

D R A F T

SUMMARY

Establishes state policy to increase carbon sequestration in natural and working lands and waters. Requires certain agencies to monitor progress implementing state carbon sequestration policy and report findings to Oregon Global Warming Commission.

Directs commission to appoint natural and working lands and waters advisory committee.

Directs Institute for Natural Resources to develop net natural and working lands and waters carbon sequestration inventory.

Directs certain agencies to prepare 2010 to 2019 carbon sequestration baseline and activity-based metrics and community impact metrics for carbon sequestration in natural and working lands and waters. Directs commission to accept or modify metrics and submit report, providing adopted metrics and recommendations for legislation, to interim committees of Legislative Assembly related to environment no later than September 15, 2023.

Directs Institute for Natural Resources to study workforce and economic development potential of strategies to increase carbon sequestration in natural and working lands and waters and provide results to committees of Legislative Assembly related to environment no later than March 15, 2023.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

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Relating to biological carbon sequestration; creating new provisions; amending ORS 468A.260; and prescribing an effective date.

Whereas Oregon's forests and other natural and working lands and waters are among the world's most productive carbon sinks in the world; and

Whereas Oregon's natural and working lands and waters should be managed to be the most resilient and robust climate sink we can achieve while maintaining the health of our economy and communities and enhancing social equity and quality of life for all Oregonians; and

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 Whereas implementing climate-smart agriculture, forestry and conserva-
2 tion practices can increase resilient carbon stocks in vegetation and soils in
3 Oregon’s natural and working lands and waters and through the products
4 they produce; and

5 Whereas climate-smart agriculture, forestry and conservation practices
6 can provide significant benefits, including improvements in soil productivity
7 and moisture holding capacity, improvements in fish and wildlife habitat,
8 protection of communities from storm surges and flooding, protection for
9 drinking water sources, a reduction of urban heat islands and improved air
10 quality, creation of natural resources jobs, climate mitigation, generation of
11 increased revenue for private land managers and improvements to people’s
12 quality of life; and

13 Whereas because there may be costs and a need for technical assistance
14 for land managers interested in adopting climate-smart agriculture, forestry
15 and conservation practices, the state can help through investments in in-
16 centives and technical assistance; now, therefore,

17 **Be It Enacted by the People of the State of Oregon:**

18 **SECTION 1. As used in sections 1 to 5 of this 2022 Act:**

19 **(1) “Environmental justice communities” means communities of**
20 **color, communities experiencing lower incomes, tribal communities,**
21 **rural communities, communities with limited infrastructure and other**
22 **communities traditionally underrepresented in public processes and**
23 **adversely harmed by environmental and health hazards, including**
24 **seniors, youth and persons with disabilities.**

25 **(2) “Natural and working lands and waters” means:**

26 **(a) Lands and waters:**

27 **(A) Actively used by an agricultural owner or operator for an agri-**
28 **cultural operation, including but not limited to active engagement in**
29 **farming or ranching;**

30 **(B) Producing forest products;**

31 **(C) Consisting of forests, woodlands, grasslands, sagebrush steppes,**

1 deserts, freshwater and riparian systems, wetlands, coastal and
2 estuarine areas, the submerged and submersible lands within Oregon's
3 territorial sea, watersheds, wildlands or wildlife habitats;

4 (D) Used for recreational purposes, including, but not limited to,
5 parks, trails, greenbelts and other similar open space lands; or

6 (E) Consisting of trees, other vegetation and soils in urban and
7 near-urban areas, including, but not limited to, urban watersheds,
8 street trees, park trees, residential trees and riparian habitats; and

9 (b) Lands and waters described in paragraph (a) of this subsection
10 that are:

11 (A) Held in trust by the United States for the benefit of any of the
12 nine federally recognized Indian tribes in this state;

13 (B) Held in trust by the United States for the benefit of individual
14 members of any of the nine federally recognized Indian tribes in this
15 state;

16 (C) Within the boundaries of the reservation of any of the nine
17 federally recognized Indian tribes in this state; or

18 (D) Otherwise owned or controlled by any of the nine federally re-
19 cognized Indian tribes in this state.

20 SECTION 2. (1) The Legislative Assembly declares that it is the
21 policy of this state to increase carbon sequestration in, and the
22 resilience of, natural and working lands and waters of this state. It is
23 further the policy of this state that, when implementing strategies to
24 advance carbon sequestration in natural and working lands and wa-
25 ters, state and local government bodies shall:

26 (a) Consider the benefits of carbon sequestration strategies for en-
27 vironmental justice communities;

28 (b) Incorporate the interests of landowners, land managers and
29 communities;

30 (c) Ensure that a diversity of landowners and managers are able to
31 participate in incentive-based programs for carbon sequestration;

1 (d) Ensure that strategies and programs for carbon sequestration
2 provide meaningful climate benefits; and

3 (e) Seek societal and economic benefits, in addition to carbon
4 sequestration, as relevant to achieving other state goals.

5 (2) State and local government bodies are encouraged to use metrics
6 designed to track progress in implementing strategies to increase
7 carbon sequestration in natural and working lands and waters and use
8 metrics to measure the benefits and burdens on communities associ-
9 ated with strategies for carbon sequestration in natural and working
10 lands and waters.

11 **SECTION 3.** (1) The Oregon Global Warming Commission shall ap-
12 point a natural and working lands and waters advisory committee to
13 advise the commission in the performance of the commission's duties
14 related to natural and working lands and waters.

15 (2) The advisory committee shall consist of at least 14 members,
16 including but not limited to representatives of:

- 17 (a) Tribal governments;
- 18 (b) Local governments;
- 19 (c) The forestry industry;
- 20 (d) The agricultural industry;
- 21 (e) Environmental justice organizations;
- 22 (f) Conservation organizations; and
- 23 (g) Technical service providers.

24 (3) The Institute for Natural Resources shall provide staff support
25 for the committee. The institute may contract with a third party to
26 provide staff support services under this subsection.

27 **SECTION 4.** The State Forestry Department, the State Department
28 of Agriculture, the Oregon Watershed Enhancement Board and the
29 Department of Land Conservation and Development shall monitor
30 each respective agency's progress in advancing the policies described
31 in section 2 of this 2022 Act and report the agency's findings to the

1 **Oregon Global Warming Commission no later than August 1 of each**
2 **even-numbered year.**

3 **SECTION 5. (1) The Institute for Natural Resources, in coordination**
4 **with the State Department of Energy and the Oregon Global Warming**
5 **Commission, shall, in consultation with the State Forestry Depart-**
6 **ment, the State Department of Agriculture, the Oregon Watershed**
7 **Enhancement Board, the Department of State Lands, the Department**
8 **of Land Conservation and Development and federal land management**
9 **partners, develop a natural and working lands and waters carbon**
10 **sequestration inventory. The inventory must:**

11 **(a) Be based on the best available field-based and remote sensing**
12 **data on carbon sequestration; and**

13 **(b) To the greatest extent possible, be developed using methods**
14 **consistent with methods used to assess greenhouse gas fluxes related**
15 **to land use, land change and forestry for the United States Environ-**
16 **mental Protection Agency’s Inventory of U.S. Greenhouse Gas Emis-**
17 **sions and Sinks.**

18 **(2) The State Department of Energy shall update the inventory and**
19 **submit a report describing the inventory to the Oregon Global Warm-**
20 **ing Commission no later than August 1 of each even-numbered year.**

21 **SECTION 6. (1) As used in this section, “natural and working lands**
22 **and waters” has the meaning given that term in section 1 of this 2022**
23 **Act.**

24 **(2) The Institute for Natural Resources, in coordination with the**
25 **Oregon Global Warming Commission, shall jointly with the State**
26 **Forestry Department, the State Department of Agriculture, the**
27 **Oregon Watershed Enhancement Board, the Department of State**
28 **Lands and the Department of Land Conservation and Development,**
29 **and in consultation with federal land management partners, develop:**

30 **(a) A 2010 to 2019 carbon sequestration baseline for natural and**
31 **working lands and waters;**

1 (b) Recommendations for activity-based metrics in accordance with
2 subsection (3) of this section; and

3 (c) Recommendations for community impact metrics in accordance
4 with subsection (4) of this section.

5 (3) Activity-based metrics must be designed to evaluate progress
6 toward increasing carbon sequestration in natural and working lands
7 and waters, as measured against the 2010 to 2019 carbon sequestration
8 baseline. Activity-based metrics may include, but need not be limited
9 to, acres of lands or waters for which certain management practices
10 have been adopted or acres of lands or waters that represent an in-
11 crease in natural and working lands and waters.

12 (4) Community impact metrics must be designed to evaluate the
13 benefits and burdens, for communities, associated with strategies for
14 carbon sequestration in natural and working lands and waters. Com-
15 munity impact metrics may include, but need not be limited to, met-
16 rics to measure the effects of carbon sequestration strategies on jobs,
17 local economies, environmental integrity and public health and met-
18 rics to evaluate the accessibility of carbon sequestration programs.

19 (5) The Institute for Natural Resources, in coordination with the
20 agencies described in subsection (2) of this section, shall provide the
21 2010 to 2019 carbon sequestration baseline and draft recommendations
22 for activity-based metrics and community impact metrics developed
23 under this section to the Oregon Global Warming Commission no later
24 than April 30, 2023.

25 SECTION 7. The Oregon Global Warming Commission, after con-
26 sultation with the natural and working lands and waters advisory
27 committee appointed under section 3 of this 2022 Act, shall accept or
28 modify the draft activity-based metrics and community impact metrics
29 recommended to the commission under section 6 of this 2022 Act. The
30 commission shall report the activity-based metrics and community
31 impact metrics adopted by the commission, including recommen-

1 **dations for legislation, in the manner provided under ORS 192.245 to**
2 **the interim committees of the Legislative Assembly related to the en-**
3 **vironment no later than September 15, 2023.**

4 **SECTION 8. (1) As used in this section:**

5 **(a) “Climate-smart agriculture, forestry and conservation**
6 **practices” means practices that protect and restore resilient carbon**
7 **stocks in native ecosystems and increase resilient carbon stocks in**
8 **vegetation and soils in natural and working lands and waters.**

9 **(b) “Natural and working lands and waters” has the meaning given**
10 **that term in section 1 of this 2022 Act.**

11 **(2) The Institute for Natural Resources shall study the workforce**
12 **and economic development potential of strategies to increase carbon**
13 **sequestration in natural and working lands and waters. The study**
14 **shall include an evaluation of the need for expanding programs for**
15 **climate-smart agriculture, forestry and conservation practices, in-**
16 **cluding but not limited to an assessment of:**

17 **(a) Costs and benefits of different natural and working lands and**
18 **waters carbon sequestration strategies;**

19 **(b) Potential benefits to the state from expanding the adoption of**
20 **climate-smart agriculture, forestry and conservation practices, in-**
21 **cluding but not limited to improving social equity, the economy,**
22 **health outcomes, jobs, resilience to climate change, producer income**
23 **and fish and wildlife habitats;**

24 **(c) Expansion of technical assistance provider capacity; and**

25 **(d) Expansion or modifications of training programs for technical**
26 **assistance providers.**

27 **(3) The Institute for Natural Resources shall provide the results of**
28 **the study, and may include recommendations for legislation, in a re-**
29 **port to the committees of the Legislative Assembly related to the en-**
30 **vironment in the manner provided under ORS 192.245 no later than**
31 **March 15, 2023.**

1 **SECTION 9.** (1) Notwithstanding section 4 of this 2022 Act, the re-
2 ports by agencies to the Oregon Global Warming Commission under
3 section 4 of this 2022 Act are first due no later than August 1, 2024.

4 (2) Notwithstanding section 5 of this 2022 Act, the report by the
5 State Department of Energy to the Oregon Global Warming Commis-
6 sion under section 5 of this 2022 Act is first due no later than April 30,
7 2024.

8 **SECTION 10.** Sections 6 to 9 of this 2022 Act are repealed on Janu-
9 ary 2, 2025.

10 **SECTION 11.** ORS 468A.260 is amended to read:

11 468A.260. (1) The Oregon Global Warming Commission shall submit a re-
12 port to the Legislative Assembly, in the manner provided by ORS 192.245,
13 by [*March 31*] **September 15** of each odd-numbered year that describes
14 Oregon’s progress toward achievement of the greenhouse gas emissions re-
15 duction goals established by ORS 468A.205. The report may include relevant
16 issues and trends of significance, including trends of greenhouse gas emis-
17 sions, emerging public policy and technological advances. The report also
18 may discuss measures the state may adopt to mitigate the impacts of global
19 warming on the environment, the economy and the residents of Oregon and
20 to prepare for those impacts.

21 (2) **The commission shall include in the report under subsection (1)**
22 **of this section a description of the activities in furtherance of the**
23 **policies for carbon sequestration in natural and working lands and**
24 **waters described in section 2 of this 2022 Act that were taken by the**
25 **commission or reported to the commission under section 4 of this 2022**
26 **Act.**

27 **SECTION 12.** This 2022 Act takes effect on the 91st day after the
28 date on which the 2022 regular session of the Eighty-first Legislative
29 Assembly adjourns sine die.