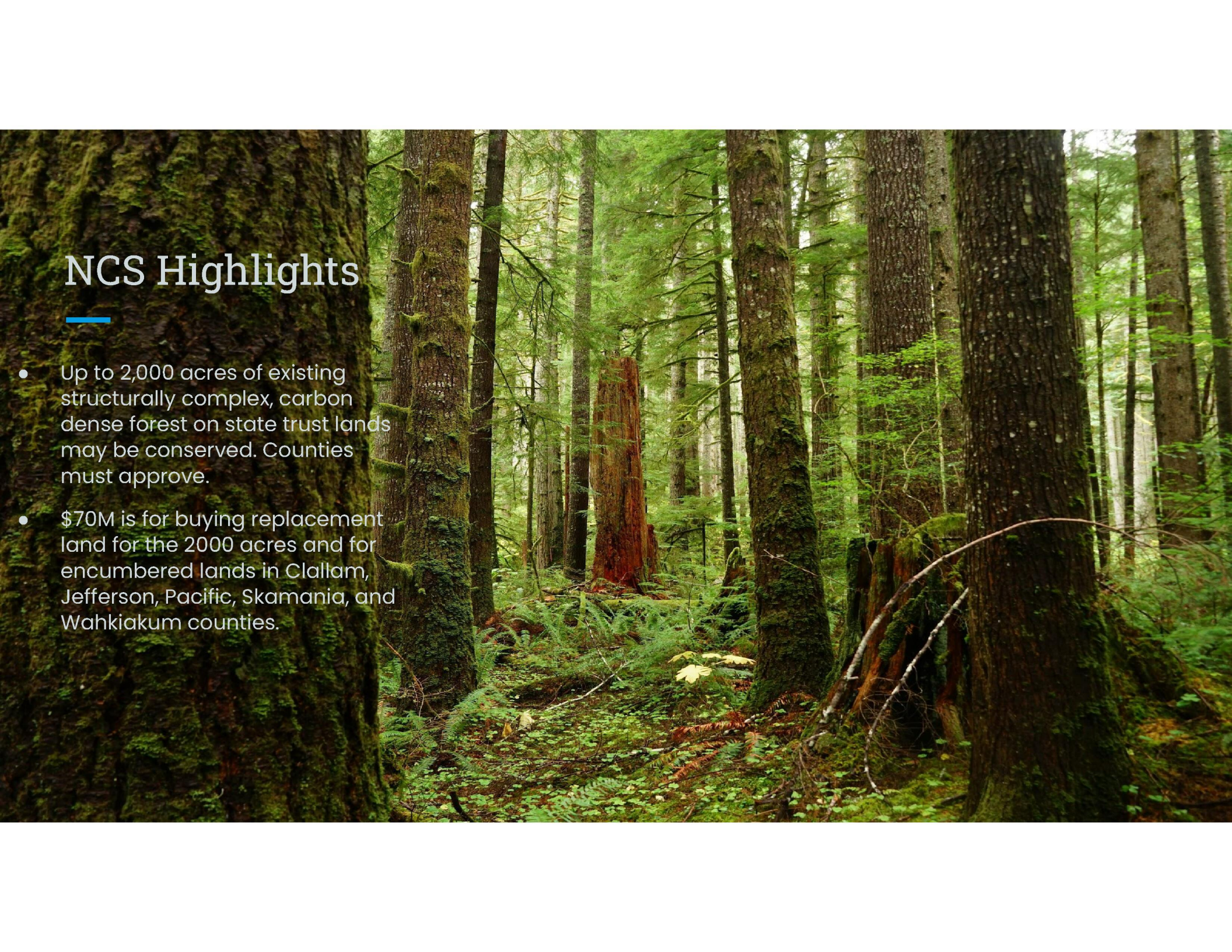


## \$83 Million- Natural Climate Solutions Investment

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- Single largest investment made from the NCS Account
- Establishes our state forests as a critical element in the State's climate protection strategy

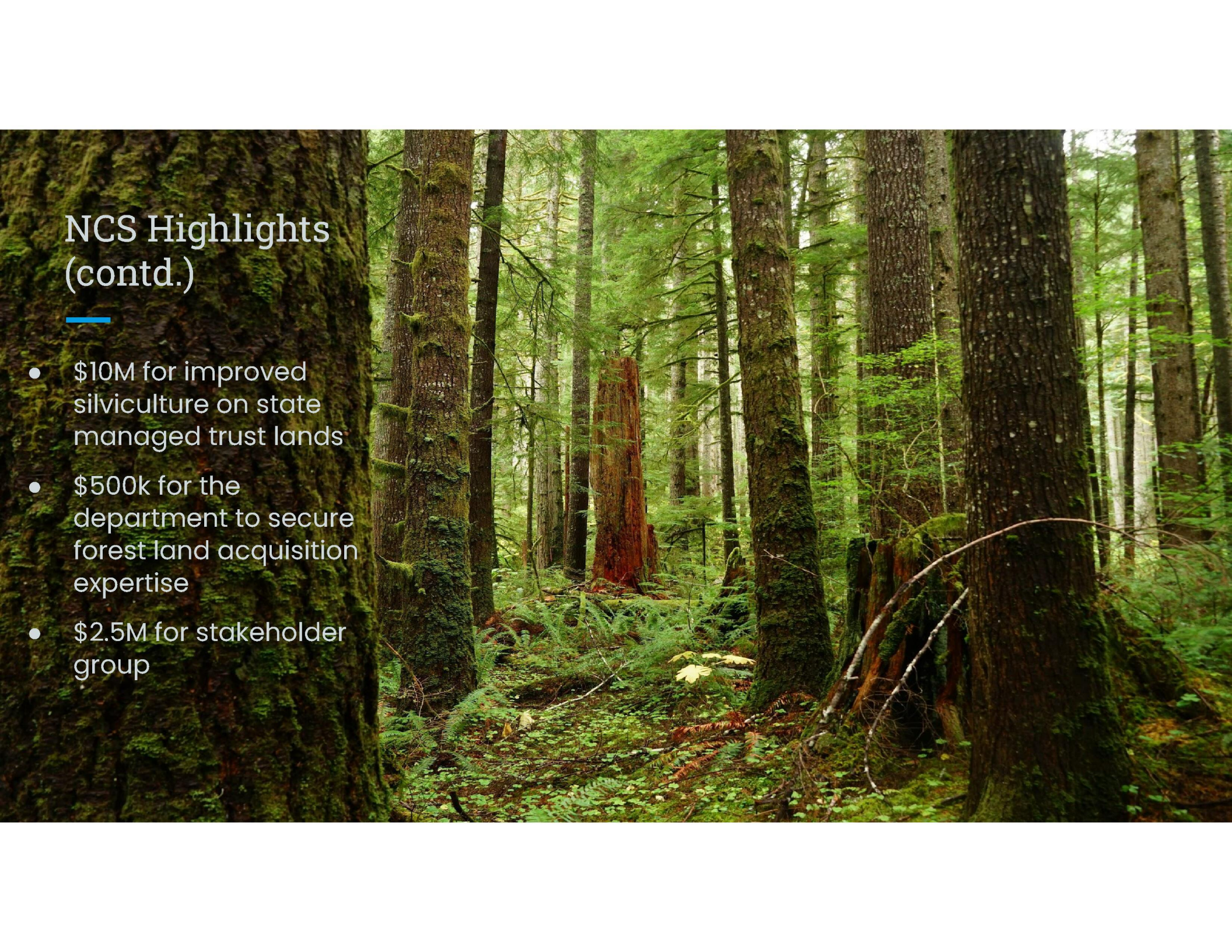


A photograph of a dense forest. The foreground and midground are filled with tall, moss-covered tree trunks. A prominent, weathered tree trunk stands in the center. The forest floor is covered with green ferns and fallen branches. The background shows more trees and a soft, diffused light filtering through the canopy.

# NCS Highlights

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- Up to 2,000 acres of existing structurally complex, carbon dense forest on state trust lands may be conserved. Counties must approve.
- \$70M is for buying replacement land for the 2000 acres and for encumbered lands in Clallam, Jefferson, Pacific, Skamania, and Wahkiakum counties.

A photograph of a dense forest. In the foreground, several large tree trunks are covered in thick green moss. A fallen tree trunk, also covered in moss, lies on the forest floor. The background is filled with tall, slender trees and a dense canopy of green foliage. The lighting is soft and diffused, typical of a forest interior.

## NCS Highlights (contd.)

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- \$10M for improved silviculture on state managed trust lands
- \$500k for the department to secure forest land acquisition expertise
- \$2.5M for stakeholder group

# Stakeholder Group

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- “Comprised of a balanced representation of relevant stakeholders and tribal interests”
- Discuss approaches to management of older, carbon dense, structurally complex forest stands
- Develop an understanding of current timber supply by region
- Explore strategies for sequestration and storage of carbon
- Consider approaches for predictable for beneficiary revenue and economic development in rural counties
- Contract with researchers for additional info on wood supply by region and carbon accounting including in forest and in wood products.
- Submit report to legislature by December 1, 2023

## Reporting and Deadlines

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- Progress Report due from DNR to legislature on December 1, 2023
- Stakeholder Group findings also due December 1, 2023
- Preliminary ID of the 2,000 acres due to BNR by December 31, 2023





Tools in the Toolbox



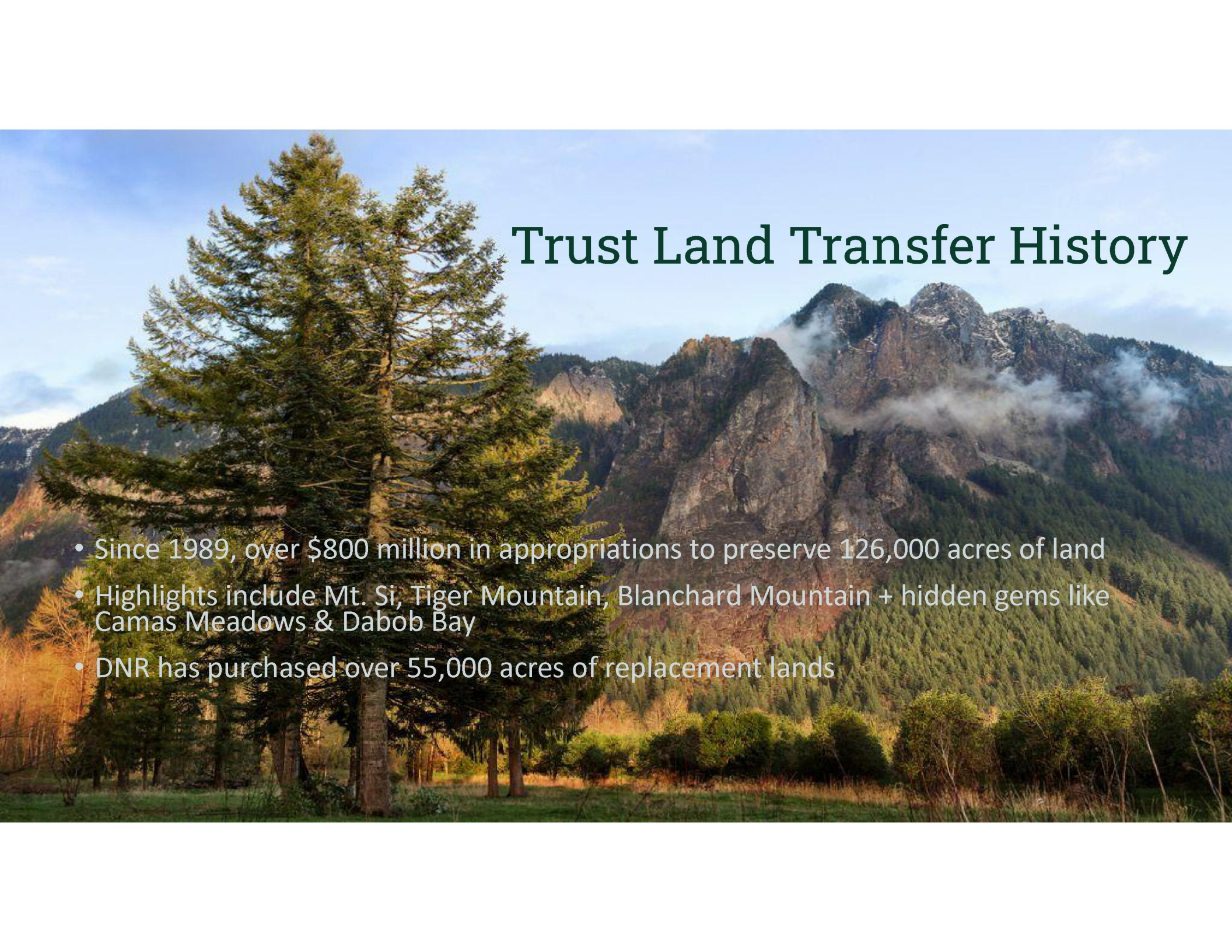
County in the Driver's Seat

# Reconveyance

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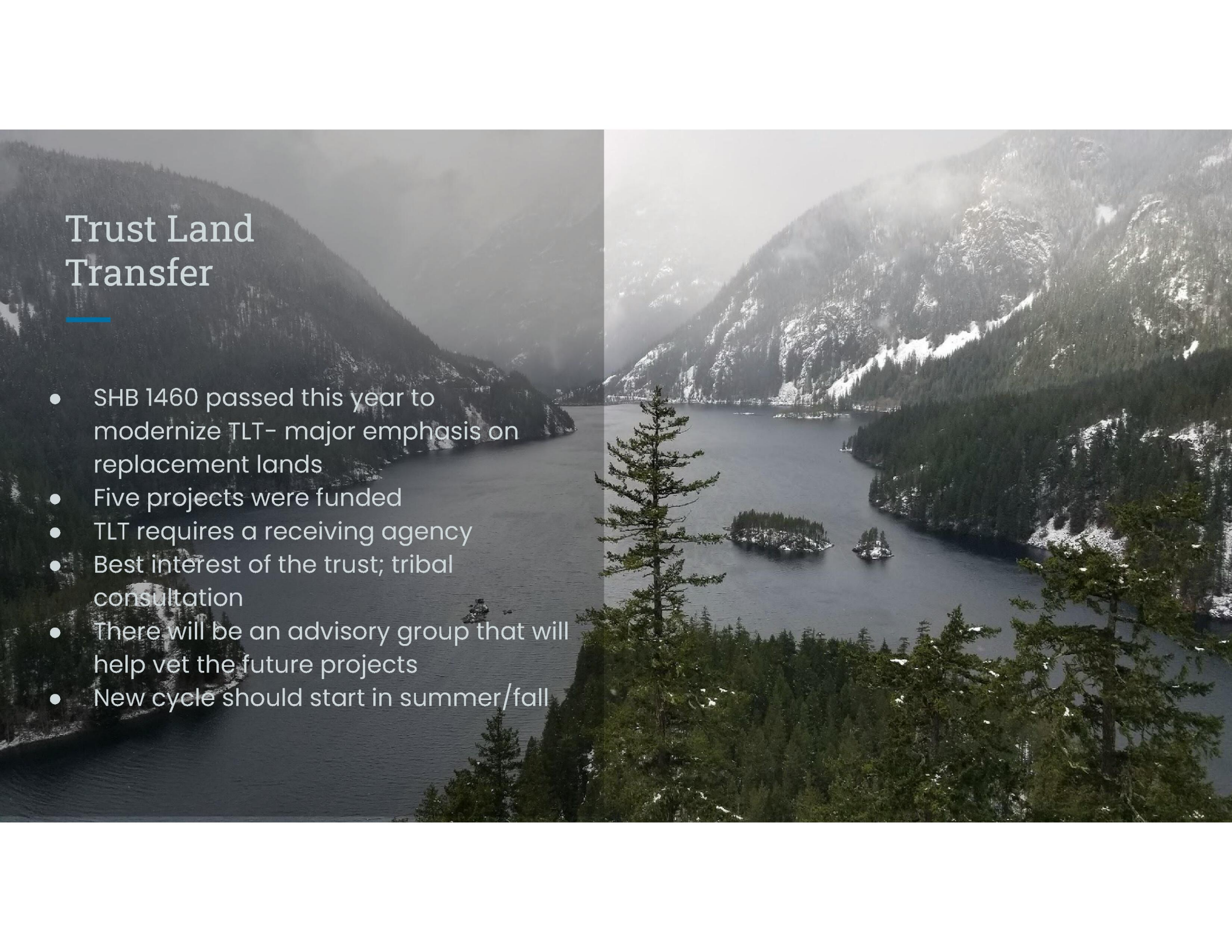
- Counties may request the state reconvey trust lands originally conveyed by counties to the state. Must be for use as parks (RCW 79.22.300, 1969)
- Proposed use must be consistent with State Comprehensive Outdoor Recreation Plan (SCORP)
- DNR evaluates proposal and presents recommendation to BNR





# Trust Land Transfer History

- Since 1989, over \$800 million in appropriations to preserve 126,000 acres of land
- Highlights include Mt. Si, Tiger Mountain, Blanchard Mountain + hidden gems like Camas Meadows & Dabob Bay
- DNR has purchased over 55,000 acres of replacement lands



## Trust Land Transfer

- SHB 1460 passed this year to modernize TLT- major emphasis on replacement lands
- Five projects were funded
- TLT requires a receiving agency
- Best interest of the trust; tribal consultation
- There will be an advisory group that will help vet the future projects
- New cycle should start in summer/fall

## Forest Conservation Mechanisms

|                      | Natural Climate Solutions                                                                                                                                 | Trust Land Transfer                                                                                                                                                                                                                                                                                                                                                                                      | Reconveyance                                                                                                                                                                                                                                                                                                                                     |
|----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Purpose              | Increase carbon storage and sequestration on state forest lands. This was adopted by proviso in the state capital budget. Subject to the CCA/NCS statute. | Repositioning underperforming assets- buying replacement lands. Legislation codifying TLT just passed, SHB 1460.                                                                                                                                                                                                                                                                                         | Support County open space objectives. RCW 84.34.055                                                                                                                                                                                                                                                                                              |
| Opportunity          | Conserve 2000 acres of structurally complex, carbon dense forests. Also potential for replacing some encumbered lands.                                    | Can help conserve forests with high conservation and/or recreation value. Eglon Forest near Kingston and Devil's Lake near Quilcene are two good examples.                                                                                                                                                                                                                                               | Counties can take back lands that the state has been managing for them at no cost. Lands have to be managed for open space /community recreation purposes. Thinning for forest health is allowed and revenue can be obtained from the timber harvested. Kitsap, for example uses that revenue to support its operating costs for the open space. |
| Process              | Counties must approve the acreage that is part of the 2000. DNR will run a process. Preliminary identification by December 31- report to the BNR.         | Projects get nominated and then are vetted by DNR and advisory. Approved by the BNR. Funded by the legislature. Must be a willing receiving agency to take the land being removed from the Trust. Often it is DNR's Natural Area Program. Must pass the "Best interest of the trust test". Tribal consultation is emphasized. The new law- 1460- just passed so watch for new program guidance from DNR. | Counties file a reconveyance request with DNR. BNR approves. Can be used for small acreage or very large areas.                                                                                                                                                                                                                                  |
| Beneficiary Benefits | Replacement land of equal value. If the 2000 acres is transferred to a NAP/NRCA, PILT payments should apply.                                              | Replacement lands are purchased. In 1460 a new option is created for transfers involving state forest lands where counties are the beneficiaries. Counties can request a portion of the timber value be provided in cash rather than all the value being put into replacement land.                                                                                                                      | As community needs change, this offers a way to redeploy forests for purposes other than for timber harvest.                                                                                                                                                                                                                                     |

# Forest Functions



Timber Supply



Open Space/Recreation



Salmon Recovery



Carbon Storage and Sequestration



Water Quality



Critical Habitat for Biodiversity