
SECOND SUBSTITUTE HOUSE BILL 2047

State of Washington

66th Legislature

2019 Regular Session

By House Appropriations (originally sponsored by Representatives Ramos, Springer, Lekanoff, Shewmake, Doglio, Pettigrew, Fitzgibbon, Frame, Chapman, Senn, Tharinger, and Leavitt; by request of Department of Natural Resources)

READ FIRST TIME 03/01/19.

1 AN ACT Relating to carbon sequestration on natural and working
2 lands as part of the state's climate change response; adding a new
3 chapter to Title 79 RCW; creating a new section; and providing
4 expiration dates.

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

6 NEW SECTION. **Sec. 1.** (1) The legislature finds that Washington
7 is one of seventeen states that have formed an alliance, together
8 with nonprofit and industry representatives, to craft a cohesive and
9 states-based approach to climate change. In July of 2018, Washington
10 sent a delegation to formal meetings to liaison with the other states
11 operating under the banner of the United States climate alliance to
12 help formulate a Washington-specific plan for utilizing the carbon
13 sequestration and storage capabilities of its natural and working
14 lands as part of the state's overall response to climate change.
15 Natural and working land types include forests, croplands,
16 rangelands, wetlands, grasslands, aquatic lands, and urban green
17 space.

18 (2) The legislature further finds that areas of immediate
19 opportunity to advance carbon sequestration regarding natural and
20 working lands include:

1 (a) A better understanding of the stocks, flux, and trends of
2 carbon sequestration on natural and working lands and opportunities
3 to improve the efficiency and precision of carbon inventories;

4 (b) Exploring how carbon markets may be expanded and incentivized
5 for Washington landowners; and

6 (c) Exploring how existing federal, state, and private programs
7 can be leveraged, coordinated, and supplemented to achieve carbon
8 beneficial results in natural and working lands.

9 (3) The legislature finds that the department of natural
10 resources has initiated an inventory of carbon stocks, flux, and
11 trends on all forested lands throughout the state. This inventory
12 provides important baseline information related to carbon management
13 on forested lands.

14 NEW SECTION. **Sec. 2.** (1) Subject to the availability of amounts
15 appropriated for this specific purpose, the department of natural
16 resources must build on its existing efforts to conduct baseline
17 inventories of carbon stocks, flux, trends, and emissions across the
18 state's terrestrial and aquatic lands and fill information gaps to
19 develop a more complete inventory of carbon on natural and working
20 lands. This information may include, but is not limited to, the
21 carbon release or sequestration data for:

22 (a) Wood products harvested within the state, utilizing
23 scientifically established methods to assess the residence time of
24 carbon embodied in different types of wood products harvested within
25 the state;

26 (b) Sawmill energy use and emissions, distinguishing when
27 possible among renewable and nonrenewable fuel sources;

28 (c) Land management activities, such as reforestation, thinning
29 forests, or the use of prescribed fire; and

30 (d) Wildfire emissions.

31 (2) By December 1, 2020, and consistent with RCW 43.01.036, the
32 department of natural resources must submit a report to the
33 legislature:

34 (a) Summarizing the results of the inventory required under this
35 section;

36 (b) Assessing any needs to further improve the carbon inventory
37 on natural and working lands;

1 (c) Recommending, if relevant, improvements in carbon inventory
2 activities such as data collection, frequency of inventory and
3 reporting, and inventory methods; and

4 (d) Recommending an appropriate schedule on which the department
5 will update or recomplete the carbon inventory initiated under this
6 section for the purposes of sufficiently identifying stocks, flux,
7 and trends in carbon related to Washington's natural and working
8 lands.

9 NEW SECTION. **Sec. 3.** (1) Subject to the availability of amounts
10 appropriated for this specific purpose, the department of natural
11 resources is directed to serve in a liaison role to assist interested
12 owners of private and other forestland and aquatic lands to connect
13 with existing carbon markets and other incentive-based carbon
14 reducing programs. The department of natural resources is charged
15 with prioritizing its efforts given available resources, which may
16 take the form of the following:

17 (a) Identifying possible carbon market opportunities and other
18 incentive-based carbon reducing programs that Washington landowners
19 may be able to access, including compliance markets run by other
20 states, voluntary markets, and federal, state, and private programs
21 for forestlands that can be leveraged to achieve carbon reductions;

22 (b) Identifying interested and willing landowners in Washington
23 that may qualify for access to an existing carbon market or carbon
24 incentive program, matching these landowners to relevant
25 opportunities, and analyzing voluntary and compliance market interest
26 in forest and aquatic carbon assets;

27 (c) Identifying areas of coordination and layering among state,
28 federal, and private landowner incentive programs and identifying
29 roadblocks to better scalability;

30 (d) Assisting landowners with access to feasibility analyses,
31 market applications, stand inventories, pilot project support, and
32 other services to reduce the transaction costs and barriers to entry
33 to carbon markets or carbon incentive programs;

34 (e) Supporting policies and approaches that increase access and
35 reduce barriers to carbon markets and other incentive-based carbon
36 reducing programs;

37 (f) Developing and, where possible, implementing incentives for
38 participation in carbon markets;

1 (g) Sharing information with private and other landowners about
2 best practices they may employ to increase carbon storage and access
3 to incentive programs; and

4 (h) Other tasks as identified by the department of natural
5 resources as important for maximizing the public benefit achieved
6 through investments in carbon markets or carbon incentives programs.

7 (2) Nothing in the section requires a landowner to:

8 (a) Use the state as a liaison or a resource in pursuing
9 opportunities in carbon markets; or

10 (b) Participate in a carbon market or incentive program.

11 (3) Nothing in the section is intended to change or interfere
12 with landowner property rights.

13 (4) The department of natural resources must issue a final report
14 to the legislature by December 1, 2023, and interim reports by
15 December 1, 2020, and December 1, 2022, consistent with RCW
16 43.01.036, that:

17 (a) Detail the programs related to the implementation of this
18 section;

19 (b) Identify barriers, including costs, to the use of carbon
20 market opportunities and other incentive-based carbon reducing
21 programs;

22 (c) Identify roles public and private entities may serve in
23 connecting landowners to carbon markets;

24 (d) Identify any challenges emerging from an expanded use of
25 carbon markets, including impacts to workforce and infrastructure
26 availability, and makes recommendations to avoid these impacts; and

27 (e) Provide recommendations for maximizing potential public
28 benefits in expanding the use of carbon markets.

29 (5) This section expires June 30, 2024.

30 NEW SECTION. **Sec. 4.** (1)(a) Subject to the availability of
31 amounts appropriated for this specific purpose, the office of the
32 governor and the department of natural resources must form a carbon
33 sequestration advisory group to advise the state on ways to
34 effectively advance and accelerate carbon sequestration throughout
35 the state. In developing the roles and goals of this group, the
36 legislature encourages consideration of the following principles:
37 Urgency to maintain existing long-lived carbon stocks; urgency to
38 make carbon sequestration easier to accomplish; a focus on market
39 efficiency and reducing transactions costs; avoiding unintended

1 consequences; and maintaining a viable forest products and sawmill
2 industry.

3 (b) The office of the governor and the department of natural
4 resources must jointly submit recommendations resulting from the
5 carbon sequestration advisory group to the legislature by December 1,
6 2019, and by December 1st of each even-numbered year thereafter.

7 (2) This section expires June 30, 2025.

8 NEW SECTION. **Sec. 5.** Sections 1 through 4 of this act
9 constitute a new chapter in Title 79 RCW.

10 NEW SECTION. **Sec. 6.** If specific funding for the purposes of
11 this act, referencing this act by bill or chapter number, is not
12 provided by June 30, 2019, in the omnibus appropriations act, this
13 act is null and void.

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