

A-Engrossed
Senate Bill 1534

Ordered by the Senate February 14
Including Senate Amendments dated February 14

Printed pursuant to Senate Interim Rule 213.28 by order of the President of the Senate in conformance with pre-session filing rules, indicating neither advocacy nor opposition on the part of the President (at the request of Senate Interim Committee on Natural Resources and Wildfire Recovery)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

Establishes state policy to increase **net** carbon sequestration **and storage** in natural and working lands [*and waters*]. Requires certain agencies to monitor progress [*implementing*] **advancing** state **net** carbon sequestration **and storage** 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*] **certain agencies** to develop [*net*] natural and working lands [*and waters*] **net** carbon sequestration **and storage** inventory.

Directs certain agencies to prepare [*2010 to 2019*] **net** carbon sequestration **and storage** baseline and activity-based metrics and community impact metrics for **net** carbon sequestration **and storage** 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, **in coordination with commission**, to study workforce and economic development potential of strategies to increase **net** carbon sequestration **and storage** in natural and working lands [*and waters*] and provide results to committees of Legislative Assembly related to environment no later than [*March*] **April** 15, 2023.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to biological carbon sequestration; creating new provisions; amending ORS 468A.260; and
3 prescribing an effective date.

4 Whereas Oregon's forests and other natural and working lands are among the world's most
5 productive net carbon sinks; and

6 Whereas Oregon's natural and working lands should be managed to be the most resilient and
7 robust net carbon sink we can achieve while maintaining the health of our economy and communi-
8 ties and enhancing social equity and quality of life for all Oregonians; and

9 Whereas implementing climate-smart agriculture, forestry and conservation practices can in-
10 crease resilient net carbon stocks in vegetation and soils in Oregon's natural and working lands and
11 through the products they produce; and

12 Whereas climate-smart agriculture, forestry and conservation practices can provide significant
13 benefits, including improvements in soil productivity and moisture-holding capacity, improvements
14 in fish and wildlife habitat, protection of communities from storm surges and flooding, protection for
15 drinking water sources, a reduction of urban heat islands and improved air quality, creation of na-
16 tural resources jobs, climate mitigation, generation of increased revenue for private land managers
17 and improvements to people's quality of life; and

18 Whereas because there may be costs and a need for technical assistance for land managers in-

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 terested in adopting climate-smart agriculture, forestry and conservation practices, the state can
2 help through investments in incentives and technical assistance; now, therefore,

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

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

5 (1) **“Environmental justice communities” means communities of color, communities ex-**
6 **periencing lower incomes, tribal communities, rural communities, communities with limited**
7 **infrastructure and other communities traditionally underrepresented in public processes and**
8 **adversely harmed by environmental and health hazards, including seniors, youth and persons**
9 **with disabilities.**

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

11 (a) **Lands:**

12 (A) **Actively used by an agricultural owner or operator for an agricultural operation, in-**
13 **cluding but not limited to active engagement in farming or ranching;**

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

15 (C) **Consisting of forests, woodlands, grasslands, sagebrush steppes, deserts, freshwater**
16 **and riparian systems, wetlands, coastal and estuarine areas or the submerged and**
17 **submersible lands within Oregon’s territorial sea and marine habitats associated with those**
18 **lands;**

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

21 (E) **Consisting of trees, other vegetation and soils in urban and near-urban areas, in-**
22 **cluding, but not limited to, urban watersheds, street trees, park trees, residential trees and**
23 **riparian habitats; and**

24 (b) **Lands described in paragraph (a) of this subsection that are:**

25 (A) **Held in trust by the United States for the benefit of any of the nine federally recog-**
26 **nized Indian tribes in this state;**

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

29 (C) **Within the boundaries of the reservation of any of the nine federally recognized In-**
30 **dian tribes in this state; or**

31 (D) **Otherwise owned or controlled by any of the nine federally recognized Indian tribes**
32 **in this state.**

33 **SECTION 2. The Legislative Assembly declares that it is the policy of this state:**

34 (1) **To increase net carbon sequestration and storage in, and the resilience of, natural**
35 **and working lands of this state.**

36 (2) **To invest in research to improve our understanding of the contributions of natural**
37 **and working lands and the products they produce to reducing greenhouse gas emissions and**
38 **increasing net carbon sequestration and storage.**

39 (3) **To encourage state agencies, when implementing strategies to advance carbon**
40 **sequestration in natural and working lands and the products they produce, to:**

41 (a) **Consider the benefits of net carbon sequestration and storage strategies for environ-**
42 **mental justice communities;**

43 (b) **Incorporate the interests of landowners, land managers and communities, including**
44 **environmental justice communities;**

45 (c) **Ensure that a diversity of landowners and managers are able to voluntarily partic-**

1 ipate in incentive-based programs for net carbon sequestration and storage;

2 (d) Identify resources to provide incentives to land managers interested in voluntarily
3 adopting practices that increase net carbon sequestration and storage in natural and working
4 lands;

5 (e) Ensure that strategies and programs for net carbon sequestration and storage provide
6 meaningful climate benefits; and

7 (f) Seek societal and economic benefits, in addition to net carbon sequestration and
8 storage, as relevant to achieving other state goals.

9 (4) To encourage state agencies to use metrics designed to track progress in imple-
10 menting strategies to increase net carbon sequestration and storage in natural and working
11 lands and use metrics to measure the positive and negative effects of those strategies on
12 landowners, land managers and communities, including environmental justice communities.

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

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

18 (a) Tribal governments;

19 (b) Local governments;

20 (c) Forest products interests or organizations;

21 (d) Agricultural interests or organizations;

22 (e) Environmental justice interests;

23 (f) Conservation interests; and

24 (g) Technical service providers.

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

28 **SECTION 4.** The State Forestry Department, the State Department of Agriculture, the
29 Oregon Watershed Enhancement Board and the Department of Land Conservation and De-
30 velopment shall monitor each respective agency's progress in advancing the policies de-
31 scribed in section 2 of this 2022 Act and report the agency's findings to the Oregon Global
32 Warming Commission no later than August 1 of each even-numbered year.

33 **SECTION 5.** (1) The Institute for Natural Resources, in coordination with the State De-
34 partment of Energy and the Oregon Global Warming Commission, shall, in consultation with
35 the State Forestry Department, the State Department of Agriculture, the Oregon Watershed
36 Enhancement Board, the Department of State Lands, the Department of Land Conservation
37 and Development and federal land management partners, develop a natural and working
38 lands net carbon sequestration and storage inventory. The inventory must:

39 (a) Be based on the best available field-based and remote sensing data on carbon
40 sequestration; and

41 (b) To the greatest extent possible, be developed using methods consistent with methods
42 used to assess greenhouse gas fluxes related to land use, land change and forestry for the
43 United States Environmental Protection Agency's Inventory of U.S. Greenhouse Gas Emis-
44 sions and Sinks.

45 (2) The State Department of Energy shall update the inventory and submit a report de-

1 scribing the inventory to the Oregon Global Warming Commission no later than August 1
2 of each even-numbered year.

3 (3) The Oregon Global Warming Commission shall consult with the natural and working
4 lands advisory committee appointed under section 3 of this 2022 Act to aid the commission
5 in the performance of the commission's duties under this section.

6 **SECTION 6.** (1) As used in this section, "natural and working lands" has the meaning
7 given that term in section 1 of this 2022 Act.

8 (2) The Institute for Natural Resources, in coordination with the Oregon Global Warming
9 Commission, shall jointly with the State Forestry Department, the State Department of Ag-
10 riculture, the Oregon Watershed Enhancement Board, the Department of State Lands and
11 the Department of Land Conservation and Development, and in consultation with federal
12 land management partners, develop:

13 (a) Recommendations for a net carbon sequestration and storage baseline for natural and
14 working lands;

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

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

19 (3) Activity-based metrics must be designed to evaluate progress toward increasing net
20 carbon sequestration and storage in, and resilience of, natural and working lands, as meas-
21 ured against the net carbon sequestration and storage baseline. Activity-based metrics may
22 include, but need not be limited to, acres of lands for which certain management practices
23 have been adopted.

24 (4) Community impact metrics must be designed to evaluate the positive and negative
25 effects of strategies for net carbon sequestration and storage in natural and working lands
26 on landowners, land managers and communities, including environmental justice communi-
27 ties. Community impact metrics may include, but need not be limited to:

28 (a) Metrics to measure the effects of net carbon sequestration and storage strategies on
29 jobs, local economies, environmental integrity and public health; and

30 (b) Metrics to evaluate the accessibility of net carbon sequestration and storage pro-
31 grams.

32 (5) The Institute for Natural Resources may contract with a third party to assist the
33 institute in performing its duties under this section.

34 (6) The Oregon Global Warming Commission shall accept or modify the draft net carbon
35 sequestration and storage baseline, activity-based metrics and community impact metrics
36 developed under subsection (2) of this section. The commission shall submit the final net
37 carbon sequestration and storage baseline, activity-based metrics and community impact
38 metrics, and recommendations for legislation, in a report to the interim committees of the
39 Legislative Assembly related to the environment, in the manner provided under ORS 192.245,
40 no later than September 15, 2023.

41 (7) The Oregon Global Warming Commission shall consult with the natural and working
42 lands advisory committee appointed under section 3 of this 2022 Act:

43 (a) To aid the commission in the performance of the commission's duties under sub-
44 section (2) of this section; and

45 (b) Before accepting or modifying the net carbon sequestration and storage baseline,

1 activity-based metrics and community impact metrics pursuant to subsection (6) of this
2 section.

3 **SECTION 7.** (1) As used in this section:

4 (a) “Climate-smart agriculture, forestry and conservation practices” means practices
5 that:

6 (A) Protect and restore resilient carbon stocks in native ecosystems and increase resil-
7 ient carbon stocks in vegetation and soils in natural and working lands;

8 (B) Reduce carbon emissions; or

9 (C) Increase carbon storage in the products produced by natural and working lands.

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

12 (2) The Institute for Natural Resources, in coordination with the Oregon Global Warming
13 Commission, shall study the workforce and economic development potential of strategies to
14 increase net carbon sequestration and storage in natural and working lands. The study shall
15 include an evaluation of the need for expanding programs for climate-smart agriculture,
16 forestry and conservation practices, including but not limited to an assessment of:

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

19 (b) Potential benefits to the state from expanding the adoption of climate-smart agricul-
20 ture, forestry and conservation practices, including but not limited to improving social eq-
21 uity, the economy, health outcomes, jobs, resilience to climate change, producer income and
22 fish and wildlife habitats;

23 (c) Expansion of technical assistance provider capacity; and

24 (d) Expansion or modifications of training programs for technical assistance providers.

25 (3) The Institute for Natural Resources shall provide the results of the study, and may
26 include recommendations for legislation, in a report to the committees of the Legislative
27 Assembly related to the environment, in the manner provided under ORS 192.245, no later
28 than April 15, 2023.

29 (4) The Institute for Natural Resources may contract with a third party to assist the
30 institute in performing its duties under this section.

31 (5) The Oregon Global Warming Commission shall consult with the natural and working
32 lands advisory committee appointed under section 3 of this 2022 Act to aid the commission
33 in the performance of the commission’s duties under this section.

34 **SECTION 8.** (1) Notwithstanding section 4 of this 2022 Act, the reports by agencies to the
35 Oregon Global Warming Commission under section 4 of this 2022 Act are first due no later
36 than August 1, 2024.

37 (2) Notwithstanding section 5 of this 2022 Act, the report by the State Department of
38 Energy to the Oregon Global Warming Commission under section 5 of this 2022 Act is first
39 due no later than April 30, 2024.

40 **SECTION 9.** Sections 6 and 7 of this 2022 Act are repealed on January 2, 2024.

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

42 468A.260. (1) The Oregon Global Warming Commission shall submit a report to the Legislative
43 Assembly, in the manner provided by ORS 192.245, by [March 31] **September 15** of each odd-
44 numbered year that describes Oregon’s progress toward achievement of the greenhouse gas emis-
45 sions reduction goals established by ORS 468A.205. The report may include relevant issues and

1 trends of significance, including trends of greenhouse gas emissions, emerging public policy and
2 technological advances. The report also may discuss measures the state may adopt to mitigate the
3 impacts of global warming on the environment, the economy and the residents of Oregon and to
4 prepare for those impacts.

5 **(2) The commission shall include in the report submitted under subsection (1) of this**
6 **section a description of the activities in furtherance of the policies for net carbon**
7 **sequestration and storage in natural and working lands described in section 2 of this 2022**
8 **Act that were taken by the commission or reported to the commission under section 4 of this**
9 **2022 Act.**

10 **SECTION 11. This 2022 Act takes effect on the 91st day after the date on which the 2022**
11 **regular session of the Eighty-first Legislative Assembly adjourns sine die.**

12