

SENATE BILL REPORT

SB 6355

As Reported by Senate Committee On:
Agriculture, Water, Natural Resources & Parks, February 6, 2020
Ways & Means, February 11, 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: Senators Van De Wege, Short, Takko, King, Mullet, Salomon, Zeiger, Conway, Sheldon, Liias, Warnick, Honeyford and Wagoner.

Brief History:

Committee Activity: Agriculture, Water, Natural Resources & Parks: 1/28/20, 2/06/20 [DPS-WM].

Ways & Means: 2/10/20, 2/11/20 [DPS (AWNPN), w/oRec].

Brief Summary of First Substitute Bill

- Establishes state policy to support the forest products sector's contribution to the state's climate response and its role in carbon sequestration.
- Creates the Forest Carbon Reforestation and Afforestation Account for grants to landowners to advance the state's carbon sequestration goals including reforestation, afforestation, and planting forest buffers in riparian areas.
- Directs the Department of Commerce to promote markets for the state's forest products to assist in meeting the goals of mitigating carbon emissions through carbon sequestration.

SENATE COMMITTEE ON AGRICULTURE, WATER, NATURAL RESOURCES & PARKS

Majority Report: That Substitute Senate Bill No. 6355 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

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.

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.

Signed by Senators Rolfes, Chair; Frockt, Vice Chair, Operating, Capital Lead; Mullet, Capital Budget Cabinet; Braun, Ranking Member; Brown, Assistant Ranking Member, Operating; Honeyford, Assistant Ranking Member, Capital; Becker, Billig, Conway, Dhingra, Hasegawa, Hunt, Keiser, Liias, Muzzall, Pedersen, Rivers, Schoesler, Van De Wege, Wagoner, Warnick and Wilson, L..

Minority Report: That it be referred without recommendation.

Signed by Senator Carlyle.

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 Bill (First Substitute): The role of the forest products sector in carbon sequestration is recognized for its contribution to the state's climate change policy. State policy must support the forest products sector to continue the rotational cycle of carbon sequestration in growing trees and mitigating the state's carbon emissions while providing other environmental benefits. State carbon programs must support policies that recognize the forest products industry's contribution to the state's climate response.

The Forest Carbon Reforestation and Afforestation Account (Account) is created to provide grants to landowners, nonprofits, local governments, tribes, or state agencies to advance the state's carbon sequestration goals including reforestation, afforestation, 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.

The Department of Commerce must promote markets for the state's forest products to assist in meeting the goals of mitigating carbon emissions through carbon sequestration.

EFFECT OF CHANGES MADE BY AGRICULTURE, WATER, NATURAL RESOURCES & PARKS COMMITTEE (First Substitute):

- Adds legislative intent to promote and invest in industry sectors that act as sequesters of carbon.
- Recognizes the opportunities for Washington's emissions and sequestration portfolio including the forests products industry and aquatic lands.
- Specifies that state government should support a sustainable forest products sector and other business sectors capable of sequestering and storing carbon.
- Removes a specific reference to net flux stock change carbon accounting.
- Clarifies that funding for the newly created forest carbon reforestation and afforestation account may come from a variety of sources for grants to nonprofit organizations, local governments, Indian tribes, or state agencies.
- Removes a requirement that grant recipients maintain forested areas for at least 50 years.
- Removes specific reference to the types of products that the Department Commerce must actively promote both nationally and internationally.

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 Original Bill (Agriculture, Water, Natural Resources & Parks): *The committee recommended a different version of the bill than what*

was heard. PRO: Counties receive a portion of the revenues from the harvest of timber, and the forest products industry is critical to rural counties. The forest products industry is a net sequester of carbon and working forests help mitigate climate change. The forest industry is bringing this proposal forward in recognition that carbon sequestration in working forests and the storage in wood products is really good for the environment. The forest products industry needs good markets and the entire sector to create environmentally friendly products. Functioning markets keep forestry on the land. Carbon policies have the potential of disproportionately impacting small rural communities, and this approach helps those rural economies. What other sectors can say they are a net sequester of carbon? We need to recognize the contribution small forest landowners make too.

CON: An old growth forest sequesters more carbon than a managed forest, and also protect water and soil. Conversion of forests to a monoculture, building forest roads and processing timber generates carbon and uses more water.

OTHER: There is a concern that the Department of Commerce would be promoting mass timber products that directly competes against other products. The Conservation Commission would work with landowners through conservation districts to provide grants for reforestation and afforestation, including restoring forests after wildfires. The grant programs in the bill should be aligned with the Department of Natural Resources existing programs, and should be available on state lands. The bill should include reference to full life cycle accounting. How forests are managed does have an impact on carbon storage, for example, having a 70-year rotation results in 50 percent more carbon storage. A carbon tax and pricing scheme would help answer questions about the value of carbon sequestration. There should continue to be discussions on how to improve this proposal and move it forward.

Persons Testifying (Agriculture, Water, Natural Resources & Parks): PRO: Senator Kevin Van De Wege, Prime Sponsor; Paul Jewell, Washington State Association of Counties; Jerrold Bonagofsky, Washington Contract Loggers Association; Jason Callahan, Washington Forest Protection Association; Mark Doumit, Washington Forest Protection Association; Jason Spadaro, SDS Lumber, Stevenson Land Company; Court Stanley, Port Blakley; Edie Sonne-Hall, citizen; Heath Heikkila, American Forest Resource Council; Ken Miller, Washington Farm Forestry Association; Elaine Oneil, Washington Farm Forestry Association.

CON: Tom DeBor, Kitsap Environmental Coalition; Carol Price, Kitsap Environmental Coalition; Margaret Tufft, Kitsap Environmental Coalition; Sherry Pollard, citizen.

OTHER: Mark Streuli, Northwest District Council of Ironworkers; Alison Halpern, Washington State Conservation Commission; Tom Bugert, DNR; Paula Swedeen, Conservation Northwest; Mo McBroom, The Nature Conservancy; Greg Rock, Carbon Washington.

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

Staff Summary of Public Testimony on First Substitute (Ways & Means): PRO: The bill creates more opportunity for forest landowners to demonstrate their ability to sequester carbon. The bill shows support for small forest landowners in what they do for working forest lands.

Persons Testifying (Ways & Means): PRO: Jason Callahan, Washington Forest Protection Association; Heather Hansen, Washington Farm Forestry Association.

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