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HOUSE BILL 2095

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State of Washington

66th Legislature

2019 Regular Session

By Representatives Walsh, Shewmake, Dye, Springer, Shea, and Peterson

1 AN ACT Relating to establishing the sustainable farms and fields  
2 grant program; and adding new sections to chapter 43.23 RCW.

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

4 NEW SECTION. **Sec. 1.** FINDINGS. The legislature finds and  
5 declares that Washington's working farms and ranches are integral to  
6 the state's environment and economy. The legislature further finds  
7 that opportunities exist to reduce fossil-fuel energy usage on farms  
8 and ranches, including that which is embedded in fertilizers,  
9 pesticides, and pumped water. Reducing fossil fuel use on farms and  
10 ranches will reduce local and global pollution while helping farmers  
11 and ranchers save money. Moreover, the legislature finds that  
12 opportunities exist to enhance soil health by adopting regenerative  
13 agriculture management practices that increase soil organic carbon  
14 levels, and to store carbon in standing trees. It is therefore the  
15 intent of the legislature to provide financial assistance to farmers  
16 and ranchers who adopt practices that reduce fossil fuel inputs in  
17 their operations and increase the quantity of carbon stored on their  
18 land.

19 NEW SECTION. **Sec. 2.** ELIGIBLE ACTIVITIES. (1) The department  
20 shall develop, in consultation with the state conservation

1 commission, Washington State University, and the United States  
2 department of agriculture natural resources conservation service, a  
3 sustainable farms and fields grant program through rule making under  
4 chapter 34.05 RCW.

5 (2) The following activities must be included as activities which  
6 are eligible for grant funding under the sustainable farms and fields  
7 grant program:

8 (a) On-farm fossil fuel input efficiency measures:

9 (i) Any activity or technology that reduces the quantity of fuel  
10 or electricity used per unit of agricultural output;

11 (ii) Any activity or technology that reduces the quantity of  
12 water used per unit of agricultural output;

13 (iii) Any activity or technology that reduces the quantity of  
14 fossil fuel-based fertilizer used per unit of agricultural output;  
15 and

16 (iv) Any activity or technology that reduces the quantity of  
17 fossil fuel-based pesticides used per unit of agricultural output;

18 (b) Agroforestry: The addition of new trees, which do not produce  
19 fruit, to a prairie or agricultural landscape, with a priority given  
20 to creating new riparian buffers along waterways; and

21 (c) Carbon farming: Any activity or technology that increases the  
22 quantity of organic carbon in top soil, such as cover cropping, no-  
23 till or low-till practices, manure application, biochar application,  
24 or changes in grazing practices.

25 (3) Sustainable farms and fields grant funding may not be awarded  
26 to fund activities on lands that are participating in a land  
27 retirement program. This subsection does not apply to agroforestry.

28 (4) Sustainable farms and fields grant funding may not be awarded  
29 to fund activities on commercial working forest land.

30 (5) Sustainable farms and fields grant funding may not be awarded  
31 to fund ocean-based aquaculture or blue carbon practices.

32 (6) The department shall ensure, to the extent practicable based  
33 on grant applications received, that roughly twenty percent of  
34 available funding is awarded to each of the categories under  
35 subsection (2)(a) through (c) of this section. The remaining  
36 available funding should be awarded to the most effective projects,  
37 as determined by the department, regardless of category.

38 (7) The department shall consult with the department of commerce  
39 and department of ecology before offering a sustainable farms and  
40 fields grant to an applicant.

1        NEW SECTION.    **Sec. 3.**    USE OF FUNDS. (1) When prioritizing grant  
2 recipients, the department, in consultation with the state  
3 conservation commission, Washington State University, the United  
4 States department of agriculture natural resource conservation  
5 service, and the department of natural resources, shall seek to  
6 maximize the total reduction in atmospheric carbon dioxide  
7 equivalents per dollar awarded by leveraging other nonstate public or  
8 private funding. For the purpose of prioritizing grant recipients,  
9 and for the purpose of the report required under section 5 of this  
10 act, storing one ton of carbon dioxide equivalents in soil or  
11 standing trees for one hundred years must be assigned a value equal  
12 to avoiding one ton of carbon dioxide equivalents emissions. Carbon  
13 dioxide equivalents stored for less than one hundred years must be  
14 annualized linearly with one-ton year of carbon dioxide equivalents  
15 storage having one-hundredth the relative value as the emission of  
16 one ton of carbon dioxide equivalents.

17        (2) Sustainable farms and fields grant funding may be applied  
18 towards down payments on equipment or other types of loans.

19        (3) The department may award up to twenty percent of available  
20 sustainable farms and fields grant funds to projects that are  
21 primarily related to watershed protection, or which contribute to the  
22 development of research or a new industry in Washington, even if such  
23 projects would not otherwise qualify for funding by maximizing the  
24 total reduction in atmospheric carbon dioxide equivalent per dollar  
25 awarded.

26        (4) Five percent of available funds, or as much thereof as may be  
27 necessary, must be spent by the department each fiscal year to create  
28 educational campaigns that raise awareness about the sustainable  
29 farms and fields grant program. The department may spend up to fifty  
30 percent of any unused funds in a single fiscal year for such  
31 educational campaigns.

32        (5) Up to ten percent of available funds may be spent by the  
33 department to provide technical assistance to grant applicants in  
34 cooperation with the state conservation commission, Washington State  
35 University, the United States department of agriculture natural  
36 resources conservation service, and the department of natural  
37 resources or other similar entities.

38        (6) Up to five percent of available funds may be used by the  
39 department to cover the cost of administering the sustainable farms  
40 and fields grant program.

1 (7) For the first five years appropriations are received, up to  
2 five percent of available funds may be used to develop programs and  
3 models to assist with the grant prioritization process of the  
4 sustainable farms and fields grant program.

5 (8) The department shall make reasonable efforts to award at  
6 least eighty percent of funds made available for sustainable farms  
7 and fields grants each fiscal year. If funds are not fully awarded  
8 during a fiscal year due to the lack of qualified applicants, unused  
9 funds may be carried over to the next fiscal year and awarded to  
10 eligible grant applicants in that year.

11 (9) In the rules adopted under this chapter, the department shall  
12 establish procedures for determining whether a grant recipient is  
13 required to enter into a short-term, long-term, perpetual, or no-time  
14 commitment contract as a condition for receiving a grant.

15 (10) Grants awarded for carbon farming activities with an  
16 uncertain storage life may include ongoing annual payments for the  
17 previous year's storage, or upfront cumulative payments based on the  
18 expected storage in future years. Grants that include upfront  
19 payments for future benefits must be conditioned to include penalties  
20 for default due to negligence on the part of the recipient.

21 (11) The department may require that a grant recipient allow  
22 access to the property, with reasonable notice, to monitor the  
23 impacts of the project. All grant recipients shall allow information  
24 about their projects to be made available to the public. The  
25 department shall maintain a public list of all grant recipients, and  
26 other pertinent information, including total state dollars spent or  
27 borrowed, and total atmospheric carbon dioxide equivalents emissions  
28 impact.

29 NEW SECTION. **Sec. 4.** VERIFICATION. In the rules adopted under  
30 this chapter, the department shall determine methods in consultation  
31 with Washington State University, the state conservation commission,  
32 the United States department of agriculture natural resources  
33 conservation service, and the department of natural resources for  
34 estimating, measuring, and verifying outcomes under the sustainable  
35 farms and fields program. The rules should distinguish between small  
36 and large commercial farm and field businesses. Small commercial farm  
37 and field businesses must be subject to lesser scrutiny regarding  
38 estimation, measurement, and verification. After the first year of  
39 the sustainable farms and fields grant program, large commercial farm

1 and field businesses must be subject to greater scrutiny regarding  
2 estimation, measurement, and verification, which must include ongoing  
3 monitoring and recording of energy, fertilizer, pesticides, and soil  
4 sampling. The department must consider how other models, including  
5 those used or created by federal agencies, can be combined with data  
6 from such sources as utility reports, equipment specifications, and  
7 other available data to determine emissions reduction benefits. The  
8 department must also consider how technical assistance may be made  
9 available to small commercial farm and field businesses for the  
10 purpose of estimation, measurement, and verification.

11 NEW SECTION. **Sec. 5.** REPORT. The department shall biennially  
12 report to the legislature on the performance of the sustainable farms  
13 and fields grant program. The report must document the nonstate  
14 matching funds that were used by sustainable farms and fields grant  
15 recipients; the total state dollars awarded under the program; the  
16 total state dollars spent on providing technical assistance,  
17 education campaigns, and administration; the quantity of carbon  
18 dioxide equivalents emissions avoided; the quantity of carbon stored  
19 for carbon farming projects; and the total atmospheric carbon dioxide  
20 equivalents emissions impact of all activities funded under the grant  
21 program to date and expected over the life of each project by grant  
22 category.

23 NEW SECTION. **Sec. 6.** ACCOUNT. The sustainable farms and fields  
24 account is created in the state treasury. All receipts of money  
25 directed to the account must be deposited in the account.  
26 Expenditures from the account may be used only for purposes relating  
27 to the sustainable farms and fields grant program established in this  
28 chapter. Moneys in the account may be spent only after appropriation.

29 NEW SECTION. **Sec. 7.** Sections 1 through 6 of this act are each  
30 added to chapter 43.23 RCW.

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