



**KING COUNTY**

1200 King County Courthouse  
516 Third Avenue  
Seattle, WA 98104

**Signature Report**

**February 20, 2002**

**Motion 11381**

**Proposed No.** 2002-0077.1

**Sponsors** Edmonds, Irons, Patterson,  
Constantine, Phillips, Sullivan,  
von Reichbauer, Lambert, Hague  
and McKenna

1  
2 A MOTION urging the United States Congress to enact the Community  
3 Forestry and Agriculture Conservation Act of 2001.  
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7 WHEREAS, communities across the United States are losing forest lands to  
8 development, and

9 WHEREAS, citizens are demanding the conservation of green spaces, the control  
10 of sprawl and the protection of natural resources, fish and wildlife, and

11 WHEREAS, there is a need for a creative approach to protect forest land from  
12 development, and at the same time, preserve the local economy, support the tax base and  
13 address concerns of private land owners and conservationists, and

14 WHEREAS, a bill, entitled the Community Forestry and Agriculture  
15 Conservation Act of 2001, was introduced on May 3, 2001, in the United States Senate  
16 by Senator Patty Murray as S.822 and in the United States House of Representatives by  
17 Representative Jennifer Dunn as H.R. 1711, and

18 WHEREAS, the Community Forestry and Agriculture Conservation Act of 2001  
19 is an innovative tool that would protect forest lands from development and allow  
20 sustainable timber harvesting to continue on the land, and

21 WHEREAS, the Community Forestry and Agriculture Conservation Act of 2001  
22 amends the Internal Revenue Code to make it easier for communities to issue tax-exempt  
23 revenue bonds on behalf of private nonprofit corporations to purchase tracts of forest  
24 land, and

25 WHEREAS, the bill has received bipartisan support from twenty-three co-  
26 sponsors in the United States House of Representatives and seven cosponsors in the  
27 United States Senate and is supported by numerous private businesses, forest industry  
28 companies and conservation and environmental organizations, and

29 WHEREAS, enactment of the Community Forestry and Agriculture Conservation  
30 Act of 2001 would facilitate the acquisition of a one-hundred four thousand acre forest in  
31 rural King County, Washington, through the sale of revenue bonds to be repaid through  
32 continuing forestry on the land, and

33 WHEREAS, the Evergreen Forest Trust, a nonprofit forest conservation company,  
34 has entered into a tentative agreement with the Weyerhaeuser Company to purchase the  
35 forest land, known as the Snoqualmie Tree Farm, contingent upon congressional  
36 amendment of the tax code, and

37 WHEREAS, enactment of the Community Forestry and Agriculture Conservation  
38 Act of 2001 by the United States Congress would allow the creation of an innovative  
39 conservation model in King County that can be used by communities across the nation;  
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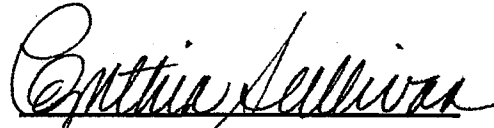
41           NOW, THEREFORE, BE IT MOVED by the Council of King County:  
42           The King County council respectfully urges the United States Congress to enact the  
43           Community Forestry and Agriculture Conservation Act of 2001 which amends the  
44           Internal Revenue Code to allow the sale of tax-exempt revenue bonds to acquire  
45           renewable resource lands for conservation purposes.

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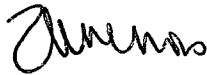
Motion 11381 was introduced on 2/11/2002 and passed by the Metropolitan King County Council on 2/19/2002, by the following vote:

Yes: 11 - Ms. Sullivan, Ms. Edmonds, Mr. von Reichbauer, Ms. Lambert, Mr. Phillips, Mr. McKenna, Mr. Constantine, Mr. Pullen, Ms. Hague, Mr. Irons and Ms. Patterson  
No: 0  
Excused: 2 - Mr. Pelz and Mr. Gossett

KING COUNTY COUNCIL  
KING COUNTY, WASHINGTON

  
Cynthia Sullivan, Chair

ATTEST:



\_\_\_\_\_  
Anne Noris, Clerk of the Council

**Attachments**      A. Community Forestry and Agricultural Conservation Act of 2001

11381

## A BILL

To amend the Internal Revenue Code of 1986 to modify the treatment of bonds issued to acquire renewable resources on land subject to conservation easement.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. SHORT TITLE.**

This Act may be cited as the 'Community Forestry and Agriculture Conservation Act of 2001'.

**SEC. 2. TREATMENT OF BONDS ISSUED TO ACQUIRE RENEWABLE RESOURCES ON LAND SUBJECT TO CONSERVATION EASEMENT.**

(a) IN GENERAL- Section 145 of the Internal Revenue Code of 1986 (defining qualified 501(c)(3) bond) is amended by redesignating subsection (e) as subsection (f) and by inserting after subsection (d) the following new subsection:  
'(e) BONDS ISSUED TO ACQUIRE RENEWABLE RESOURCES ON LAND SUBJECT TO CONSERVATION EASEMENT-

'(1) IN GENERAL- If--

'(A) the proceeds of any bond are used to acquire land (or a long-term lease thereof) together with any renewable resource associated with the land (including standing timber, agricultural crops, or water rights) from an unaffiliated person,

'(B) the land is subject to a conservation restriction--

'(i) which is granted in perpetuity to an unaffiliated person that is--

'(I) a 501(c)(3) organization, or

'(II) a Federal, State, or local government conservation organization,

'(ii) which meets the requirements of clauses (ii) and

(iii)(II) of section 170(h)(4)(A),

'(iii) which exceeds the requirements of relevant environmental and land use statutes and regulations, and

'(iv) which obligates the owner of the land to pay the costs incurred by the holder of the conservation restriction in monitoring compliance with such restriction,

'(C) a management plan which meets the requirements of the statutes and regulations referred to subparagraph (B)(iii) is developed for the conservation of the renewable resources, and

'(D) such bond would be a qualified 501(c)(3) bond (after the application of paragraph (2)) but for the failure to use revenues

derived by the 501(c)(3) organization from the sale, lease, or other use of such renewable resource as otherwise required by this part, such bond shall not fail to be a qualified 501(c)(3) bond by reason of the failure to so use such revenues if the revenues which are not used as otherwise required by this part are used in a manner consistent with the stated charitable purposes of the 501(c)(3) organization.

**(2) TREATMENT OF TIMBER, ETC-**

**(A) IN GENERAL-** For purposes of subsection (a), the cost of any renewable resource acquired with proceeds of such bonds shall be treated as a cost of acquiring the land associated with the renewable resource and such land shall not be treated as used for a private business use because of the sale or leasing of the renewable resource to, or other use of the renewable resource by, an unaffiliated person to the extent that such sale, leasing, or other use does not constitute an unrelated trade or business, determined by applying section 513(a).

**(B) APPLICATION OF BOND MATURITY LIMITATION-** For purposes of section 147(b), the cost of any land or renewable resource acquired with proceeds of such bonds shall have an economic life commensurate with the economic and ecological feasibility of the financing of such land or renewable resource.

**(C) UNAFFILIATED PERSON-** For purposes of this subsection, the term 'unaffiliated person' means any person who controls no more than 20 percent of the governing body of another person.'

**(b) EFFECTIVE DATE-** The amendment made by subsection (a) shall apply to obligations issued after the date of the enactment of this Act.

*END*