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SENATE BILL 5391

State of Washington 69th Legislature 2025 Regular Session

By Senators Shewmake, Krishnadasan, Nobles, Saldaña, and Valdez

Read first time 01/21/25. Referred to Committee on Agriculture & Natural Resources.

- AN ACT Relating to the sustainable farms and fields grant
- 2 program; and amending RCW 89.08.615, 89.08.620, and 89.08.630.
- 3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 4 **Sec. 1.** RCW 89.08.615 and 2022 c 180 s 501 are each amended to read as follows:
 - (1) The commission shall develop a sustainable farms and fields grant program in consultation with the department of agriculture, Washington State University, and the United States department of agriculture natural resources conservation service.
- 10 (2) As funding allows, the commission shall distribute funds, as 11 appropriate, to conservation districts and other public entities to 12 help implement the projects approved by the commission.
- 13 (3) No more than 15 percent of the funds may be used by the 14 commission to develop, or to consult or contract with private or 15 public entities, such as universities or conservation districts, to 16 develop:
- 17 (a) An educational public awareness campaign and outreach about 18 the sustainable farm and field program; or
- 19 (b) The grant program, including the production of analytical 20 tools, measurement estimation and verification methods, cost-benefit 21 measurements, and public reporting methods.

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- 1 (4) No more than five percent of the funds may be used by the commission to cover the administrative costs of the program.
 - (5) No more than 20 percent of the funds may be awarded to any single grant applicant.
 - (6) Allowable uses of grant funds include:
- 6 (a) Annual payments to enrolled participants for successfully delivered carbon storage or reduction;
 - (b) Up-front payments for contracted carbon storage;
- 9 (c) Down payments on equipment;

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- (d) Purchases of equipment;
- (e) Purchase of seed, seedlings, spores, animal feed, and amendments;
 - (f) Services to landowners, such as the development of site-specific conservation plans to increase soil organic levels or to increase usage of precision agricultural practices, or design and implementation of best management practices to reduce livestock emissions;
 - (g) ((The purchase of compost spreading equipment, or financial assistance to farmers to purchase compost spreading equipment, for the annual use for at least three years of volumes of compost determined by the commission to be significant from materials composted at a site that is not owned or operated by the farmer;
 - (h))) Scientific studies to evaluate and quantify the greenhouse gas emissions avoided as a result of using crop residues as a biofuel feedstock or to identify management practices that increase the greenhouse gas emissions avoided as a result of using crop residues as a biofuel feedstock;
- $((\frac{1}{2}))$ (h) Efforts to support the farm use of anaerobic digester digestate, including scientific studies, education and outreach to farmers, and the purchase or lease of digestate spreading equipment; and
- $((\frac{(j)}{(j)}))$ (i) Other equipment purchases or financial assistance deemed appropriate by the commission to fulfill the intent of RCW 89.08.610 through 89.08.635.
- 35 (7) Grant applications are eligible for costs associated with 36 technical assistance.
- 37 (8) Conservation districts and other public entities may apply 38 for a single grant from the commission that serves multiple farmers.
- 39 (9) Grant applicants may apply to share equipment purchased with 40 grant funds. Applicants for equipment purchase grants issued under

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this grant program may be farm, ranch, or aquaculture operations coordinating as individual businesses or as formal cooperative ventures serving farm, ranch, or aquaculture operations. Conservation districts, separately or jointly, may also apply for grant funds to operate an equipment sharing program.

- (10) No contract for carbon storage or changes to management practices may exceed 25 years. Grant contracts that include up-front payments for future benefits must be conditioned to include penalties for default due to negligence on the part of the recipient.
- 10 (11) The commission shall attempt to achieve a geographically 11 fair distribution of funds across a broad group of crop types, soil 12 management practices, and farm sizes.
- 13 (12) Any applications involving state lands leased from the 14 department of natural resources must include the department's 15 approval.
- **Sec. 2.** RCW 89.08.620 and 2021 c 278 s 9 are each amended to read as follows:
 - (1) When prioritizing grant recipients, the commission, in consultation with the department of agriculture, Washington State University, the department of fish and wildlife, and the United States department of agriculture natural resources conservation service, shall seek to maximize the benefits of the grant program by leveraging other state, nonstate, public, and private sources of money. The primary metrics used to rank grant applications must be made public by the commission.
 - (2) The grant program must prioritize or weight projects based on consideration of the individual project's ability to:
 - (a) Increase the quantity of organic carbon in topsoil through practices including, but not limited to, cover cropping, no-till and minimum tillage conservation practices, crop rotations, manure application, biochar application, compost application, and changes in grazing management;
 - (b) Increase the quantity of organic carbon in aquatic soils;
 - (c) Intentionally integrate trees, shrubs, seaweed, or other vegetation into management of agricultural and aquacultural lands, with preference for native vegetation where practicable and appropriate;
- 38 (d) Reduce or avoid carbon dioxide equivalent emissions in or 39 from soils;

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- 1 (e) Reduce nitrous oxide and methane emissions through changes to livestock or soil management; ((and))
 - (f) Reduce or avoid carbon dioxide equivalent emissions through increased energy efficiency or reduced fuel use; and
 - (g) Increase usage of precision agricultural practices.

- (3) The commission shall develop and approve a prioritization metric to guide the distribution of funds appropriated by the legislature for this purpose, with the goal of producing costeffective carbon dioxide equivalent impact benefits.
- (4) Applicants that create riparian buffers along waterways, or otherwise benefit fish habitat, must receive an enhanced prioritization compared to other grant applications that perform similarly under the prioritization metrics developed by the commission.
- (5) (a) Applicants that create or maintain pollinator habitat must receive an enhanced prioritization compared to other grant applications that perform similarly under the prioritization metrics developed by the commission.
- (b) For the purposes of this subsection, "pollinator habitat" means an area of land that is or may be developed as habitat beneficial for the feeding, nesting, and reproduction of all pollinators, including honey bees, as determined by the department of agriculture.
- 24 (6) The commission shall downgrade a specific grant proposal 25 within its prioritization metric if the proposal is expected to cause 26 significant environmental damage to fish and wildlife habitat.
- **Sec. 3.** RCW 89.08.630 and 2020 c 351 s 6 are each amended to 28 read as follows:
 - (1) By October 15, 2021, and every two years thereafter, the commission shall report to the legislature and the governor on the performance of the sustainable farms and fields grant program.
 - (2) The commission shall update at least annually a public list of projects and pertinent information including a summary of state and federal funds, private funds spent, landowner and other private cost-share matching expenditures, the total number of projects, and an estimate of carbon sequestered or carbon emissions reduced.
 - (3) ((By July 1, 2024)) Before implementing upfront payments for carbon storage, the commission, in consultation with Washington State University and the University of Washington, must evaluate and update

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the most appropriate carbon equivalency metric to apply to the sustainable farms and fields grant program. Until this equivalency is updated by the commission, or unless the commission identifies a better metric, the commission must initially use a one hundred year storage equivalency that can be linearly annualized to recognize the storage of carbon on an annual basis based on the storage of 3.67 tons of biogenic carbon for one hundred years being assigned a value equal to avoiding one ton of carbon dioxide equivalent emissions.

(4) The grant recipient and other private cost-sharing participants may at their own discretion allow their business or other name to be listed on the public report produced by the commission. All grant recipients must allow anonymized information about the full funding of their project to be made available for public reporting purposes.

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