

FINAL BILL REPORT

SSB 6805

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Synopsis as Enacted

Brief Description: Promoting farm and forest land preservation and restoration through conservation markets.

Sponsors: Senate Committee on Agriculture & Rural Economic Development (originally sponsored by Senators Haugen, Rasmussen, McAuliffe, Kline and Kohl-Welles).

Senate Committee on Agriculture & Rural Economic Development
Senate Committee on Ways & Means
House Committee on Agriculture & Natural Resources
House Committee on Appropriations

Background: Often agencies have environmental mitigation and compliance requirements associated with permitting processes for the construction of public projects such as highways or private projects. Interest exists in enhancing or restoring fish and wildlife habitat, planting riparian areas, dispersing flood waters, providing water filtration, or providing other environmental benefits.

Interest is expanding in the use of conservation markets that award various types of environmental mitigation credits for projects that enhance habitat or other environmental values. This system of credits allows those public or private entities that need or want credits to purchase the credits from those who are awarded credits for projects that provide the enhancement. This option uses market forces to provide incentives to provide these environmental benefits through a system of credits. Interest exists in examining the use of conservation markets in a way that takes advantage of environmental enhancement opportunities that exist on farms and small forestry operations, but that also improve the viability of these operations, without taking whole farms or significant amounts of land out of production.

Summary: The State Conservation Commission (Commission) is directed to conduct a study on the feasibility and desirability of establishing farm and forestry-based conservation markets in Washington State. To carry out this study, the Commission may enter into a contract with an entity that has knowledge and experience in agriculture and of conservation markets. The study would include:

- an evaluation of agricultural conservation markets operating in other states;
- collaborating with farm and small forest landowners' organizations and agricultural special purpose districts to determine interest in and to assess market-ready products;
- identify opportunities for conservation markets that could provide ongoing revenue to farm and small forestry operations to improve their long-term viability;
- work with public agencies to determine potential demand and their willingness to use these products; and

- coordinate with the Department of Ecology regarding its "Mitigation that Works" project, the Department of Agriculture regarding the "Future of Farming" project, the William D. Ruckelshaus Center relating to voluntary approaches relating to critical areas, and the Office of Farmland Preservation work relating to retaining farmland in agricultural production.

The Commission is to present its findings and recommendations on the conservation markets study to the Governor and the appropriate legislative committees by December 1, 2008.

If the study determines that conservation markets are feasible and desirable, the Commission must conduct two demonstration projects. To be chosen as a demonstration project area, there needs to be:

- enthusiastic farmers;
- a substantial supply of potential restoration products from farms;
- a potential for public and private cost-sharing of costs; and
- upcoming development of permitting activity that is likely to trigger significant mitigation demands.

If the project proceeds to the demonstration project phase, the Commission is to report its findings and recommendations to the Governor and the appropriate committees of the Legislature by December 1, 2009.

Votes on Final Passage:

Senate	48	0	
House	96	0	(House amended)
Senate	47	0	(Senate concurred)

Effective: June 12, 2008