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**SUBSTITUTE HOUSE BILL 1899**

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**State of Washington 68th Legislature 2024 Regular Session**

**By** House Local Government (originally sponsored by Representatives Volz, Schmidt, Chapman, Graham, Rule, Leavitt, Waters, Low, Christian, Couture, McClintock, Barnard, Jacobsen, Timmons, Schmick, Dent, Cheney, Sandlin, and Griffey)

AN ACT Relating to facilitating reconstruction of communities damaged or destroyed by wildfires; amending RCW 70A.65.260; adding a new section to chapter 43.31 RCW; and creating a new section.

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

NEW SECTION. **Sec.**  In recent years, devastating wildfires have destroyed homes, businesses, and infrastructure. These wildfires have become more frequent and more destructive due to the effects of climate change. Since the original construction of many of the lost structures, technological advances have made possible more energy efficient buildings, greater use of electric vehicles, and more opportunities to utilize solar energy. The insurance coverage for the destroyed structures, however, may not cover reconstruction utilizing new methods and technologies. As a result, many buildings may be rebuilt in less efficient ways that require greater use of greenhouse gases. These greenhouse gases, in turn, will exacerbate the threat of wildfires.

It is the intent of the legislature to assist in disrupting this cycle. By making grants available to local governments, businesses, and individuals to repair or replace damaged or destroyed buildings in more energy efficient and environmentally friendly ways, the legislature will encourage a more sustainable use of resources and increased climate resilience with resulting environmental benefits for all of the people of the state.

**Sec.**  RCW 70A.65.260 and 2023 c 475 s 939 are each amended to read as follows:

(1) The climate commitment account is created in the state treasury. The account must receive moneys distributed to the account from the climate investment account created in RCW 70A.65.250. Moneys in the account may be spent only after appropriation. Projects, activities, and programs eligible for funding from the account must be physically located in Washington state and include, but are not limited to, the following:

(a) Implementing the working families' tax credit in RCW 82.08.0206;

(b) Supplementing the growth management planning and environmental review fund established in RCW 36.70A.490 for the purpose of making grants or loans to local governments for the purposes set forth in RCW 43.21C.240, 43.21C.031, 36.70A.500, and 36.70A.600, for costs associated with RCW 36.70A.610, and to cover costs associated with the adoption of optional elements of comprehensive plans consistent with RCW 43.21C.420;

(c) Programs, activities, or projects that reduce and mitigate impacts from greenhouse gases and copollutants in overburdened communities, including strengthening the air quality monitoring network to measure, track, and better understand air pollution levels and trends and to inform the analysis, monitoring, and pollution reduction measures required in RCW 70A.65.020;

(d) Programs, activities, or projects that deploy renewable energy resources, such as solar and wind power, and projects to deploy distributed generation, energy storage, demand-side technologies and strategies, and other grid modernization projects;

(e) Programs, activities, or projects that increase the energy efficiency or reduce greenhouse gas emissions of industrial facilities including, but not limited to, proposals to implement combined heat and power, district energy, or on-site renewables, such as solar and wind power, to upgrade the energy efficiency of existing equipment, to reduce process emissions, and to switch to less emissions intensive fuel sources;

(f) Programs, activities, or projects that achieve energy efficiency or emissions reductions in the agricultural sector including:

(i) Fertilizer management;

(ii) Soil management;

(iii) Bioenergy;

(iv) Biofuels;

(v) Grants, rebates, and other financial incentives for agricultural harvesting equipment, heavy duty trucks, agricultural pump engines, tractors, and other equipment used in agricultural operations;

(vi) Grants, loans, or any financial incentives to food processors to implement projects that reduce greenhouse gas emissions;

(vii) Renewable energy projects;

(viii) Farmworker housing weatherization programs;

(ix) Dairy digester research and development;

(x) Alternative manure management; and

(xi) Eligible fund uses under RCW 89.08.615;

(g) Programs, activities, or projects that increase energy efficiency in new and existing buildings, or that promote low carbon architecture, including use of newly emerging alternative building materials that result in a lower carbon footprint in the built environment over the life cycle of the building and component building materials;

(h) Programs, activities, or projects that promote the electrification and decarbonization of new and existing buildings, including residential, commercial, and industrial buildings;

(i) Programs, activities, or projects that improve energy efficiency, including district energy, and investments in market transformation of high efficiency electric appliances and equipment for space and water heating;

(j) Clean energy transition and assistance programs, activities, or projects that assist affected workers or people with lower incomes during the transition to a clean energy economy, or grow and expand clean manufacturing capacity in communities across Washington state including, but not limited to:

(i) Programs, activities, or projects that directly improve energy affordability and reduce the energy burden of people with lower incomes, as well as the higher transportation fuel burden of rural residents, such as bill assistance, energy efficiency, and weatherization programs;

(ii) Community renewable energy projects that allow qualifying participants to own or receive the benefits of those projects at reduced or no cost;

(iii) Programs, activities, or other worker-support projects for bargaining unit and nonsupervisory fossil fuel workers who are affected by the transition away from fossil fuels to a clean energy economy. Worker support may include, but is not limited to: (A) Full wage replacement, health benefits, and pension contributions for every worker within five years of retirement; (B) full wage replacement, health benefits, and pension contributions for every worker with at least one year of service for each year of service up to five years of service; (C) wage insurance for up to five years for workers reemployed who have more than five years of service; (D) up to two years of retraining costs, including tuition and related costs, based on in-state community and technical college costs; (E) peer counseling services during transition; (F) employment placement services, prioritizing employment in the clean energy sector; and (G) relocation expenses;

(iv) Direct investment in workforce development, via technical education, community college, institutions of higher education, apprenticeships, and other programs including, but not limited to:

(A) Initiatives to develop a forest health workforce established under RCW 76.04.521; and

(B) Initiatives to develop new education programs, emerging fields, or jobs pertaining to the clean energy economy;

(v) Transportation, municipal service delivery, and technology investments that increase a community's capacity for clean manufacturing, with an emphasis on communities in greatest need of job creation and economic development and potential for commute reduction;

(k) Programs, activities, or projects that reduce emissions from landfills and waste-to-energy facilities through diversion of organic materials, methane capture or conversion strategies, installation of gas collection devices and gas control systems, monitoring and reporting of methane emissions, or other means, prioritizing funding needed for any activities by local governments to comply with chapter 70A.540 RCW;

(l) Carbon dioxide removal projects, programs, and activities; ((~~and~~))

(m) Activities to support efforts to mitigate and adapt to the effects of climate change affecting Indian tribes, including capital investments in support of the relocation of Indian tribes located in areas at heightened risk due to anticipated sea level rise, flooding, or other disturbances caused by climate change. The legislature intends to dedicate at least $50,000,000 per biennium from the account for purposes of this subsection; and

(n) Providing grants under section 3 of this act for the purpose of assisting individuals, local governments, and businesses rebuilding from losses due to wildfires in meeting current energy code efficiency standards, increasing electric vehicle charging capacity, and increasing solar installations in new or rebuilt buildings.

(2) Moneys in the account may not be used for projects or activities that would violate tribal treaty rights or result in significant long-term damage to critical habitat or ecological functions. Investments from this account must result in long-term environmental benefits and increased resilience to the impacts of climate change.

(3) During the 2023-2025 fiscal biennium, the legislature may appropriate moneys from the climate commitment account for activities related to environmental justice, including implementation of chapter 314, Laws of 2021.

NEW SECTION. **Sec.**  A new section is added to chapter 43.31 RCW to read as follows:

(1) Subject to the availability of amounts appropriated for this specific purpose, the department of commerce shall establish and administer a grant program to provide assistance to qualifying property owners and local governments that had buildings destroyed or damaged in a wildfire after January 1, 2023. The department shall provide, by rule, for a system for the submission and evaluation of grant applications, and for ensuring that the grants are only used for the purposes specified in this section.

(2) Grants may only be awarded to property owners who had buildings damaged or destroyed during a wildfire and that meet the following criteria:

(a) The area in which the building was damaged or destroyed was under a state of emergency declared by the governor or a local government due to wildfires at the time the building was destroyed;

(b) The building that was damaged or destroyed was a residential home, including manufactured homes, a multifamily building, a commercial building, or a public building;

(c) The same type of building as was damaged or destroyed in the wildfire is being constructed or repaired; and

(d) The new or repaired building will comply with all current state building and state energy code requirements in effect at the time of the permit application for the construction or repair.

(3) Grants awarded under this section may only be used for the purpose of meeting increased energy efficiency standards, providing or increasing electric vehicle charging capacity, and the installation and use of solar panels on a building that did not, prior to being damaged or destroyed, utilize solar panels.

(4) The department shall develop criteria for awarding grants under this section, and must prioritize any building that is owned or rented by a low-income to moderate-income household. Thereafter, the department must award grants based upon the amount of energy efficiency, electric vehicle charging capacity, or solar panels installation that will occur, with grants going first to those buildings which will yield the greatest environmental benefits.

(5) For the purposes of this section:

(a) "Increased energy efficiency standards" means energy code standards under chapter 19.27A RCW that have increased between the time the building was originally constructed and the time that it is to be repaired or rebuilt.

(b) "Local government" means a city, town, county, or special purpose district.

(c) "Low-income or moderate-income household" means a single person, family, or unrelated persons living together whose adjusted income is at or below 120 percent of the median household income adjusted for household size, for the county where the household is located, as reported by the United States department of housing and urban development.

(d) "Public building" means a building or building wholly owned and used by a local government.

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