

HB 4102 STAFF MEASURE SUMMARY

Carrier: Sen. Taylor

Senate Committee On Natural Resources and Wildfire

Action Date: 02/27/24

Action: Do pass.

Vote: 5-0-0-0

Yeas: 5 - Girod, Golden, Prozanski, Smith DB, Taylor

Fiscal: No fiscal impact

Revenue: No revenue impact

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Meeting Dates: 2/22, 2/27

WHAT THE MEASURE DOES:

The measure specifies that any public or private sources of funding, in addition to legislative appropriations, may be deposited in the Natural and Working Lands Fund. The measure takes effect on the 91st day following adjournment sine die.

ISSUES DISCUSSED:

- Legislative history of Senate Bill 530 (2023) and House Bill 3409 (2023) related to carbon sequestration, and other legislative efforts to reduce carbon emissions
- Industry-specific carbon sequestration opportunities
- Variation in the timing of farmer payments under private contracts
- Examples of voluntary carbon markets and state carbon offset programs
- Despite the broad discussion, clarification that the scope of this bill is narrow and limited to the Natural and Working Lands Fund

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

On March 10, 2020, Governor Brown issued Executive Order 20-04 directing state agencies to take actions to reduce and regulate greenhouse gas emissions. The order directed the Oregon Climate Action Commission (Commission), formerly Oregon Global Warming Commission, to work with the Oregon Department of Agriculture, Oregon Department of Forestry, and the Oregon Watershed Enhancement Board to develop and submit a proposal for setting a carbon sequestration and storage goal for Oregon's natural and working lands. "Natural and working lands" are defined as farming and ranching lands, working forest lands, lands used for recreation, urban green spaces, and other land types such as grasslands, sagebrush steppes, deserts, freshwater and riparian systems, wetlands, coastal and estuarine areas, and submerged and submersible lands. In 2021, the Commission published the "Natural and Working Lands Proposal." The proposal recommended outcome-based goals, the establishment of activity-based and community impact metrics, and four broad strategies to achieve the stated goals.

In 2023, the Legislative Assembly enacted House Bill 3409, which established a state policy to advance natural climate solutions to mitigate the future impacts of climate change on natural and working lands. The measure directed the Commission and certain state agencies to establish a baseline for net biological carbon sequestration and storage on natural and working lands, in addition to activity-based and community-impact metrics, to evaluate progress toward meeting sequestration and storage goals against the established baseline. The Commission and agencies were also directed to develop a net biological carbon sequestration and storage inventory, study relevant workforce and training programs, and appoint an advisory committee to make

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recommendations related to the natural climate solutions program. The measure also created the Natural and Working Lands Fund to provide incentives and financial assistance to help landowners and managers, Indian tribes, and environmental justice communities adopt natural climate solutions, and seeded the fund with \$10 million. The enacted language did not include a provision making it explicit that the fund could contain moneys from public sources, such as the federal government, or private sources.