SUBSTITUTE SENATE BILL 5491

State of Washington 69th Legislature 2025 Regular Session

By Senate Agriculture & Natural Resources (originally sponsored by Senators Warnick, Shewmake, Short, Chapman, Lovelett, Muzzall, Holy, Krishnadasan, and Nobles)

AN ACT Relating to a prescribed fire claims fund pilot program; amending RCW 4.92.220; adding a new section to chapter 76.04 RCW; creating a new section; providing expiration dates; and declaring an emergency.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 <u>NEW SECTION.</u> Sec. 1. (1) The legislature finds that Washington 7 is experiencing a forest health crisis. Rangeland and forest fires have grown both larger and more damaging in recent years, threatening 8 the health, livelihoods, and homes of Washingtonians. Over the last 9 10 10 years, wildfires have burned an average of 470,000 acres across 11 the state. According to the 2020 forest health assessment and 12 framework, treatment approximately 3,000,000 acres in eastern 13 Washington alone are in need of active management or disturbance to 14 improve forest resiliency to stressors such as wildfire and drought.

15 (2) The legislature finds that prescribed fire and cultural 16 burning are one of the most effective, yet underutilized tools to 17 help address the forest health crisis. Most ecosystems in Washington 18 evolved with fire through stewardship by tribal peoples and ignitions 19 like lightning strikes. Prescribed fire and cultural burning remove 20 dead and downed brush and vegetation, providing more management 21 opportunities for fire suppression across a variety of landscapes by proactively removing hazardous fuels. Compared to wildfire smoke, prescribed fire smoke produces up to 50 percent less PM2.5. Fire also returns important nutrients to the soil, revitalizes plant growth, and improves wildlife habitat. Tribes have used cultural burning since time immemorial to sustain healthy and resilient lands.

6 (3) The legislature finds that growing risks of wildfires to 7 communities and the environment generally requires at least a five-8 fold increase in prescribed burning to effectively reduce accumulated 9 fuels, restore resiliency to landscapes, and protect communities.

10 (4) The legislature further finds that while prescribed fire 11 escapements are rare, the uncertain financial implications associated 12 with an escapement deter this work despite its low risk. The 2023 13 Washington prescribed fire barriers assessment report and strategic 14 action plan found that one of the most significant barriers to more 15 prescribed burns has been uncertainty around potential liability.

(5) Therefore, the legislature intends to establish a fire claims fund pilot program to provide loss coverage for prescribed and cultural burns conducted in accordance with applicable requirements. By decreasing the uncertainty associated with these regulated burns, the legislature intends to promote the use of this critical tool for strengthening and protecting our resources and communities.

22 <u>NEW SECTION.</u> Sec. 2. A new section is added to chapter 76.04 23 RCW to read as follows:

(1) Subject to the availability of amounts appropriated for this specific purpose, the office of risk management shall, in consultation with the department, establish a prescribed fire claims fund pilot program for the purposes of:

(a) Supporting coverage for losses from prescribed fires and
 cultural burning by nonstate and nonfederal entities such as cultural
 fire practitioners, private landowners, nongovernmental entities,
 conservation districts, fire districts, certified burn managers,
 companies, contractors, and operators; and

33 (b) Supporting the entities described in (a) of this subsection 34 that are alleged to have caused damages resulting from appropriately 35 conducted prescribed fires or cultural burning.

36 (2) To be eligible for reimbursement under this section, a claim 37 must meet the criteria in (a) and (b) of this subsection.

38 (a) The claim results from a prescribed fire or cultural burn39 conducted:

(i) By a certified burn manager, under an approved burn plan,
 with applicable permits and in accordance with any other applicable
 conditions or requirements as determined by the department; or

4 (ii) By a cultural fire practitioner, in accordance with any 5 applicable burn plan or permit.

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(b) The claim is for:

7 (i) Property or economic damage, as described under RCW 8 76.04.760(3) (a), (c), and (d), suffered by the claimant as a result 9 of the prescribed fire or cultural burn; or

10 (ii) Reasonable costs authorized for reimbursement by the 11 department under RCW 76.04.475, related to the prescribed fire or 12 cultural burn.

13 (c) A claim for damage suffered as a result of a prescribed fire 14 or cultural burn started, spread, or otherwise caused by a criminal 15 or negligent act is not eligible for reimbursement under this 16 section.

17 (3) Upon submission of a claim, the department shall determine 18 and certify to the office of risk management whether the claim meets 19 the criteria in subsection (2) of this section.

(4) The office of risk management may reimburse an eligible claim 20 21 in an amount equal to or less than the actual losses suffered by the claimant, not to exceed \$2,000,000 per claim. The payment of a claim 22 under this section is conditional on the availability of specific 23 24 funding for this purpose, and nothing in this section shall be construed to create an entitlement to reimbursement or payment of any 25 26 claim. The total amount paid for claims may not exceed the amounts available in the account established in subsection (7) of this 27 28 section.

(5) (a) The office of risk management shall collaborate with the department, other relevant state agencies, the Washington prescribed fire council, cultural fire practitioners, and certified burn managers to establish guidelines governing the pilot program and the administration of the account established in subsection (7) of this section, including:

35 (i) Procedures for the submission of claims;

36 (ii) Any additional criteria for claim eligibility, as 37 appropriate; and

38 (iii) A methodology or structure for how the payment of claims 39 will be prioritized in the event that eligible claims exceed the 1 amounts available in the account established in subsection (7) of 2 this section.

3 (b) The office of risk management and the department may adopt 4 rules to implement this section.

5 (c) Guidelines and any rules adopted under this section must be 6 made publicly available on the websites of the office of risk 7 management and the department.

8 (6) This section does not limit the ability of a person to assert 9 a claim for damages arising from a prescribed fire under any other 10 law. A court shall offset any award of damages to a claimant under an 11 action arising from the same set of alleged facts by the amount of 12 reimbursement provided under this section.

13 (7) (a) The prescribed fire claims account is created in the state 14 treasury. Moneys in the account may be spent only after 15 appropriation. Expenditures from the account may only be used for the 16 reimbursement of claims under this section.

(b) Upon the expiration of this section, any remaining amounts in the account must be deposited in the natural climate solutions account.

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(8) For the purposes of this section:

(a) "Certified burn manager" means a prescribed burn manager
 certified under RCW 76.04.183 or a prescribed fire burn boss
 certified under the national wildfire coordinating group standards.

(b) "Cultural fire practitioner" means a person approved by an
Indian tribe as having experience in burning to meet cultural goals
or objectives, including subsistence, ceremonial activities,
biodiversity, or other benefits.

28 29 (c) "Indian tribe" has the same meaning as in RCW 43.376.010.

(9) This section expires June 30, 2033.

30 Sec. 3. RCW 4.92.220 and 2002 c 332 s 18 are each amended to 31 read as follows:

(1) The risk management administration account is created in the custody of the state treasurer. All receipts from appropriations and assessments shall be deposited into the account. Only the director or the director's designee may authorize expenditures from the account. The account is subject to allotment procedures under chapter 43.88 RCW, but no appropriation is required for expenditures.

38 (2) The risk management administration account is to be used for 39 the payment of costs related to:

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(a) The appropriated administration of liability, property, and vehicle claims, including investigation, claim processing, negotiation, and settlement, and other expenses relating to settlements and judgments against the state not otherwise budgeted; ((and))

6 (b) The nonappropriated pass-through cost associated with the 7 purchase of liability and property insurance, including catastrophic 8 insurance, subject to policy conditions and limitations determined by 9 the risk manager<u>; and</u>

10 (c) The administration of the prescribed fire claims fund pilot 11 program under section 2 of this act.

12 (3) The risk management administration account's appropriation 13 for risk management shall be financed through a combination of direct 14 appropriations and assessments to state agencies.

15 <u>NEW SECTION.</u> Sec. 4. Section 3 of this act expires June 30, 16 2033.

17 <u>NEW SECTION.</u> Sec. 5. This act is necessary for the immediate 18 preservation of the public peace, health, or safety, or support of 19 the state government and its existing public institutions, and takes 20 effect immediately.

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