

**2SSB 5947** - H COMM AMD

By Committee on Capital Budget

**ADOPTED 03/04/2020**

1 Strike everything after the enacting clause and insert the  
2 following:

3 "NEW SECTION. **Sec. 1.** The legislature finds that Washington's  
4 working agricultural lands are essential to the economic and social  
5 well-being of our rural communities and to the state's overall  
6 environment and economy. The legislature further finds that different  
7 challenges and opportunities exist to expand the use of precision  
8 agriculture for different crops in the state by assisting farmers,  
9 ranchers, and aquaculturists to purchase equipment and receive  
10 technical assistance to reduce their operations' carbon footprint  
11 while ensuring that crops and soils receive exactly what they need  
12 for optimum health and productivity. Moreover, the legislature finds  
13 that opportunities exist to enhance soil health through carbon  
14 farming and regenerative agriculture by increasing soil organic  
15 carbon levels while ensuring appropriate carbon to nitrogen ratios,  
16 and to store carbon in standing trees, seaweed, and other vegetation.  
17 Therefore, it is the intent of the legislature to provide cost-  
18 sharing competitive grant opportunities to enable farmers and  
19 ranchers to adopt practices that increase appropriate quantities of  
20 carbon stored in and above their soil and to initiate or expand the  
21 use of precision agriculture on their farms. This act seeks to  
22 leverage and enhance existing state and federal cost-sharing programs  
23 for farm, ranch, and aquaculture operations.

24 NEW SECTION. **Sec. 2.** The definitions in this section apply  
25 throughout this section and sections 3 through 7 of this act unless  
26 the context clearly requires otherwise.

27 (1) "Carbon dioxide equivalent emission" means a metric measure  
28 used to compare the emission impacts from various greenhouse gases  
29 based on their relative radiative forcing effect over a specified  
30 period of time compared to carbon dioxide emissions.

1 (2) "Carbon dioxide equivalent impact" means a metric measure of  
2 the cumulative radiative forcing impacts of both carbon dioxide  
3 equivalent emissions and the radiative forcing benefits of carbon  
4 storage.

5 (3) "Commission" means the Washington state conservation  
6 commission created in this chapter.

7 (4) "Conservation district" means one or a group of Washington  
8 state's conservation districts created in this chapter.

9 NEW SECTION. **Sec. 3.** (1) The commission shall develop a  
10 sustainable farms and fields grant program in consultation with the  
11 department of agriculture, Washington State University, and the  
12 United States department of agriculture natural resources  
13 conservation service.

14 (2) As funding allows, the commission shall distribute funds, as  
15 appropriate, to conservation districts and other public entities to  
16 help implement the projects approved by the commission.

17 (3) No more than fifteen percent of the funds may be used by the  
18 commission to develop, or to consult or contract with private or  
19 public entities, such as universities or conservation districts, to  
20 develop:

21 (a) An educational public awareness campaign and outreach about  
22 the sustainable farm and field program; or

23 (b) The grant program, including the production of analytical  
24 tools, measurement estimation and verification methods, cost-benefit  
25 measurements, and public reporting methods.

26 (4) No more than five percent of the funds may be used by the  
27 commission to cover the administrative costs of the program.

28 (5) No more than twenty percent of the funds may be awarded to  
29 any single grant applicant.

30 (6) Allowable uses of grant funds include:

31 (a) Annual payments to enrolled participants for successfully  
32 delivered carbon storage or reduction;

33 (b) Up-front payments for contracted carbon storage;

34 (c) Down payments on equipment;

35 (d) Purchases of equipment;

36 (e) Purchase of seed, seedlings, spores, animal feed, and  
37 amendments;

38 (f) Services to landowners, such as the development of site-  
39 specific conservation plans to increase soil organic levels or to

1 increase usage of precision agricultural practices, or design and  
2 implementation of best management practices to reduce livestock  
3 emissions; and

4 (g) Other equipment purchases or financial assistance deemed  
5 appropriate by the commission to fulfill the intent of sections 2  
6 through 7 of this act.

7 (7) Grant applications are eligible for costs associated with  
8 technical assistance.

9 (8) Conservation districts and other public entities may apply  
10 for a single grant from the commission that serves multiple farmers.

11 (9) Grant applicants may apply to share equipment purchased with  
12 grant funds. Applicants for equipment purchase grants issued under  
13 this grant program may be farm, ranch, or aquaculture operations  
14 coordinating as individual businesses or as formal cooperative  
15 ventures serving farm, ranch, or aquaculture operations. Conservation  
16 districts, separately or jointly, may also apply for grant funds to  
17 operate an equipment sharing program.

18 (10) No contract for carbon storage or changes to management  
19 practices may exceed twenty-five years. Grant contracts that include  
20 up-front payments for future benefits must be conditioned to include  
21 penalties for default due to negligence on the part of the recipient.

22 (11) The commission shall attempt to achieve a geographically  
23 fair distribution of funds across a broad group of crop types, soil  
24 management practices, and farm sizes.

25 (12) Any applications involving state lands leased from the  
26 department of natural resources must include the department's  
27 approval.

28 NEW SECTION. **Sec. 4.** (1) When prioritizing grant recipients,  
29 the commission, in consultation with the department of agriculture,  
30 Washington State University, and the United States department of  
31 agriculture natural resources conservation service, shall seek to  
32 maximize the benefits of the grant program by leveraging other state,  
33 nonstate, public, and private sources of money. The primary metrics  
34 used to rank grant applications must be made public by the  
35 commission.

36 (2) The grant program must prioritize or weight projects based on  
37 consideration of the individual project's ability to:

38 (a) Increase the quantity of organic carbon in topsoil through  
39 practices including, but not limited to, cover cropping, no-till and

1 minimum tillage conservation practices, crop rotations, manure  
2 application, biochar application, compost application, and changes in  
3 grazing management;

4 (b) Increase the quantity of organic carbon in aquatic soils;

5 (c) Intentionally integrate trees, shrubs, seaweed, or other  
6 vegetation into management of agricultural and aquacultural lands;

7 (d) Reduce or avoid carbon dioxide equivalent emissions in or  
8 from soils;

9 (e) Reduce nitrous oxide and methane emissions through changes to  
10 livestock or soil management; and

11 (f) Increase usage of precision agricultural practices.

12 (3) The commission shall develop and approve a prioritization  
13 metric to guide the distribution of funds appropriated by the  
14 legislature for this purpose, with the goal of producing cost-  
15 effective carbon dioxide equivalent impact benefits.

16 (4) Applicants that create riparian buffers along waterways, or  
17 otherwise benefit fish habitat, must receive an enhanced  
18 prioritization compared to other grant applications that perform  
19 similarly under the prioritization metrics developed by the  
20 commission.

21 (5) The commission shall downgrade a specific grant proposal  
22 within its prioritization metric if the proposal is expected to cause  
23 significant environmental damage to fish and wildlife habitat.

24 NEW SECTION. **Sec. 5.** (1) The commission shall determine methods  
25 for measuring, estimating, and verifying outcomes under the  
26 sustainable farms and fields grant program in consultation with  
27 Washington State University, the department of agriculture, and the  
28 United States department of agriculture natural resources  
29 conservation service.

30 (2) The commission may require that a grant recipient allow the  
31 commission, or contractors hired by the commission, including the  
32 Washington State University extension program, access to the grant  
33 recipient's property, with reasonable notice, to monitor the results  
34 of the project or projects funded by the grant program on the grant  
35 recipient's property.

36 NEW SECTION. **Sec. 6.** (1) By October 15, 2021, and every two  
37 years thereafter, the commission shall report to the legislature and

1 the governor on the performance of the sustainable farms and fields  
2 grant program.

3 (2) The commission shall update at least annually a public list  
4 of projects and pertinent information including a summary of state  
5 and federal funds, private funds spent, landowner and other private  
6 cost-share matching expenditures, the total number of projects, and  
7 an estimate of carbon sequestered or carbon emissions reduced.

8 (3) By July 1, 2024, the commission, in consultation with  
9 Washington State University and the University of Washington, must  
10 evaluate and update the most appropriate carbon equivalency metric to  
11 apply to the sustainable farms and fields grant program. Until this  
12 equivalency is updated by the commission, or unless the commission  
13 identifies a better metric, the commission must initially use a one  
14 hundred year storage equivalency that can be linearly annualized to  
15 recognize the storage of carbon on an annual basis based on the  
16 storage of 3.67 tons of biogenic carbon for one hundred years being  
17 assigned a value equal to avoiding one ton of carbon dioxide  
18 equivalent emissions.

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

25 NEW SECTION. **Sec. 7.** The sustainable farms and fields account  
26 is created in the state treasury. All receipts of money directed to  
27 the account must be deposited in the account. Expenditures from the  
28 account may be used only for purposes relating to the sustainable  
29 farms and fields grant program established in section 3 of this act.  
30 Moneys in the account may be spent only after appropriation.

31 NEW SECTION. **Sec. 8.** Sections 2 through 7 of this act are each  
32 added to chapter 89.08 RCW.

33 NEW SECTION. **Sec. 9.** No public funds shall be awarded as grants  
34 under this act until public funds are appropriated specifically for  
35 the sustainable farms and fields grant program."

36 Correct the title.

EFFECT: Directs the Washington State Conservation Commission (Commission) to develop a Sustainable Farms and Fields Grant Program (Program) in consultation with the Washington State Department of Agriculture (WSDA), Washington State University (WSU), and the Natural Resources Conservation Service (NRCS) within the U.S. Department of Agriculture.

Directs the Commission to develop and approve a prioritization metric to guide the distribution of funds appropriated by the Legislature for this purpose, with the goal of producing cost-effective carbon dioxide equivalent impact benefits.

Establishes the following allowable uses of grant funds from the Program: Annual payments to enrolled participants for successfully delivered carbon storage or reduction;

Up-front payments for contracted carbon storage;

Down payments on equipment;

Purchases of equipment;

Purchase of seed, seedlings, spores, animal feed, and amendments;

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; and

Other equipment purchases or financial assistance deemed appropriate by the Commission.

Establishes funding limits for certain categories of expenses eligible to be funded.

Directs the Commission to determine methods for measuring, estimating, and verifying outcomes under the Program in consultation with WSU, the WSDA, and the NRCS.

Requires all grant recipients to allow anonymized information about the full funding of their project to be made available for public reporting purposes.

Directs the Commission to report to the Legislature by October 15, 2021, and every two years thereafter on the performance of the Program.

Requires the Commission to maintain a public list of projects funded under the Program.

Directs the Commission to consult with WSU and the University of Washington to adopt an appropriate carbon equivalency metric for the Program; until that time, the Commission is directed to use an equivalency that recognizes the storage of 3.67 tons of biogenic carbon for 100 years being assigned a value equal to avoiding one ton of carbon dioxide equivalent emissions.

Creates the Sustainable Farms and Fields Account in the State Treasury.

Provides that no public funds may be awarded as grants under the act unless public funds are appropriated specifically for the Sustainable Farms and Fields Grant Program.

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