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**SUBSTITUTE HOUSE BILL 2713**

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**State of Washington**

**66th Legislature**

**2020 Regular Session**

**By** House State Government & Tribal Relations (originally sponsored by Representatives Walen, Chandler, Springer, Kretz, Fitzgibbon, Blake, Doglio, Davis, Ramel, Goodman, and Pollet)

1       AN ACT Relating to encouraging compost procurement and use;  
2 adding new sections to chapter 43.19A RCW; creating new sections; and  
3 providing an expiration date.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5       NEW SECTION.   **Sec. 1.** The legislature finds and declares that  
6 local compost manufacturing plays a critical role in our state's  
7 solid waste infrastructure. Composting benefits Washington agencies,  
8 counties, cities, businesses, and residents by diverting hundreds of  
9 thousands of tons of organic waste from landfills, reducing solid  
10 waste costs, and lowering carbon emissions. The legislature finds  
11 that a growing number of local governments are recognizing the  
12 benefits of composting programs and offering compost collection to  
13 their residents and businesses. The diversion of food waste from  
14 landfills to compost processors remains critical for state and local  
15 governments to meet their ambitious diversion goals.

16       The legislature also finds that composting is a strong carbon  
17 reduction industry for Washington, as the application of compost to  
18 soil systems permits increased carbon sequestration. Compost can also  
19 replace synthetic chemical fertilizer, prevent topsoil erosion, and  
20 filter stormwater on green infrastructure projects such as rain  
21 gardens and retention ponds.

1 The legislature declares that state and local governments should  
2 lead by example by purchasing and using local compost that meets  
3 state standards and by encouraging farming operations to do so as  
4 well.

5 NEW SECTION. **Sec. 2.** A new section is added to chapter 43.19A  
6 RCW to read as follows:

7 (1) When planning government-funded projects or soliciting and  
8 reviewing bids for such projects, all state agencies and local  
9 governments shall consider whether compost products can be utilized  
10 in the project.

11 (2) If compost products can be utilized in the project, the state  
12 agency or local government must use compost products, except as  
13 follows:

14 (a) A state agency or local government is not required to use  
15 compost products if:

16 (i) Compost products are not available within a reasonable period  
17 of time;

18 (ii) Compost products that are available do not comply with  
19 existing purchasing standards;

20 (iii) Compost products that are available do not comply with  
21 federal or state health, quality, and safety standards; and

22 (iv) Compost purchase prices are not reasonable or competitive;  
23 and

24 (b) A state agency is also not required to use compost products  
25 in a project if:

26 (i) The total cost of using compost is financially prohibitive;

27 (ii) Application of compost will have detrimental impacts on the  
28 physical characteristics and nutrient condition of the soil as it is  
29 used for a specific crop;

30 (iii) The project consists of growing trees in a greenhouse  
31 setting, including seed orchard greenhouses; or

32 (iv) The compost products that are available have not been  
33 certified as being free of crop-specific pests and pathogens,  
34 including pests and pathogens that could result in the denial of  
35 phytosanitary permits for shipping seedlings.

36 (3) Before the transportation or application of compost products  
37 under this section, composting facilities, state agencies, and local  
38 governments must ensure compliance with department of agriculture  
39 pest control regulations provided in chapter 16-470 WAC.

1 (4) State agencies and local governments are encouraged to give  
2 priority to purchasing compost products from companies that produce  
3 compost products locally, are certified by a nationally recognized  
4 organization, and produce compost products that are derived from  
5 municipal solid waste compost programs and meet quality standards  
6 adopted by rule by the department of ecology.

7 NEW SECTION. **Sec. 3.** A new section is added to chapter 43.19A  
8 RCW to read as follows:

9 (1) Each local government that provides a residential composting  
10 service is encouraged to enter into a purchasing agreement with its  
11 compost processor to buy back finished compost products for use in  
12 government projects or on government land. The local government is  
13 encouraged to purchase an amount of finished compost product that is  
14 equal to or greater than fifty percent of the amount of organic  
15 residuals it delivered to the compost processor. The compost  
16 processor should offer a purchase price that is reasonable and  
17 competitive for the specific market.

18 (2) When purchasing compost products for use in government  
19 projects or on government-owned land, local governments are  
20 encouraged to purchase compost with at least eight percent food  
21 waste, or as much food waste as is possible given the circumstances.

22 NEW SECTION. **Sec. 4.** (1) The department of agriculture must  
23 establish and implement a three-year compost reimbursement pilot  
24 program to reimburse farming operations in the state for purchasing  
25 and using compost products from facilities with solid waste handling  
26 permits, including transportation, equipment, spreading, and labor  
27 costs. The pilot program begins July 1, 2020, and concludes June 30,  
28 2023. For purposes of this program, "farming operation" means: A  
29 commercial agricultural, silvicultural, or aquacultural facility or  
30 pursuit, including the care and production of livestock and livestock  
31 products, poultry and poultry products, apiary products, and plant  
32 and animal production for nonfood uses; the planting, cultivating,  
33 harvesting, and processing of crops; and the farming or ranching of  
34 any plant or animal species in a controlled salt, brackish, or  
35 freshwater environment.

36 (2) To be eligible to participate in the reimbursement pilot  
37 program, a farming operation must complete an eligibility review with  
38 the department of agriculture prior to transporting or applying any

1 compost products for which reimbursement will be sought under this  
2 section. The purpose of the review is for the department of  
3 agriculture to ensure that the proposed transport and application of  
4 compost products is consistent with the department's agricultural  
5 pest control rules in chapter 16-470 WAC. A farming operation must  
6 also verify that soil sampling will be allowed as necessary to  
7 establish a baseline of soil quality and carbon storage and for  
8 subsequent department of agriculture evaluations to assist the  
9 department's reporting requirements under subsection (9) of this  
10 section.

11 (3) The department of agriculture must create a form for eligible  
12 farming operations to apply for cost reimbursement. All applications  
13 for cost reimbursement must be submitted on the form along with  
14 documentation of the costs of purchasing and using compost products  
15 for which the applicant is requesting reimbursement. The department  
16 of agriculture may request that an applicant provide information to  
17 verify the source, size, sale weight, or amount of compost products  
18 purchased and the cost of transportation, equipment, spreading, and  
19 labor. The applicant must also declare that it is not seeking  
20 reimbursement for:

21 (a) Its own compost products;

22 (b) Compost products that it has transferred, or intends to  
23 transfer, to another individual or entity, whether or not for  
24 compensation; or

25 (c) Compost products that were not purchased from a facility with  
26 a solid waste handling permit.

27 (4) A farming operation may submit only one application per year  
28 for purchases made and usage costs incurred during the fiscal year  
29 that begins on July 1st and ends on June 30th of each year in which  
30 the pilot program is in effect. Applications for reimbursement must  
31 be filed:

32 (a) By September 1, 2021, for compost purchased and usage costs  
33 incurred in fiscal year 2021;

34 (b) By September 1, 2022, for compost purchased and usage costs  
35 incurred in fiscal year 2022; and

36 (c) By September 1, 2023, for compost purchased and usage costs  
37 incurred in fiscal year 2023.

38 (5) The department of agriculture must distribute reimbursement  
39 funds on a first-come, first-served basis, subject to the following  
40 limitations:

1 (a) No farming operation may receive reimbursement if it was not  
2 found eligible for reimbursement by the department of agriculture  
3 prior to transport or use under subsection (2) of this section;

4 (b) No farming operation may receive reimbursement for more than  
5 fifty percent of the costs it incurs for the purchase and use of  
6 compost products, including transportation, equipment, spreading, and  
7 labor costs;

8 (c) No farming operation may receive more than ten thousand  
9 dollars per year;

10 (d) No farming operation may receive reimbursement for its own  
11 compost products or compost products that it has transferred, or  
12 intends to transfer, to another individual or entity, whether or not  
13 for compensation; and

14 (e) No farming operation may receive reimbursement for compost  
15 products that were not purchased from a facility with a solid waste  
16 handling permit.

17 (6) The applicant shall indemnify and hold harmless the state and  
18 its officers, agents, and employees from all claims arising out of or  
19 resulting from the compost products purchased that are subject to the  
20 compost reimbursement pilot program under this section.

21 (7) There is established within the department of agriculture a  
22 compost reimbursement pilot program manager position, which is a  
23 full-time, temporary position exempt from chapters 41.06 and 41.56  
24 RCW, with a salary that may not exceed fifty thousand dollars per  
25 year. The compost reimbursement pilot program manager must possess  
26 knowledge and expertise in the area of program management necessary  
27 to carry out the duties of the position, which are to:

28 (a) Facilitate the division and distribution of available costs  
29 for reimbursement; and

30 (b) Manage the day-to-day coordination of the compost  
31 reimbursement pilot program.

32 (8) Any action taken by the department of agriculture pursuant to  
33 this section is exempt from the rule-making requirements of chapter  
34 34.05 RCW.

35 (9) The department of agriculture must submit an annual report to  
36 the appropriate committees of the legislature by January 15th of each  
37 year of the program, with a final report due January 15, 2024. The  
38 report must include:

39 (a) The amount of compost for which reimbursement was sought  
40 under the program;

1           (b) The qualitative or quantitative effects of the program on  
2 soil quality and carbon storage; and

3           (c) An evaluation of the benefits and costs to the state of  
4 continuing, expanding, or furthering the strategies explored in the  
5 pilot program.

6           (10) This section expires June 30, 2024.

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