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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)

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

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

5 NEW SECTION. **Sec. 1.** In recent years, devastating wildfires  
6 have destroyed homes, businesses, and infrastructure. These wildfires  
7 have become more frequent and more destructive due to the effects of  
8 climate change. Since the original construction of many of the lost  
9 structures, technological advances have made possible more energy  
10 efficient buildings, greater use of electric vehicles, and more  
11 opportunities to utilize solar energy. The insurance coverage for the  
12 destroyed structures, however, may not cover reconstruction utilizing  
13 new methods and technologies. As a result, many buildings may be  
14 rebuilt in less efficient ways that require greater use of greenhouse  
15 gases. These greenhouse gases, in turn, will exacerbate the threat of  
16 wildfires.

17 It is the intent of the legislature to assist in disrupting this  
18 cycle. By making grants available to local governments, businesses,  
19 and individuals to repair or replace damaged or destroyed buildings  
20 in more energy efficient and environmentally friendly ways, the  
21 legislature will encourage a more sustainable use of resources and

1 increased climate resilience with resulting environmental benefits  
2 for all of the people of the state.

3 **Sec. 2.** RCW 70A.65.260 and 2023 c 475 s 939 are each amended to  
4 read as follows:

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

12 (a) Implementing the working families' tax credit in RCW  
13 82.08.0206;

14 (b) Supplementing the growth management planning and  
15 environmental review fund established in RCW 36.70A.490 for the  
16 purpose of making grants or loans to local governments for the  
17 purposes set forth in RCW 43.21C.240, 43.21C.031, 36.70A.500, and  
18 36.70A.600, for costs associated with RCW 36.70A.610, and to cover  
19 costs associated with the adoption of optional elements of  
20 comprehensive plans consistent with RCW 43.21C.420;

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

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

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

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

4 (i) Fertilizer management;

5 (ii) Soil management;

6 (iii) Bioenergy;

7 (iv) Biofuels;

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

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

15 (vii) Renewable energy projects;

16 (viii) Farmworker housing weatherization programs;

17 (ix) Dairy digester research and development;

18 (x) Alternative manure management; and

19 (xi) Eligible fund uses under RCW 89.08.615;

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

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

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

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

38 (i) Programs, activities, or projects that directly improve  
39 energy affordability and reduce the energy burden of people with  
40 lower incomes, as well as the higher transportation fuel burden of

1 rural residents, such as bill assistance, energy efficiency, and  
2 weatherization programs;

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

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

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

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

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

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

33 (k) Programs, activities, or projects that reduce emissions from  
34 landfills and waste-to-energy facilities through diversion of organic  
35 materials, methane capture or conversion strategies, installation of  
36 gas collection devices and gas control systems, monitoring and  
37 reporting of methane emissions, or other means, prioritizing funding  
38 needed for any activities by local governments to comply with chapter  
39 70A.540 RCW;

1 (1) Carbon dioxide removal projects, programs, and activities;  
2 ((and))

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

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

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

22 (3) During the 2023-2025 fiscal biennium, the legislature may  
23 appropriate moneys from the climate commitment account for activities  
24 related to environmental justice, including implementation of chapter  
25 314, Laws of 2021.

26 NEW SECTION. Sec. 3. A new section is added to chapter 43.31  
27 RCW to read as follows:

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

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

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

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

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

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

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

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

24 (5) For the purposes of this section:

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

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

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

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

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