



South Sound

Nels & Phyllis Hanson

“The goal in negotiations has been to provide essential environmental protection while minimizing our losses”

Nels Hanson helped bring focus and direction to the Washington Farm Forestry Association when he became the secretary and legislative director in 1983. He was informed on forest practices law dating back to the 1950s, and routinely tracked regulatory trends and developments at the state and federal levels as well as the Forest Practices Board (FPB). In 1984 Nels was elected vice president of WFFA, later becoming president and executive director in 1985. He was also one of the founding members of the Thurston County Chapter in the early 1970s.

Born in 1918 as the son of a farmer, Nels grew to love the outdoors. He became a high school teacher in 1940 and his career progressed to higher administration where he served as state supervisor of science and mathematics for the superintendent of public instruction. In 1966, he began a 15-year tenure as president of Centralia Community College. During this time, two other campuses were added to its operation: the Olympia campus, now known as South Puget Sound Community College, and the Garret Heyns Education Center inside the prison at Shelton.

He realized that he had little or no time for farming Hereford cattle, but found tree farming an excellent substitute to fulfill his love of the outdoors. Nels, “Trees are one thing you can farm that you never have something so pressing you can’t put it off until next week. With Herefords you have to drop what you’re doing and go fix them.”

Upon retiring from his career in education in 1981, Nels became fully involved with the WFFA, diving deep into the politics. Over the past 22 years he has been a significant figure in tackling family forestry issues on the steps, inside the chambers of the State Capitol and elsewhere.

Nels reflects back on the seeds that were planted in the 1970s: “In 1974, the Forest Practice Act was passed with a 10-year trial period using the Washington State Department of Natural Resources (DNR) for forest practices permits.”

Meanwhile, the State Environmental Policy Act was passed and the Department of Ecology was created with a primary focus to protect water. At the federal level, the Environmental Protection Agency was created and the Endangered Species Act and Clean Water Act were also passed. Legislation from the 1970s illustrates the delayed impact of new laws. They became the foundation for some very turbulent years in the regulatory arena, starting in the mid-1980s and are still going strong today.

The first big battle Nels faced was in 1984, which was to retain authority for the DNR to continue processing forest practices applications (FPAs). Strong environmental coalitions were attempting to shift FPAs to the Department of Ecology, where an environmental impact statement would be required. Nels, “I think it passed by one vote. There were other issues before us, but this was a survival-of-the-industry issue.”

About this same time, landowners got a phase out of the lowering of the timber tax of 6.5 percent to about 5 percent. Prior to 1975, a landowner paid property tax on the value of standing timber every year, so people had to cut their trees to make their property tax affordable.

The new law exempted timber from the property tax and allowed land to be taxed at “current use” values rather than “highest and best use” values (the same as for agriculture, open space and golf courses). However, in exchange for the timber exemption from property taxes, it was the only crop that an excise tax of 6.5 percent was imposed when trees were harvested to make up for this exemption. It was called a “compensatory” tax, and was the highest timber harvest tax in the nation. No other crop pays a harvest tax. Nels, “Those were the new laws passed in the 1970s, which led to the big issues of the 1980s. I guess the issue of the 1990s is Forests and Fish.”

Nels noted that up until 1985, the regulatory activities of the Forest Practices Board were handled by public hearings, three minutes of testimony, in the courtroom or legislature. That’s when the Timber, Fish and Wildlife (TFW) was formed, which includes tribes, state agencies, the Department of Wildlife and Fisheries, DNR, Washington Environmental Council, Washington Forest Protection Association (the big guys), and WFFA (the little ones). TFW met through 1986 to hammer out new streamside rules on *fish-bearing* streams. For the first time, special consideration to reduce economic impact on small landowners was included in the rules. In TFW, it was for harvests of less than 35 acres. TFW was a new way of rule-making and a pretty historic thing.

Nels, “The ink was hardly dry on the 1987 rule book when allegations of ‘un-sustainability’ were placed on the FPB’s agenda. The TFW group agreed to deal with the issue and called itself the Sustainable Forestry Roundtable (SFR). Though a rule package was negotiated and all participants endorsed it, environmental groups said they opposed it, so the board didn’t adopt it. Instead, a committee of the FPB members and DNR officials revised the SFR product and added to it, adopting their revised version as the 1992 rule package. It brought new protection for upland wildlife, snags, and wildlife reserve trees, buffers for wetlands, bogs, and fens, plus rules for harvesting in forested wetlands.”

WFFA then filed a lawsuit against the FPB alleging that it violated the Regulatory Fairness Act by failing to do “a small business economic impact statement (SBEIS)” and adjust the rules accordingly prior to adopting the ’92 rules. Nels, “Negotiations to settle the case out of court dragged on and on. Finally, salmon were listed under ESA in 1997, I believe. Forests & Fish negotiations were starting, which seemed to make the previous rules and also our court case less relevant, and DNR acknowledged the necessity for future SBEIS.”

Nels’ legislative accomplishments have been long and arduous, some rewarding, others frustrating. When asked about key successes at the state level, in addition to those on property taxes and timber taxes already mentioned, Nels’ list included:

- Business and Occupation tax exemption for annual timber harvests was raised from \$12,000 (which still applies to other small businesses) to \$100,000 for small forest landowners.
- Owners can shift parcels of land from designated forestland to open space, timber or agriculture without paying the 10-year rollback.
- The Department of Revenue’s definition of small landowner was raised from harvesting one million board feet per year to two million in the early 1990s. This definition then became the small landowner definition used in the Forests & Fish rules.

On the federal level, which according to Nels is where “the really big dollars are,” following the repeal of the capital gains tax in 1985, WFFA and the Oregon Small Woodlands Association created the Northwest Woodland Owners Council (NWOC). The two main items on NWOC’s original agenda were to prevent a log export ban from passing in Congress and to restore capital gains on timber. NWOC was successful on both issues.

Nels, “Landowners are under attack and we are on defense. We are out-numbered, out-financed and the media is on their side. Most political leaders are too. In every case, landowners were threatened with far more severe rules than those we now have. The goal in negotiations has been to provide essential environmental protection while minimizing our losses. Absolute ‘success’ could possibly be defined as ‘no economic loss’. That wasn’t achievable. We all lost a lot. But it is difficult to ‘score’ a success or failure when the goal is ‘minimizing losses.’ Or maybe it isn’t: That’s how they determine who plays in the World Series.”

In 1985 Nels established *Northwest Woodlands*, a quarterly magazine distributed in Washington, Oregon and Idaho to Farm Forestry members. From 1985 to 2003, Nels edited *Landowner News*. Its primary objective was to keep members informed on details and impacts of legislation and regulations being considered.

Nels gave up his position as executive director and legislative director in 2003 to spend time at home with Phyllis his wife of more than 61 years before she passed away in 2004. He also retired so he could plant trees. Over the years they had acquired 800 acres of forestland. The first 40 acres were purchased near Adna in Lewis County for \$2,400. As a teacher, he helped students plant trees for work over Christmas break. Those trees were commercially thinned 10 years ago and can be harvested anytime.

The Hanson family sold 150 acres in the 1980s and currently own 640 acres, which are held in a family limited partnership with their two children and four grandchildren. All are part owners of the tree farm today.

HANSON TREE FARM

Nels Hanson, December 30, 1918

Phyllis Hanson, 1920-2004

Legislative Director WFFA, 1983–1985

Executive Director WFFA, 1985-2003

President WFFA, 1985-1988

Founder South Sound Chapter, 1974

Founder *Northwest Woodlands*, 1985

Editor, *Landowner News*, 1985-2003



“An organizations is only as influential as the combined input of all its members.”