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**SUBSTITUTE HOUSE BILL 2528**

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**State of Washington**

**66th Legislature**

**2020 Regular Session**

**By** House Rural Development, Agriculture, & Natural Resources  
(originally sponsored by Representatives Ramos, DeBolt, Chapman,  
Boehnke, Blake, Fitzgibbon, Tharinger, and Santos)

READ FIRST TIME 02/06/20.

1 AN ACT Relating to recognizing the contributions of the state's  
2 forest products sector as part of the state's global climate  
3 response; amending RCW 70.235.005 and 43.330.060; adding a new  
4 section to chapter 70.235 RCW; adding a new section to chapter 89.08  
5 RCW; and creating a new section.

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

7 NEW SECTION. **Sec. 1.** (1) The legislature finds that the  
8 intergovernmental panel on climate change (IPCC) released a report in  
9 2019 entitled "IPCC special report on climate change,  
10 desertification, land degradation, sustainable land management, food  
11 security, and greenhouse gas fluxes in terrestrial ecosystems" that  
12 provides guidance relating to how natural and working lands can be  
13 utilized to assist with a global climate response strategy. In  
14 addition, the food and agricultural organization of the United  
15 Nations issued a report in 2016 entitled "forestry for a low-carbon  
16 future" with specific recommendations for integrating forests and  
17 wood products in climate change strategies. Recommendations from  
18 these reports are critical as Washington develops its own climate  
19 response and charts how the state can use its forestland base and  
20 vibrant forest products sector as part of its contribution to the  
21 global climate response.

1 (2) The legislature further finds that the 2019 intergovernmental  
2 panel on climate change report identifies several measures where  
3 sustainable forest management and forest products may be utilized to  
4 maintain and enhance carbon sequestration. These include  
5 afforestation and reforestation to increase the carbon sequestration  
6 potential of trees by expanding the forestland base, reducing  
7 emissions from land conversion to nonforest uses, increasing forest  
8 resiliency to reduce the risk of carbon releases from disturbances  
9 such as wildfire, pest infestation, and disease, and applying  
10 sustainable forest management techniques to address the natural sink  
11 saturation by maintaining or enhancing forest carbon stocks and  
12 maintaining forest carbon sinks, including through the transference  
13 of carbon to wood products.

14 (3) The legislature further finds that the food and agricultural  
15 organization of the United Nations reports similar recommendations,  
16 with a focus on forest management tools that increases the carbon  
17 density in forests, increases carbon storage out of the forest in  
18 harvested wood products, utilizes wood energy, and suppresses forest  
19 disturbances from fire, pests, and disease.

20 **Sec. 2.** RCW 70.235.005 and 2008 c 14 s 1 are each amended to  
21 read as follows:

22 (1) The legislature finds that Washington has long been a  
23 national and international leader on energy conservation and  
24 environmental stewardship, including air quality protection,  
25 renewable energy development and generation, emission standards for  
26 fossil-fuel based energy generation, energy efficiency programs,  
27 natural resource conservation, sustainable forestry and the  
28 production of forest products, vehicle emission standards, and the  
29 use of biofuels. Washington is also unique among most states in that  
30 in addition to its commitment to reduce emissions of greenhouse  
31 gases, it has established goals to grow the clean energy sector and  
32 reduce the state's expenditures on imported fuels.

33 (2) The legislature further finds that Washington should continue  
34 its leadership on climate change policy by creating accountability  
35 for achieving the emission reductions established in RCW 70.235.020,  
36 participating in the design of a regional multisector market-based  
37 system to help achieve those emission reductions, assessing other  
38 market strategies to reduce emissions of greenhouse gases,  
39 maintaining and enhancing the state's ability to continue to

1 sequester carbon through forest products, and ensuring the state has  
2 a well trained workforce for our clean energy future.

3 (3) It is the intent of the legislature that the state will: (a)  
4 Limit and reduce emissions of greenhouse gas consistent with the  
5 emission reductions established in RCW 70.235.020; (b) minimize the  
6 potential to export pollution, jobs, and economic opportunities;  
7 ~~((and))~~ (c) support industry sectors that act as sequesterers of  
8 carbon; and (d) reduce emissions at the lowest cost to Washington's  
9 economy, consumers, and businesses.

10 ~~(4) ((In the event the state elects to participate in a regional~~  
11 ~~multisector market-based system, it is the intent of the legislature~~  
12 ~~that the system will become effective by January 1, 2012, after~~  
13 ~~authority is provided to the department for its implementation. By~~  
14 ~~acting now, Washington businesses and citizens will have adequate~~  
15 ~~time and opportunities to be well positioned to take advantage of the~~  
16 ~~low-carbon economy and to make necessary investments in low-carbon~~  
17 ~~technology.~~

18 ~~(5))~~ It is also the intent of the legislature that the regional  
19 multisector market-based system recognize Washington's unique  
20 emissions and sequestration portfolio, including the ~~((state's))~~: (a)  
21 State's hydroelectric system~~((, the))~~; (b) opportunities presented by  
22 Washington's abundant forest resources and the associated forest  
23 products industry, and aquatic and agriculture land~~((,))~~; and ~~((the))~~  
24 (c) state's leadership in energy efficiency and the actions it has  
25 already taken that have reduced its generation of greenhouse gas  
26 emissions and that entities receive appropriate credit for early  
27 actions to reduce greenhouse gases.

28 ~~((+6))~~ (5) If any revenues that accrue to the state are created  
29 by a market system, they must be used to further the state's efforts  
30 to achieve the goals established in RCW 70.235.020, address the  
31 impacts of global warming on affected habitats, species, and  
32 communities, promote and invest in industry sectors that act as  
33 sequesterers of carbon, and increase investment in the clean energy  
34 economy particularly for communities and workers that have suffered  
35 from heavy job losses and chronic unemployment and underemployment.

36 NEW SECTION. Sec. 3. A new section is added to chapter 70.235  
37 RCW to read as follows:

38 (1)(a) Washington's existing forest products sector, including  
39 public and private working forests and the harvesting,

1 transportation, and manufacturing sectors that enable working forests  
2 to remain on the land and the state to be a global supplier of forest  
3 products, is one of the state's only industrial sectors that  
4 currently operates as a significant net sequesterer of carbon. This  
5 value, which is only provided through the maintenance of an intact  
6 and synergistic industrial sector, is an integral component of the  
7 state's contribution to the global climate response and efforts to  
8 mitigate carbon emissions.

9 (b) Satisfying the goals set forth in RCW 70.235.020 requires  
10 supporting, throughout all of state government, the economic vitality  
11 of the sustainable forest products sector and other business sectors  
12 capable of sequestering and storing carbon. This includes support for  
13 working forests of all sizes, ownerships, and management objectives,  
14 and the necessary manufacturing sectors that support the  
15 transformation of stored carbon into long-lived forest products while  
16 maintaining and enhancing the carbon mitigation benefits of the  
17 forest sector, sustaining rural communities, and providing for  
18 wildlife, clean water, and biodiversity such as provided in chapter  
19 76.09 RCW. Support for the forest sector also ensures the state's  
20 working forests avoid catastrophic wildfire and other similar  
21 disturbances and avoid deforestation to remain on the landscape in  
22 the face of unprecedented conversion pressures.

23 (c) It is the policy of the state to support the synergistic  
24 forest products sector. This includes landowners, mills, bioenergy,  
25 pulp and paper, and the related harvesting and transportation  
26 infrastructure that is necessary for forestland owners to continue  
27 the rotational cycle of carbon capture and sequestration in growing  
28 trees and allows forest products manufacturers to store the captured  
29 carbon in wood products and maintain and enhance the forest sector's  
30 role in mitigating a significant percentage of the state's carbon  
31 emissions while providing other environmental and social benefits and  
32 supporting a strong rural economic base. Policies that support  
33 working forests also allow Washington to have participants in current  
34 and future vibrant private carbon transaction markets, strengthening  
35 the state's role as a valuable contributor to the global carbon  
36 response while supporting one of its largest manufacturing sectors.

37 (d) It is further the policy of the state to utilize carbon  
38 accounting land use, land use change, and forestry reporting  
39 principles consistent with established reporting guidelines, such as

1 those used by the intergovernmental panel on climate change and the  
2 United States' national greenhouse gas reporting inventories.

3 (2) Any state carbon programs must support the policies stated in  
4 this section and recognize the forest products industry's  
5 contribution to the state's climate response.

6 NEW SECTION. **Sec. 4.** A new section is added to chapter 89.08  
7 RCW to read as follows:

8 (1) The forest carbon reforestation and afforestation account is  
9 created in the custody of the state treasurer. All specified state  
10 funding must be deposited into the account, including appropriations  
11 from the general fund, the capital budget, and any specified revenues  
12 from other sources, including policies that establish a price on  
13 carbon or related federal grant programs. The commission may also  
14 deposit into the account any grants, gifts, or donations to the state  
15 for purposes consistent with the allowable uses of the account.  
16 Expenditures from the account may be used only for commission  
17 administrative costs and grants consistent with this section. Only  
18 the executive director of the commission or the executive director's  
19 designee may authorize expenditures from the account. The account is  
20 subject to allotment procedures under chapter 43.88 RCW, but an  
21 appropriation is not required for expenditures.

22 (2) The commission shall use all moneys in the forest carbon  
23 reforestation and afforestation account, less reasonable  
24 administrative overhead costs, as grants to any private landowner,  
25 organization that works with private landowners, nonprofit  
26 organization, local government, Indian tribe, or state agency to  
27 advance the state's carbon sequestration goals outlined in section 3  
28 of this act. All grant awards must be the result of a competitive  
29 process, designed by the commission, that seeks to leverage the  
30 carbon sequestration and storage benefits of the investment.  
31 Allowable grant project types include funding:

32 (a) For reforestation of forestlands after a wildfire or other  
33 disaster for which the landowner was not responsible;

34 (b) For afforestation projects to return fallow land capable of  
35 supporting trees to forestlands;

36 (c) To plant sustainable forested buffers and remove nonnative  
37 invasive species along otherwise nonforested fish bearing streams;  
38 and

39 (d) For urban forest restoration.

1 (3) In addition to administrative costs and grants as provided in  
2 this section, the commission may also use funds in the forest carbon  
3 reforestation and afforestation account to conduct an opportunity  
4 analysis of land in Washington to determine how many acres of  
5 deforested land could be returned to forestlands without decreasing  
6 food production.

7 **Sec. 5.** RCW 43.330.060 and 2010 c 165 s 2 are each amended to  
8 read as follows:

9 (1) (a) The department shall ~~((a)---assist))~~: (i) Assist in  
10 expanding the state's role as an international center of trade,  
11 culture, and finance; ~~((b))~~ (ii) promote and market the state's  
12 products and services both nationally and internationally; ~~((c))~~  
13 (iii) work in close cooperation with other private and public  
14 international trade efforts; ~~((d))~~ (iv) act as a centralized  
15 location for the assimilation and distribution of trade information;  
16 and ~~((e))~~ (v) establish and operate foreign offices promoting  
17 overseas trade and commerce.

18 (b) As part of implementing this subsection, the department shall  
19 contribute to meeting the policies outlined in section 3 of this act  
20 by actively promoting markets for the state's forest products when  
21 doing so maintains or enhances the forest sector's contribution to  
22 climate change mitigation. Promotion of long-lived forest products  
23 includes any products of a synergistic industrial sector necessary  
24 for the support, maintenance, and expansion of the sector.

25 (2) The department shall identify and work with Washington  
26 businesses that can use local, state, and federal assistance to  
27 increase domestic and foreign exports of goods and services.

28 (3) The department shall work generally with small businesses and  
29 other employers to facilitate resolution of siting, regulatory,  
30 expansion, and retention problems. This assistance shall include but  
31 not be limited to assisting in workforce training and infrastructure  
32 needs, identifying and locating suitable business sites, and  
33 resolving problems with government licensing and regulatory  
34 requirements. The department shall identify gaps in needed services  
35 and develop steps to address them including private sector support  
36 and purchase of these services.

37 (4) The department shall work to increase the availability of  
38 capital to small businesses by developing new and flexible investment  
39 tools; by assisting in targeting and improving the efficiency of

1 existing investment mechanisms; and by assisting in the procurement  
2 of managerial and technical assistance necessary to attract potential  
3 investors.

4 (5) The department shall assist women and minority-owned  
5 businesses in overcoming barriers to entrepreneurial success. The  
6 department shall contract with public and private agencies,  
7 institutions, and organizations to conduct entrepreneurial training  
8 courses for minority and women-owned businesses. The instruction  
9 shall be intensive, practical training courses in financing,  
10 marketing, managing, accounting, and recordkeeping for a small  
11 business, with an emphasis on federal, state, local, or private  
12 programs available to assist small businesses. Instruction shall be  
13 offered in major population centers throughout the state at times and  
14 locations that are convenient for minority and women small business  
15 owners.

16 (6) (a) Subject to the availability of amounts appropriated for  
17 this specific purpose, by December 1, 2010, the department, in  
18 conjunction with the small business development center, must prepare  
19 and present to the governor and appropriate legislative committees a  
20 specific, actionable plan to increase access to capital and technical  
21 assistance to small businesses and entrepreneurs beginning with the  
22 2011-2013 biennium. In developing the plan, the department and the  
23 center may consult with the Washington state microenterprise  
24 association, and with other government, nonprofit, and private  
25 organizations as necessary. The plan must identify:

26 (i) Existing sources of capital and technical assistance for  
27 small businesses and entrepreneurs;

28 (ii) Critical gaps and barriers to availability of capital and  
29 delivery of technical assistance to small businesses and  
30 entrepreneurs;

31 (iii) Workable solutions to filling the gaps and removing  
32 barriers identified in (a) (ii) of this subsection; and

33 (iv) The financial resources and statutory changes necessary to  
34 put the plan into effect beginning with the 2011-2013 biennium.

35 (b) With respect to increasing access to capital, the plan must  
36 identify specific, feasible sources of capital and practical  
37 mechanisms for expanding access to it.

38 (c) The department and the center must include, within the  
39 analysis and recommendations in (a) of this subsection, any specific

1 gaps, barriers, and solutions related to rural and low-income  
2 communities and small manufacturers interested in exporting.

--- **END** ---