

2025 Natural Climate Solutions “Carbon Sequestration Forests” Proviso: Fact Sheet for County Governments

Background

Washington State Association of Counties (WSAC), Department of Natural Resources (DNR), and numerous conservation organizations were successful in securing \$23 million in the 2025-27 budget biennium from the Natural Climate Solutions account created by the Climate Commitment Act.

\$10 million will be spent to acquire replacement forestland in exchange for permanent conservation of approximately 500 acres of mature, structurally complex forests currently managed by DNR for timber harvest. This is a continuation of funding allocated by the legislature for this same purpose in 2023 and 2024, but with an exciting new provision that allows a “cash for counties” option. County governments can opt in to receive a portion of the replacement value of conserved mature forests in cash so that essential services like schools and fire departments can receive funding now— rather than waiting to receive funding until replacement forestlands are ready for timber harvest.

Another \$10 million of the funds will be spent to purchase replacement forestland for ongoing timber harvest, compensating for “encumbered” lands in Clallam, Pacific, Skamania, and Wahkiakum counties. The final \$3 million was appropriated for DNR to do more restoration thinning projects.

This investment allows Washington to continue expanding its public lands, supporting local revenue for rural communities, and conserving older forests for the third consecutive year!

[HERE](#) is the full proviso text as passed by the State Legislature.

\$10 million for forest conservation timeline

- DNR will receive funds from the legislature in July 2025.
- County governments may send letters to DNR requesting specific parcels be considered for nomination. In fact, the Kitsap County Board of Commissioners has already sent such a letter.
- DNR will begin the process of identifying parcels of structurally complex, carbon dense forests for conservation with a total value of \$10 million. DNR will notify counties once they have selected parcels within that county.
- Regardless of the trust beneficiary/ies associated with the lands proposed for conservation, the legislative body of the county where the parcels are located must send a letter of support to DNR and the Board of Natural Resources (BNR). It would be good for letters to indicate whether the county is interested in the “cash for counties” option.
- DNR will then purchase \$10 million of replacement acres for the affected trusts.
- The final step is for the BNR to approve the conservation parcel boundaries.
- Trust beneficiaries will receive revenue from replacement lands as they are harvested. Counties can opt to receive immediate revenue using the “cash for counties” provision.

How valuation and “cash for counties” works

- Acreage valuation includes the raw land AND timber value. Though highly variable, DNR has estimated that these types of forests are valued at approximately \$20-25,000 per acre.
- For “State Forestlands,” i.e. forestlands in which county governments are the beneficiary, counties may utilize a “cash for counties” provision:
 - At least \$12,000 per acre must be used to buy replacement lands. This ensures that counties are able to grow their trust holdings. Based on an average replacement cost of \$6,000 per acre, \$12,000 allows counties to receive approximately two acres of replacement land for each acre conserved, which is in alignment with recent DNR forestland purchases.
 - Counties can elect to receive any amount of the replacement value in excess of \$12,000 per acre as cash upfront. This is in lieu of purchasing more replacement acres. The cash is then distributed to counties and their junior taxing districts in the same proportion as any other revenue received from DNR, as per [RCW 79.64.110](#).
 - Using the \$25,000 per acre estimate, a county could elect to receive up to \$13,000 per acre in cash.

Example:

- The “Upper Rutsatz” parcel in Whatcom County has 60 acres of State Forest Board Transfer (Whatcom County) trust land.
- $60 \text{ acres} \times \$25,000/\text{acre} = \$1,500,000$ replacement value
- $60 \text{ acres} \times \$12,000/\text{acre} = \$720,000$ reserved for purchasing replacement acres to ensure a 2:1 acre expansion of the trust. This assumes an average cost of replacement acres to be \$6,000/acre.
- $\$1,500,000 - \$720,000 = \$780,000$ = the amount up to which Whatcom County Council could elect to receive as cash. Whatcom could also choose to receive a portion of this amount, and use a portion to purchase more replacement acres.

How replacement lands work

- To replace State Forestlands (where the county is the beneficiary), DNR may look for replacement acres within that county. However, if a parcel is only 50 acres, it may not be possible to find 100 acres of replacement acres for sale in the same county that are logistically feasible for DNR to manage. DNR often prefers to buy larger parcels for management ease and access.
- If DNR purchases replacement lands outside of the original county, DNR will facilitate a “land pool” agreement. All of the counties will enter into an agreement with the county in which the replacement land is located. Replacement land revenue will be distributed to counties proportional to the value of the land being replaced.

Example:

- 1,000 acres are purchased in Clallam County to replace conserved parcels in Whatcom, Clallam, and Thurston.
- Whatcom’s conserved parcel is valued at \$3 million, Clallam’s parcel at \$2 million, and Thurston’s at \$1 million.
- As timber harvest occurs on those 1,000 acres, revenue will be distributed at a ratio of 3 (Whatcom) : 2 (Clallam) : 1 (Thurston).