## SECOND SUBSTITUTE SENATE BILL 5947

## AS AMENDED BY THE HOUSE

Passed Legislature - 2020 Regular Session

State of Washington 66th Legislature 2019 Regular Session

By Senate Ways & Means (originally sponsored by Senators McCoy, Schoesler, Palumbo, King, Salomon, and Warnick)

READ FIRST TIME 03/01/19.

- AN ACT Relating to establishing the sustainable farms and fields 1 2 grant program; adding new sections to chapter 89.08 RCW; and creating
- 3 new sections.
- BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON: 4

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

- 1 carbon stored in and above their soil and to initiate or expand the
- 2 use of precision agriculture on their farms. This act seeks to
- 3 leverage and enhance existing state and federal cost-sharing programs
- 4 for farm, ranch, and aquaculture operations.

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- NEW SECTION. Sec. 2. The definitions in this section apply throughout this section and sections 3 through 7 of this act unless the context clearly requires otherwise.
- 8 (1) "Carbon dioxide equivalent emission" means a metric measure 9 used to compare the emission impacts from various greenhouse gases 10 based on their relative radiative forcing effect over a specified 11 period of time compared to carbon dioxide emissions.
- 12 (2) "Carbon dioxide equivalent impact" means a metric measure of 13 the cumulative radiative forcing impacts of both carbon dioxide 14 equivalent emissions and the radiative forcing benefits of carbon 15 storage.
- 16 (3) "Commission" means the Washington state conservation 17 commission created in this chapter.
- 18 (4) "Conservation district" means one or a group of Washington 19 state's conservation districts created in this chapter.
- NEW SECTION. Sec. 3. (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.
  - (2) As funding allows, the commission shall distribute funds, as appropriate, to conservation districts and other public entities to help implement the projects approved by the commission.
  - (3) No more than fifteen percent of the funds may be used by the commission to develop, or to consult or contract with private or public entities, such as universities or conservation districts, to develop:
- 32 (a) An educational public awareness campaign and outreach about 33 the sustainable farm and field program; or
- 34 (b) The grant program, including the production of analytical 35 tools, measurement estimation and verification methods, cost-benefit 36 measurements, and public reporting methods.
- 37 (4) No more than five percent of the funds may be used by the 38 commission to cover the administrative costs of the program.

- 1 (5) No more than twenty percent of the funds may be awarded to any single grant applicant.
  - (6) Allowable uses of grant funds include:
  - (a) Annual payments to enrolled participants for successfully delivered carbon storage or reduction;
    - (b) Up-front payments for contracted carbon storage;
    - (c) Down payments on equipment;
    - (d) Purchases of equipment;

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- 9 (e) Purchase of seed, seedlings, spores, animal feed, and 10 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; and
  - (g) Other equipment purchases or financial assistance deemed appropriate by the commission to fulfill the intent of sections 2 through 7 of this act.
  - (7) Grant applications are eligible for costs associated with technical assistance.
  - (8) Conservation districts and other public entities may apply for a single grant from the commission that serves multiple farmers.
  - (9) Grant applicants may apply to share equipment purchased with grant funds. Applicants for equipment purchase grants issued under 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 twenty-five 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.
  - (11) The commission shall attempt to achieve a geographically fair distribution of funds across a broad group of crop types, soil management practices, and farm sizes.
- 37 (12) Any applications involving state lands leased from the 38 department of natural resources must include the department's 39 approval.

- 1 <u>NEW SECTION.</u> **Sec. 4.** (1) When prioritizing grant recipients, the commission, in consultation with the department of agriculture, 2 Washington State University, and the United States department of 3 agriculture natural resources conservation service, shall seek to 4 maximize the benefits of the grant program by leveraging other state, 5 6 nonstate, public, and private sources of money. The primary metrics 7 used to rank grant applications must be made public by the commission. 8
- 9 (2) The grant program must prioritize or weight projects based on 10 consideration of the individual project's ability to:

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- (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;
- 19 (d) Reduce or avoid carbon dioxide equivalent emissions in or 20 from soils;
- (e) Reduce nitrous oxide and methane emissions through changes to livestock or soil management; and
  - (f) 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 cost-effective 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.
- 33 (5) The commission shall downgrade a specific grant proposal 34 within its prioritization metric if the proposal is expected to cause 35 significant environmental damage to fish and wildlife habitat.
- NEW SECTION. Sec. 5. (1) The commission shall determine methods for measuring, estimating, and verifying outcomes under the sustainable farms and fields grant program in consultation with Washington State University, the department of agriculture, and the

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1 United States department of agriculture natural resources 2 conservation service.

- (2) The commission may require that a grant recipient allow the commission, or contractors hired by the commission, including the Washington State University extension program, access to the grant recipient's property, with reasonable notice, to monitor the results of the project or projects funded by the grant program on the grant recipient's property.
- 9 <u>NEW SECTION.</u> **Sec. 6.** (1) By October 15, 2021, and every two 10 years thereafter, the commission shall report to the legislature and 11 the governor on the performance of the sustainable farms and fields 12 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, the commission, in consultation with Washington State University and the University of Washington, must evaluate and update 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.
- NEW SECTION. Sec. 7. The sustainable farms and fields account is created in the state treasury. All receipts of money directed to the account must be deposited in the account. Expenditures from the account may be used only for purposes relating to the sustainable

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- 1 farms and fields grant program established in section 3 of this act.
- 2 Moneys in the account may be spent only after appropriation.
- 3 <u>NEW SECTION.</u> **Sec. 8.** Sections 2 through 7 of this act are each
- 4 added to chapter 89.08 RCW.
- 5 <u>NEW SECTION.</u> **Sec. 9.** No public funds shall be awarded as grants
- 6 under this act until public funds are appropriated specifically for
- 7 the sustainable farms and fields grant program.

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