

# SENATE BILL REPORT

## SB 5121

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As Reported By Senate Committee On:  
Natural Resources, Parks & Recreation, February 15, 1999  
Ways & Means, February 25, 1999

**Title:** An act relating to the establishment of a carbon storage program.

**Brief Description:** Establishing a carbon storage program.

**Sponsors:** Senator Hargrove.

**Brief History:**

**Committee Activity:** Natural Resources, Parks & Recreation: 2/8/99, 2/15/99 [DPS-WM].  
Ways & Means: 2/23/99, 2/25/99 [DPS (NRPR)].

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### SENATE COMMITTEE ON NATURAL RESOURCES, PARKS & RECREATION

**Majority Report:** That Substitute Senate Bill No. 5121 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Jacobsen, Chair; T. Sheldon, Vice Chair; Hargrove, Morton, Oke, Rossi, Snyder, Spanel and Stevens.

**Staff:** David Johnson (786-7754)

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### SENATE COMMITTEE ON WAYS & MEANS

**Majority Report:** That Substitute Senate Bill No. 5121 as recommended by Committee on Natural Resources, Parks & Recreation be substituted therefor, and the substitute bill do pass.

Signed by Senators Loveland, Chair; Bauer, Vice Chair; Brown, Vice Chair; Fraser, Honeyford, Kline, Kohl-Welles, Long, McDonald, Rasmussen, Rossi, B. Sheldon, Snyder, Spanel, Thibaudeau, West, Winsley, Wojahn and Zarelli.

**Staff:** Kari Guy (786-7437)

**Background:** While scientific debate does exist, it is widely thought that global carbon dioxide (CO<sub>2</sub>) levels have risen in recent years. Some scientists argue that this increase in CO<sub>2</sub> has resulted in global warming.

Plants absorb CO<sub>2</sub> from the atmosphere and convert it and water into oxygen and sugar (photosynthesis). It is thought that global output of CO<sub>2</sub> is greater than the current capacity of plant conversion of CO<sub>2</sub>. The absorption and synthesis of CO<sub>2</sub> is referred to as carbon sequestration or storage.

Currently, other states and countries have carbon emission trading programs. Under these programs, producers of CO<sub>2</sub> are limited in the amounts they can produce. If a producer wishes to exceed their limit they must pay a forest landowner or other planted landowner to keep plant life forms productively converting CO<sub>2</sub>. The amounts of CO<sub>2</sub> converted are estimated and traded as commodity credits on an open market.

**Summary of Substitute Bill:** The Department of Community, Trade, and Economic Development, as lead agency, is directed, along with the Department of Natural Resources, the Department of Agriculture, and the Department of Ecology, to evaluate carbon credit programs, parameters for a successful carbon program, and develop recommendations for a Washington carbon program. The departments are also directed to study existing Washington State programs, including the Conservation Reserve Enhancement Program, utilizing unique attributes of the state, that would facilitate a program and guarantee a market for carbon credits. They will report their findings and recommendations by December 1, 1999.

An advisory group will assist the departments. The advisory group is made up of a representative from the timber industry, agriculture community, industrial business community, private landowners, and an expert on carbon sequestration from the University of Washington.

This law expires December 31, 1999.

**Substitute Bill Compared to Original Bill:** The substitute bill added other planted lands and waters, not just forests. The Department of Community, Trade, and Economic Development is the lead agency. The Department of Agriculture is added and the Board of Natural Resources is removed. The Conservation Reserve Enhancement Program is added. An advisory group is added to aid the departments.

**Appropriation:** None.

**Fiscal Note:** Requested February 2, 1999

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Testimony For (Natural Resources, Parks & Recreation):** Many companies want to buy carbon credits. Timber, agriculture, and range lands could all participate making this useful for rural economic development. Credits here can be sold throughout the world. A credit program would provide regular income for actively managed forests.

**Testimony Against (Natural Resources, Parks & Recreation):** None.

**Testified (Natural Resources, Parks & Recreation):** PRO: Jim Walls, Columbia Pacific RC&D; Diane Ellison, Ellison Timber and Property; Don Stuart, WA Assn. of Conservation Districts; Ray Shindler, WA Assn. of Wheat Growers.

**Testimony For (Ways & Means):** Businesses in the state are currently selling credits. A state program to certify credits will deter fraud and ensure a credible program.

**Testimony Against (Ways & Means):** None.

**Testified (Ways & Means):** Jim Walls, Columbia-Pacific RC&D (pro).