

Senate Bill 530

Sponsored by Senator DEMBROW, Representative MARSH, Senator GOLDEN, Representative NERON; Senators FREDERICK, PATTERSON, Representatives GAMBA, GOMBERG, HELM, HUDSON, PHAM K (Presession filed.)

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 **as introduced**.

Establishes state policy regarding natural climate solutions.

Establishes Natural and Working Lands Fund and provides for transfer of moneys from fund to certain state agencies. Prescribes uses of moneys from fund and requires Oregon Global Warming Commission to report to legislature on uses of moneys from fund.

Directs State Department of Energy and commission to prepare baseline, activity-based metrics and community impact metrics for net carbon sequestration and storage in natural and working lands and establish carbon sequestration and storage goals.

Directs State Department of Energy, in coordination with commission, to study workforce training programs needed to support adoption of natural climate solutions and provide results to committees of Legislative Assembly related to environment no later than September 15, 2024.

Authorizes commission to appoint natural and working lands advisory committee.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to natural climate solutions; and prescribing an effective date.

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

4 **SECTION 1. As used in sections 1 to 10 of this 2023 Act:**

5 (1) **“Climate resilience” means the capability to anticipate, prepare for, respond to and**
6 **recover from significant climate-related threats with minimum damage to social well-being,**
7 **the economy and the environment.**

8 (2) **“Environmental justice community” has the meaning given that term in ORS 182.535.**

9 (3) **“Natural and working lands” means:**

10 (a) **Lands:**

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

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

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

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

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

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

24 (A) **Held in trust by the United States for the benefit of any of the nine federally recog-**

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 nized Indian tribes in this state;

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

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

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

8 (4) "Natural climate solution" means an activity that enhances or protects the ability of
9 natural and working lands to sequester and store carbon, or reduces greenhouse gas emis-
10 sions from natural and working lands, while maintaining or increasing climate resilience,
11 human well-being and biodiversity.

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

13 (1) Implement strategies to advance natural climate solutions to mitigate the future im-
14 pacts of climate change.

15 (2) Invest in research to improve our understanding of:

16 (a) The effects of natural climate solutions on natural and working lands and the pro-
17 ducts produced by natural and working lands; and

18 (b) The contributions of natural climate solutions to reducing greenhouse gas emissions,
19 increasing net carbon sequestration and storage and strengthening climate resilience.

20 (3) Direct state agencies to incentivize and implement natural climate solutions by:

21 (a) Securing and leveraging federal and private investments in natural climate solutions
22 on natural and working lands;

23 (b) Prioritizing the use of existing programs to administer funds;

24 (c) Ensuring equitable benefits of climate mitigation for environmental justice commu-
25 nities, landowners and land managers;

26 (d) Ensuring that a diversity of landowners and managers are able to voluntarily partic-
27 ipate in incentive-based programs for natural climate solutions and climate resilience;

28 (e) Identifying resources to provide incentives to land managers interested in voluntarily
29 adopting practices that optimize natural climate solutions;

30 (f) Strengthening land manager education, engagement and technical assistance efforts;

31 (g) Providing financial assistance for tribal governments, local governments or nongov-
32 ernmental organizations for the purpose of entering into voluntary transactions with willing
33 landowners to acquire natural and working lands to enhance the local benefits of natural
34 climate solutions;

35 (h) Increasing and deploying natural climate solutions in and around our urban and built
36 environment; and

37 (i) Optimizing the social, health, ecological, climate resilience and economic benefits of
38 natural climate solutions, including:

39 (A) Reducing heat island effects;

40 (B) Improving air quality;

41 (C) Improving flood control;

42 (D) Improving soil health and productivity;

43 (E) Improving wildfire resilience and community protection;

44 (F) Improving drought resilience and response;

45 (G) Improving wetland and riparian functionality for enhanced water quality and quan-

1 tity;

2 (H) Increasing long-term fiber supplies;

3 (I) Increasing the climate resilience of fish and wildlife; and

4 (J) Increasing protection for coastal communities from the impacts of storm surge.

5 (4) Direct state agencies to incorporate natural climate solutions into their missions,
6 programmatic investments and performance metrics.

7 (5) Direct state agencies to use metrics designed to track progress in implementing na-
8 tural climate solutions.

9 **SECTION 3.** (1) The Natural and Working Lands Fund is established in the State Treas-
10 ury, separate and distinct from the General Fund. Interest earned by the Natural and
11 Working Lands Fund shall be credited to the fund. Moneys in the Natural and Working
12 Lands Fund are continuously appropriated to State Department of Energy for the purposes
13 described in this section and section 4 of this 2023 Act.

14 (2) At the written request of the State Department of Energy, the State Treasurer shall
15 transfer moneys from the balance available in the Natural and Working Lands Fund on Au-
16 gust 1 of each year to the following funds in accordance with allocations established by the
17 department by rule under subsection (3) of this section:

18 (a) The Agriculture Natural Climate Solutions Fund established under section 11 of this
19 2023 Act.

20 (b) The Forestry Natural Climate Solutions Fund established under section 12 of this 2023
21 Act.

22 (c) The Watershed Natural Climate Solutions Fund established under section 13 of this
23 2023 Act.

24 (d) The Fish and Wildlife Natural Climate Solutions Fund established under section 14
25 of this 2023 Act.

26 (3) The State Department of Energy shall establish by rule the allocations under sub-
27 section (2) of this section. Allocations may be adjusted annually and must be based on the
28 anticipated needs of the agency to which moneys are allocated. The department shall consult
29 with the State Department of Agriculture, the State Forestry Department, the State De-
30 partment of Fish and Wildlife and the Oregon Watershed Enhancement Board before adopt-
31 ing or adjusting allocations under this subsection.

32 **SECTION 4.** (1) Subject to subsection (2) of this section, the State Department of Agri-
33 culture, the State Forestry Department, the State Department of Fish and Wildlife and the
34 Oregon Watershed Enhancement Board shall use moneys allocated from the Natural and
35 Working Lands Fund to:

36 (a) Provide incentives to help landowners, land managers and environmental justice
37 communities adopt practices that support natural climate solutions; and

38 (b) Provide financial assistance for technical support for landowners, land managers and
39 environmental justice communities for the adoption of natural climate solutions.

40 (2) The State Department of Energy, in consultation with the Oregon Global Warming
41 Commission, the State Department of Agriculture, the State Forestry Department, the State
42 Department of Fish and Wildlife and the Oregon Watershed Enhancement Board, shall adopt
43 rules to describe the areas of responsibility, in carrying out subsection (1) of this section, for
44 each agency that receives an allocation from the Natural and Working Lands Fund.

45 (3) The State Department of Energy, the Oregon Global Warming Commission, the State

1 Department of Agriculture, the State Forestry Department, the State Department of Fish
2 and Wildlife and the Oregon Watershed Enhancement Board shall jointly:

3 (a) Coordinate, to the maximum extent practicable, on the development and implemen-
4 tation of programs and activities related to natural climate solutions to reduce duplication
5 and overlapping or redundant efforts;

6 (b) Review, at regular intervals, progress made in implementing natural climate solutions
7 and barriers to future implementation;

8 (c) Identify opportunities for cross-agency coordination on natural climate solutions; and

9 (d) Identify opportunities for leveraging natural climate solution capacities across agen-
10 cies.

11 (4) Agencies that receive an allocation from the Natural and Working Lands Fund under
12 section 3 of this 2023 Act shall provide to the Oregon Global Warming Commission an ac-
13 counting of the uses of moneys from the fund by the agency.

14 (5) The Oregon Global Warming Commission shall provide a summary of the uses of the
15 Natural and Working Lands Fund, and identify additional funding needs, in a report to the
16 committees of the Legislative Assembly related to the environment, in the manner provided
17 by ORS 192.245, no later than September 15 of each year.

18 **SECTION 5.** (1) No later than December 1 of each even-numbered year, the Oregon Global
19 Warming Commission, in consultation with the State Department of Energy, the State De-
20 partment of Agriculture, the State Forestry Department, the State Department of Fish and
21 Wildlife and the Oregon Watershed Enhancement Board, shall submit a report, in the man-
22 ner provided by ORS 192.245, to the interim committees of the Legislative Assembly related
23 to the environment and the Governor. The report shall include:

24 (a) A list of projects funded by the Natural and Working Lands Fund during the previous
25 24 months and the amount expended for each project.

26 (b) A summary of state, federal and private sources of funding for natural climate sol-
27 utions.

28 (c) An assessment of projects described in paragraphs (a) and (b) of this subsection in
29 light of the baseline and metrics adopted under section 6 of this 2023 Act.

30 (d) A list of projects, grants or other activities that are planned for the upcoming cal-
31 endar year.

32 (e) A summary of anticipated climate threats to Oregon's natural and working lands in
33 the upcoming biennium.

34 (f) An assessment of gaps in programs and authorities to better fulfill the policies de-
35 scribed in section 2 of this 2023 Act.

36 (g) An inventory and assessment of existing programs that relate to natural climate
37 solutions.

38 (2) Before finalizing the report under subsection (1) of this section, the commission shall
39 solicit public comment on the report and include a summary of comments received in the
40 final version of the report submitted to the Legislative Assembly and Governor.

41 (3) The State Department of Energy shall provide staff support to the commission for the
42 purpose of preparing the reports under this section and section 4 (5) of this 2023 Act. The
43 department may contract with a third party to provide staff support services described in
44 this subsection.

45 **SECTION 6.** (1) The State Department of Energy and the Oregon Global Warming Com-

1 mission shall, in coordination with the State Forestry Department, the State Department of
2 Agriculture, the State Department of Fish and Wildlife and the Oregon Watershed En-
3 hancement Board, and in consultation with relevant federal agencies, establish and maintain:

- 4 (a) A net carbon sequestration and storage baseline for natural and working lands;
- 5 (b) Activity-based metrics in accordance with subsection (2) of this section; and
- 6 (c) Community impact metrics in accordance with subsection (3) of this section.

7 (2) Activity-based metrics shall be used to evaluate progress toward increasing net car-
8 bon sequestration and storage in natural and working lands, as measured against the net
9 carbon sequestration and storage baseline. Activity-based metrics may include, but need not
10 be limited to, acres of lands for which certain management practices have been adopted.

11 (3) Community impact metrics shall be used to evaluate the positive and negative effects,
12 over time, of strategies for net carbon sequestration and storage in natural and working
13 lands on landowners, land managers and communities. Community impact metrics may in-
14 clude, but need not be limited to:

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

17 (b) Metrics to evaluate the accessibility of a diverse range of landowners to net carbon
18 sequestration and storage programs.

19 (4) The State Department of Energy and the Oregon Global Warming Commission, in
20 consultation with the State Forestry Department, the State Department of Agriculture, the
21 Oregon Watershed Enhancement Board and the State Department of Fish and Wildlife, shall,
22 no later than January 1, 2025, establish carbon sequestration and storage goals for Oregon's
23 natural and working lands and update those goals as new information becomes available.

24 (5) The State Department of Energy may contract with a third party to assist the de-
25 partment in performing its duties under this section.

26 **SECTION 7.** (1) The State Department of Energy and the Oregon Global Warming Com-
27 mission, in coordination with the State Forestry Department, the State Department of Ag-
28 riculture, the Oregon Watershed Enhancement Board, the Department of State Lands, the
29 Department of Land Conservation and Development and federal land management partners,
30 shall develop a natural and working lands net carbon sequestration and storage inventory.

31 The inventory must:

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

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

38 (2) The State Department of Energy shall update the inventory and submit a report de-
39 scribing the inventory to the Oregon Global Warming Commission no later than December
40 1 of each even-numbered year.

41 (3) The State Department of Energy may contract with a third party to assist the de-
42 partment in performing its duties under this section.

43 **SECTION 8.** (1) The State Department of Energy, in coordination with the Oregon Global
44 Warming Commission, shall study the workforce and training programs needed to support
45 adoption of natural climate solutions on natural and working lands.

1 (2) The department shall provide the results of the study, and may include recommen-
 2 dations for legislation, in a report to the committees of the Legislative Assembly related to
 3 the environment, in the manner provided under ORS 192.245, no later than September 15,
 4 2024.

5 (3) The department may contract with a third party to assist the department in per-
 6 forming its duties under this section.

7 SECTION 9. Section 8 of this 2023 Act is repealed on January 2, 2025.

8 SECTION 10. (1) The Oregon Global Warming Commission may appoint a natural and
 9 working lands advisory committee to advise the commission in the performance of the
 10 commission’s duties under sections 1 to 10 of this 2023 Act.

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

- 13 (a) Tribal governments;
- 14 (b) Local governments;
- 15 (c) Forest products interests or organizations;
- 16 (d) Agricultural interests or organizations;
- 17 (e) Environmental justice interests;
- 18 (f) Conservation interests; and
- 19 (g) Technical service providers.

20 (3) The State Department of Energy shall provide staff support for the advisory com-
 21 mittee. The department may contract with a third party to provide staff support services
 22 under this subsection.

23 SECTION 11. (1) The Agriculture Natural Climate Solutions Fund is established in the
 24 State Treasury, separate and distinct from the General Fund. Interest earned by the Agri-
 25 culture Natural Climate Solutions Fund shall be credited to the fund. Moneys in the fund are
 26 continuously appropriated to State Department of Agriculture to:

- 27 (a) Provide incentives and financial assistance as described in section 4 (1) of this 2023
 28 Act; and
- 29 (b) For the administrative expenses of the department in implementing section 4 of this
 30 2023 Act, except that no more than 10 percent of moneys may be used for administrative
 31 expenses.

32 (2) The Agriculture Natural Climate Solutions Fund consists of moneys transferred to
 33 the fund under section 3 of this 2023 Act.

34 SECTION 12. (1) The Forestry Natural Climate Solutions Fund is established in the State
 35 Treasury, separate and distinct from the General Fund. Interest earned by the Forestry
 36 Natural Climate Solutions Fund shall be credited to the fund. Moneys in the fund are con-
 37 tinuously appropriated to the State Forestry Department to:

- 38 (a) Provide incentives and financial assistance as described in section 4 (1) of this 2023
 39 Act; and
- 40 (b) For the administrative expenses of the department in implementing section 4 of this
 41 2023 Act, except that no more than 10 percent of moneys may be used for administrative
 42 expenses.

43 (2) The Forestry Natural Climate Solutions Fund consists of moneys transferred to the
 44 fund under section 3 of this 2023 Act.

45 SECTION 13. (1) The Watershed Natural Climate Solutions Fund is established in the

1 State Treasury, separate and distinct from the General Fund. Interest earned by the
2 Watershed Natural Climate Solutions Fund shall be credited to the fund. Moneys in the fund
3 are continuously appropriated to the Oregon Watershed Enhancement Board to:

4 (a) Provide incentives and financial assistance as described in section 4 (1) of this 2023
5 Act; and

6 (b) For the administrative expenses of the board in implementing section 4 of this 2023
7 Act, except that no more than 10 percent of moneys may be used for administrative ex-
8 penses.

9 (2) The Watershed Natural Climate Solutions Fund consists of moneys transferred to the
10 fund under section 3 of this 2023 Act.

11 **SECTION 14.** (1) The Fish and Wildlife Natural Climate Solutions Fund is established in
12 the State Treasury, separate and distinct from the General Fund. Interest earned by the Fish
13 and Wildlife Natural Climate Solutions Fund shall be credited to the fund. Moneys in the fund
14 are continuously appropriated to the State Department of Fish and Wildlife to:

15 (a) Provide incentives and financial assistance as described in section 4 (1) of this 2023
16 Act; and

17 (b) For the administrative expenses of the department in implementing section 4 of this
18 2023 Act, except that no more than 10 percent of moneys may be used for administrative
19 expenses.

20 (2) The Fish and Wildlife Natural Climate Solutions Fund consists of moneys transferred
21 to the fund under section 3 of this 2023 Act.

22 **SECTION 15.** This 2023 Act takes effect on the 91st day after the date on which the 2023
23 regular session of the Eighty-second Legislative Assembly adjourns sine die.

24