

SENATE BILL REPORT

E2SHB 2528

As Reported by Senate Committee On:
Agriculture, Water, Natural Resources & Parks, February 20, 2020
Ways & Means, March 2, 2020

Title: An act relating to recognizing the contributions of the state's forest products sector as part of the state's global climate response.

Brief Description: Recognizing the contributions of the state's forest products sector as part of the state's global climate response.

Sponsors: House Committee on Appropriations (originally sponsored by Representatives Ramos, DeBolt, Chapman, Boehnke, Blake, Fitzgibbon, Tharinger and Santos).

Brief History: Passed House: 2/16/20, 95-0.

Committee Activity: Agriculture, Water, Natural Resources & Parks: 2/20/20, 2/20/20 [DPA-WM].

Ways & Means: 2/28/20, 3/02/20 [DPA, DNP].

Brief Summary of Amended Bill

- Establishes state policy to support the forest products sector's contribution to the state's climate response and its role in carbon sequestration.

SENATE COMMITTEE ON AGRICULTURE, WATER, NATURAL RESOURCES & PARKS

Majority Report: Do pass as amended and be referred to Committee on Ways & Means.

Signed by Senators Van De Wege, Chair; Salomon, Vice Chair; Warnick, Ranking Member; Honeyford, McCoy, Rolfes and Short.

Staff: Jeff Olsen (786-7428)

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass as amended.

Signed by Senators Rolfes, Chair; Frockt, Vice Chair, Operating, Capital Lead; Mullet, Capital Budget Cabinet; Braun, Ranking Member; Brown, Assistant Ranking Member,

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Operating; Becker, Billig, Carlyle, Conway, Darneille, Hasegawa, Hunt, Keiser, Liias, Muzzall, Pedersen, Schoesler, Van De Wege, Wagoner, Warnick and Wilson, L..

Minority Report: Do not pass.

Signed by Senator Honeyford, Assistant Ranking Member, Capital.

Staff: Jed Herman (786-7346)

Background: In 2008, Washington enacted legislation setting a series of limits on greenhouse gas (GHG) emissions within the state. The Department of Ecology (Ecology) is responsible for monitoring and tracking the state's progress toward the emission limits.

Current law requires the state to limit GHG emissions for achieving overall reductions as follows:

- by 2020 to 1990 levels;
- by 2035 to 25 percent below 1990 levels; and
- by 2050 to 50 percent below 1990 levels, or 70 percent below the state's expected emissions for that year.

The 2008 legislation also required Ecology to consult with the climate impacts group at the University of Washington regarding the science on human-caused climate change and provide a report to the Legislature making recommendations regarding whether the GHG emissions reductions needed to be updated.

In December 2019, Ecology issued its most recent report on Washington State GHG emission reduction limits. The report recommended reducing overall GHG emissions in the state:

- by 2030 to 45 percent below 1990 levels;
- by 2040 to 70 percent below 1990 levels; and
- by 2050 to 95 percent below 1990 levels, and achieve net zero GHG emissions in the state.

According to Ecology's report, carbon neutrality or net zero means that any remaining emissions would be offset by carbon capture processes that remove GHG from the atmosphere. Carbon sequestration is the process by which atmospheric carbon dioxide is taken up by trees, grasses, and other plants through photosynthesis and stored as carbon in biomass.

Summary of Amended Bill: The scope of actions that Washington should take in order to continue its leadership on climate change policy is expanded to include maintaining and enhancing the state's ability to continue to sequester carbon through natural and working lands and forest products. The Legislature intends that the state will support industry sectors that act as sequesterers of carbon. It is stated as the policy of the state to support the complete forest products sector, which includes landowners, mills, bioenergy, pulp and paper, and the related harvesting and transportation infrastructure. State carbon programs must support policies that recognize the forest products industry's contribution to the state's climate response.

The Forest and Forest Products Carbon Account (Account) is created to provide grants to landowners, nonprofits, local governments, tribes, or state land managing agency to advance the state's carbon sequestration goals including reforestation, afforestation, urban tree planting, and planting forested buffers in riparian areas. In addition to state general funds and the capital budget, the Account may receive revenues from policies that establish a price on carbon. The State Conservation Commission, in addition to providing grants to landowners, may use a portion of the funds for administrative costs and may conduct an opportunity analysis of land in Washington to determine how many acres of deforested land may be returned to working forests.

EFFECT OF WAYS & MEANS COMMITTEE AMENDMENT(S):

- Removes the newly created Forest and Forest Products Carbon Account.
- Removes the requirement for the Conservation Commission to award grants for reforestation, afforestation, and urban forest restoration projects.
- Removes the direction for the Conservation Commission to conduct an opportunity analysis of land in Washington to determine how many acres of land could be returned to forestlands.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony on Bill as Amended by Committee (Agriculture, Water, Natural Resources & Parks): PRO: It is the first time the forest products industry is being recognized for its role in carbon sequestration and storage through the growth of trees and the storage of carbon in forest products and the industry supports the bill. Managed forests and the forest industry are net sequesterers of carbon. Timber counties benefit from having private and public timberlands both economically and culturally. Shellfish growers appreciate the timber industry's efforts and benefit from increased sequestration to help address ocean acidification. Aquatic lands can also sequester carbon and are included in the bill.

OTHER: The Conservation Commission is neutral on the policy in the bill. A grant program to restore forest lands through reforestation is a win for the state. There is an increased demand from landowners for forest health assistance, especially after forest events. There is strong support for the concept, and language negotiated in the House has broad support. The section directing the Department of Commerce to promote forest products should be removed to match the language agreed to by stakeholders.

Persons Testifying (Agriculture, Water, Natural Resources & Parks): PRO: Paul Jewell, Washington State Association of Counties; Jason Callahan, Washington Forest Protection Association; Jason Spadaro, SDS Lumber/Stevenson Land Company; Bruce Beckett, American Forest Resource Council; Bill Dewey, Taylor Shellfish Farms.

OTHER: Alison Halpern, State Conservation Commission; Darcy Nonemacher, Washington Environmental Council, Washington Conservation Voters; Mo McBroom, The Nature Conservancy.

Persons Signed In To Testify But Not Testifying (Agriculture, Water, Natural Resources & Parks): No one.

Staff Summary of Public Testimony on Bill as Amended by Agriculture, Water, Natural Resources & Parks (Ways & Means): *The committee recommended a different version of the bill than what was heard.* PRO: With the exception of the account name, this bill is the same as the Senate version of the bill. We are supportive of the bill. Making lumber from trees grown in the state is part of sequestering carbon, therefore we are supportive of the bill.

Persons Testifying (Ways & Means): PRO: Jason Callahan, Washington Forest Protection Association; Heath Heikkila, American Forest Resource Council.

Persons Signed In To Testify But Not Testifying (Ways & Means): No one.