

Multiple Agency Fiscal Note Summary

Bill Number: 6211 S SB	Title: Hazardous waste site cleanup
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Estimated Cash Receipts

Agency Name	2011-13		2013-15		2015-17	
	GF- State	Total	GF- State	Total	GF- State	Total
Office of State Treasurer	Non-zero but indeterminate cost. Please see discussion."					
Office of Attorney General	0	112,214	0	74,810	0	74,810
Total \$	0	112,214	0	74,810	0	74,810

Estimated Expenditures

Agency Name	2011-13			2013-15			2015-17		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Office of State Treasurer	.0	0	0	.0	0	0	.0	0	0
Office of Attorney General	.5	0	112,214	.3	0	74,810	.3	0	74,810
Department of Ecology	.9	0	301,220	.8	0	248,380	.8	0	248,380
Total	1.4	\$0	\$413,434	1.1	\$0	\$323,190	1.1	\$0	\$323,190

Local Gov. Courts *									
Local Gov. Other **	Non-zero but indeterminate cost. Please see discussion.								
Local Gov. Total									

Estimated Capital Budget Impact

Agency Name	2011-13		2013-15		2015-17	
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Department of Ecology						
Acquisition	0	0	0	0	0	0
Construction	0	0	0	0	0	0
Other	0	200,000	20,200,000	200,000	200,000	200,000
Total \$	\$0	\$200,000	\$20,200,000	\$200,000	\$200,000	\$200,000

Prepared by: Linda Steinmann, OFM	Phone: 360-902-0573	Date Published: Final 2/14/2012
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* See Office of the Administrator for the Courts judicial fiscal note

** See local government fiscal note

FNPID 31980

FNS029 Multi Agency rollup

Individual State Agency Fiscal Note

Bill Number: 6211 S SB	Title: Hazardous waste site cleanup	Agency: 090-Office of State Treasurer
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

Non-zero but indeterminate cost. Please see discussion.

Estimated Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates,

Check applicable boxes and follow corresponding instructions:

- ☐ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☒ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact:	Michael Bezanson	Phone: 360-786-7449	Date: 02/04/2012
Agency Preparation:	Dan Mason	Phone: 360-902-9090	Date: 02/14/2012
Agency Approval:	Dan Mason	Phone: 360-902-9090	Date: 02/14/2012
OFM Review:	Cheri Keller	Phone: 360-902-0563	Date: 02/14/2012

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

SSB 6211 creates the brownfield redevelopment trust fund and allows the account to retain its earnings from investments.

This fiscal note is based on the Department of Ecology's assumption that the legislature will appropriate money from the local toxics control account to the new brownfields trust account in the 2012 Supplemental Budget. Earnings from investments for the local toxics control account are credited to the general fund.

Earnings from investments:

Estimated earnings from investments are indeterminable because projected cash flows are needed to make the estimate and are currently unavailable. Earnings for an account are a function of the average daily balance of the account and the earnings rate of the investment portfolio. The average daily balance is a function of the beginning balance in the account and the timing & amount of receipts, disbursements, & transfers during the time period in question. Accordingly, even with a beginning balance of zero, two accounts with the same overall level of receipts, disbursements, and transfers can have different average daily balances, and hence different earnings.

For illustrative purposes, assume based on the November 2011 Revenue Forecast that the net rate for estimating earnings for FY 11 is 0.25%, FY 12 is 0.10%, and FY 13 is 0.10%. Approximately \$2,500 in FY 11, \$1,000 in FY 12, and \$1,000 in FY 13 in net earnings and \$5,000 in fees would be gained or lost annually for every \$1 million increase or decrease in average daily balance.

Debt Limit:

There may be an impact on the debt service limitation calculation. Any change to the earnings credited to the general fund will change, by an equal amount, general state revenues.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

SSB 6211 creates the brownfield redevelopment trust fund and allows the account to retain its earnings from investments.

This fiscal note is based on the Department of Ecology's assumption that the legislature will appropriate money from the local toxics control account to the new brownfields trust account in the 2012 Supplemental Budget. Earnings from investments for the local toxics control account are credited to the general fund.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

NONE

Part IV: Capital Budget Impact

NONE

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 6211 S SB	Title: Hazardous waste site cleanup	Agency: 100-Office of Attorney General
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Part I: Estimates

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No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2012	FY 2013	2011-13	2013-15	2015-17
Legal Services Revolving Account-State 405-1		112,214	112,214	74,810	74,810
Total \$		112,214	112,214	74,810	74,810

Estimated Expenditures from:

	FY 2012	FY 2013	2011-13	2013-15	2015-17
FTE Staff Years	0.0	0.9	0.5	0.3	0.3
Account					
Legal Services Revolving Account-State 405-1	0	112,214	112,214	74,810	74,810
Total \$	0	112,214	112,214	74,810	74,810

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates,

Check applicable boxes and follow corresponding instructions:

☒

If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.

☐

If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).

☐

Capital budget impact, complete Part IV.

☐

Requires new rule making, complete Part V.

Legislative Contact: Michael Bezanson	Phone: 360-786-7449	Date: 02/04/2012
Agency Preparation: Cam Comfort	Phone: (360) 664-9429	Date: 02/08/2012
Agency Approval: Sarian Scott	Phone: (360) 586-2104	Date: 02/08/2012
OFM Review: Cheri Keller	Phone: 360-902-0563	Date: 02/09/2012

Request # 12-131-1

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

Section 1 is a new section setting forth legislative findings and the intent to authorize a greater emphasis in allocating state resources toward the cleanup and reuse of brownfield properties, providing more flexible funding and oversight authority for local governments, and accelerating cleanups throughout the state.

Section 2 amends RCW 70.105D.010(4) to add a reference to “and other brownfield” properties and replace “future use” with “economic, environmental, and social reuses.”

Section 3 amends RCW 70.105D.020 to revise the definitions of “agreed order” and “hazardous substance” and add definitions for “areawide groundwater contamination,” “brownfield property,” “city,” “local government,” “prospective purchaser,” and “redevelopment opportunity zone.”

Section 4 adds a new section to RCW 70.105D.

Section 4(1) creates the Brownfield Redevelopment Trust Fund in the state treasury that may be used only for the purposes of remediation and cleanup of facilities within redevelopment opportunity zones, except as provided. Only the Department of Ecology (ECY) may authorize expenditures from the trust fund.

Section 4(2) provides that the trust fund must be credited with all investment income earned by the trust fund, and retain its interest earnings in accordance with RCW 43.79A.040. Limited exceptions are provided.

Section 4(3) specifies the receipts that must be deposited into the trust fund.

Section 4(4) provides that the beneficiary of the subaccount must be either the local government designating the redevelopment opportunity zone under section 5 of this act, or the associated brownfield renewal authority created under section 6 of this act.

Section 4(5) authorizes ECY to approve remediation action plans.

Section 4(6) requires ECY to track moneys received, interest earned, and moneys expended separately for each subaccount.

Section 4(7) provides that ECY, beginning October 31, 2012, must provide a biennial report to the Office of Financial Management and the Legislature.

Section 4(8) provides that if ECY determines that all remedial actions within a redevelopment opportunity zone in an approved plan are completed, it must dissolve the subaccount associated with that plan.

Section 4(9) states that if ECY determines that substantial progress has not been made on an approved plan within six years, it may inactivate the subaccount associated with the plan.

Section 4(10) authorizes ECY to adopt rules to implement this section.

Section 5 adds a new section to RCW 70.105D authorizing a city or county to designate a geographic area within its jurisdiction as a redevelopment opportunity zone if the zone meets the criteria in this subsection, and the city or county adopts a resolution that includes certain determinations and commitments.

Section 6 adds a new section to RCW 70.105D authorizing a city, county, or port district to establish a brownfield renewal authority to guide and implement the cleanup and reuse of properties within a designated brownfield renewal area. Any combination of cities, counties, and port districts also may establish a brownfield renewal authority through an interlocal agreement. The powers of a brownfield renewal authority are listed.

Section 7 amends RCW 70.105D.030(1)(i) to require ECY to track the number of request for reviews of planned or completed independent remedial actions and establish performance measures to track how quickly ECY responds to those requests. By November 1, 2012, ECY is required to submit a report to the Governor and appropriate legislative committees on achieving the performance measures and providing recommendations for improving performance. A new subsection is added requiring ECY, in fulfilling the objectives of this chapter, to allocate staffing and resources in a manner that considers both the reduction of human and environmental risks, and the land reuse potential and planning for the facilities to be cleaned up.

Section 8 amends RCW 70.105D.040 to include, within the settlement authority of the Attorney General's Office (AGO), settlements with a prospective purchaser. This section adds that that AGO may agree to a settlement with a prospective purchaser, with provisions provided. Provisions include that the settlement will expedite remedial action at the facility consistent with the rules adopted under this chapter. References to "site" are amended to "facility". The AGO and ECY are authorized to give priority to settlements that provide a substantial public benefit in addition to clean up, such as providing public access to an area not otherwise accessible to the public, new or improved recreational opportunities, enhancement of a natural resource habitat that would not otherwise occur, and preservation of historic property listed pursuant to RCW 84.26. As an alternative to settlement, ECY may enter into an agreed order with a prospective purchaser. The order is subject to the limitations of RCW 70.150D.020, but stays enforcement by ECY regarding required remedial actions as long as the prospective purchaser complies with the order's requirements.

Section 9 amends RCW 70.105D.050 to add a reference to a "prospective purchaser who has entered into an agreed order under RCW 70.105D.040(6)."

Section 10 amends RCW 70.105D.070 to authorize State Toxic Controls Account public funding to assist prospective purchasers to pay for the costs of remedial action in compliance with clean-up standards under RCW 70.105D.030(2) (e) if certain conditions are met. Subsection (3) is revised to require ECY, in making grants or loans from the local toxics control account, to provide highest priority to remedial actions, including planning for adaptive reuse of properties. ECY is authorized to partner with local communities and liable persons conducting remedial actions to facilitate economic development, including entering into grant or loan agreements with a local governments, providing integrated planning grants or loans to local governments to fund studies necessary to facilitate reuse of properties following remediation, and providing grants or loans to local governments for remedial actions related to area wide groundwater contamination. To accelerate both remedial action and economic recovery, ECY may expedite the adoption of rules to implement this act

using the expedited procedures in RCW 34.05.353. ECY must initiate the award of financial assistance by July 1, 2012, and may administer the award of financial assistance through interpretative guidance through July 1, 2013.

Section 11 amends RCW 43.79A.040 to add a reference to the Brownfield Redevelopment Trust Fund.

Section 12 is a severability clause.

The AGO estimates a workload impact of 0.6 Assistant Attorney General (AAG) and 0.3 Legal Assistant (LA) at a cost of \$112,214 in Fiscal Year (FY) 2013, and 0.2 AAG and 0.1 LA at a cost of \$37,405 in FY2014 and each FY thereafter. The increase in staffing is to provide legal services for rulemaking and purchaser agreed orders.

This bill is assumed effective July 1, 2012.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

Funds are assumed to be Legal Service Revolving Account dollars. Legal services costs incurred by the AGO will be billed through the revolving fund to the client agency.

The client agency is assumed to be ECY. The AGO will bill ECY for legal services rendered.

Please note that these cash receipts represent the AGO authority to bill and are not a direct appropriation to the AGO. The direct appropriation is reflected in the client agencies fiscal note. Appropriation authority is necessary in the AGO budget.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

The AGO estimates a workload impact of 0.6 Assistant Attorney General (AAG) and 0.3 Legal Assistant (LA) at a cost of \$112,214 in Fiscal Year (FY) 2013, and 0.2 AAG and 0.1 LA at a cost of \$37,405 in FY2014 and each FY thereafter.

Assumptions:

1. We assume legal services will be provided to assist in drafting a boilerplate prospective purchaser agreed order.
2. We assume ongoing legal services to negotiate prospective purchaser agreed orders.
3. We assume that there will be three (3) agreed order agreements negotiated each year, and the legal issues will be complex.

4. We assume legal services to assist with the revision of the expedited rulemaking changes, which will be fairly complex.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2012	FY 2013	2011-13	2013-15	2015-17
FTE Staff Years		0.9	0.5	0.3	0.3
A-Salaries and Wages		61,766	61,766	41,178	41,178
B-Employee Benefits		18,162	18,162	12,108	12,108
C-Personal Service Contracts					
E-Goods and Services		29,166	29,166	19,444	19,444
G-Travel		1,320	1,320	880	880
J-Capital Outlays		1,800	1,800	1,200	1,200
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total:	\$0	\$112,214	\$112,214	\$74,810	\$74,810

III. B - Detail: List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA

Job Classification	Salary	FY 2012	FY 2013	2011-13	2013-15	2015-17
Assistant Attorney General	82,284		0.6	0.3	0.2	0.2
Legal Assistant II	41,316		0.3	0.2	0.1	0.1
Total FTE's	123,600		0.9	0.5	0.3	0.3

III. C - Expenditures By Program (optional)

Program	FY 2012	FY 2013	2011-13	2013-15	2015-17
Ecology Division (ECY)		112,214	112,214	74,810	74,810
Total \$		112,214	112,214	74,810	74,810

Part IV: Capital Budget Impact

NONE

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

None.

Individual State Agency Fiscal Note

Bill Number: 6211 S SB	Title: Hazardous waste site cleanup	Agency: 461-Department of Ecology
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2012	FY 2013	2011-13	2013-15	2015-17
Local Toxics Control Account-State 174-1				(20,000,000)	
Brownfields Trust-Non-Appropriated New-6				20,000,000	
Total \$					

Estimated Expenditures from:

	FY 2012	FY 2013	2011-13	2013-15	2015-17
FTE Staff Years	0.0	1.7	0.9	0.8	0.8
Account					
State Toxics Control Account-State 173-1	0	301,220	301,220	248,380	248,380
Total \$	0	301,220	301,220	248,380	248,380

Estimated Capital Budget Impact:

	2011-13		2013-15		2015-17	
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Acquisition	0	0	0	0	0	0
Construction	0	0	0	0	0	0
Other	0	200,000	20,200,000	200,000	200,000	200,000
Total \$	\$0	\$200,000	\$20,200,000	\$200,000	\$200,000	\$200,000

Request # 12-088-4

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates,

Check applicable boxes and follow corresponding instructions:

- ☒ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☒ Capital budget impact, complete Part IV.
- ☒ Requires new rule making, complete Part V.

Legislative Contact:	Michael Bezanson	Phone: 360-786-7449	Date: 02/04/2012
Agency Preparation:	Randy Newman	Phone: 360-407-7219	Date: 02/13/2012
Agency Approval:	Erik Fairchild	Phone: 360-407-7005	Date: 02/13/2012
OFM Review:	Linda Steinmann	Phone: 360-902-0573	Date: 02/13/2012

Request # 12-088-4

Bill # 6211 S SB

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

The primary differences between the original bill and this substitute are that the substitute:

- Replaces references to “Brownfield renewal areas” with "Redevelopment opportunity zone";
- Removes the requirement for Ecology to conduct 300 site reviews;
- Removes authorization for cities and counties to issue orders to potentially liable persons to carry out investigations
- Restores language limiting prospective purchaser agreements to persons not potentially liable at a facility
- Removes a report to the legislature by December 20, 2012 on legislative and administrative actions that would accelerate cleanup and reuse of brownfields properties.

In addition, the substitute replaces previous language authorizing creating of site-specific trusts with a state fund called the brownfield redevelopment trust fund and language regarding the administration of this fund.

The fiscal impacts of the substitute bill are as follows:

Section 4 would create the brownfield redevelopment trust fund and authorize the department of ecology (Ecology) to establish subaccounts within that trust for specific redevelopment opportunity zones or specific brownfield renewal authorities. The department is required to track funds in the trust fund and provide a biennial report to the legislature on activity within each subaccount in the trust fund.

Section 7 would require the department to establish performance measures and track requests for reviews of independent remedial actions and how quickly the department responds to requests for review. By November 1, 2012, the department would have to submit a report to the Governor and the appropriate fiscal and policy committees of the legislature providing recommendations for improving performance, including staffing needs.

Section 8 would authorize the department to enter into an agreed order with a prospective purchaser in designated redevelopment opportunity zones.

Section 10 would expand Ecology's authority to use mixed funding agreements. It would specifically authorize Ecology to issue integrated planning grants and area-wide groundwater grants. It would prioritize brownfield renewal areas for these grants if funds prove insufficient. It would also authorize Ecology to expedite rulemaking to implement the act and award financial assistance through interpretive guidance through July 1, 2013.

This fiscal note is based on a scenario, since the actual fiscal impact is dependent on permissive actions, including legislative appropriation and local government creation of redevelopment opportunity zones. Ecology assumes in this fiscal note that the legislature would appropriate \$20,000,000 from the Local Toxics Control Account (LTCA) to a newly created Brownfields Redevelopment Trust Fund for two redevelopment opportunity zones. Below is an estimated timeframe of the major events if this legislation is enacted:

Effective date of bill: July 2012

Request # 12-088-4

Local government creation of redevelopment opportunity zones: July 2012 - July 2013.

Ecology approval of redevelopment opportunity zones remediation plans July 2012 - July 2013

Funding appropriated by the legislature: 2013-15 Biennium

Transfer of LTCA funds to Brownfields Trust: July 1, 2013 (FY 2014)

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

Section 4 would create the brownfield redevelopment trust fund and would authorize the department to establish subaccounts within the fund for specific redevelopment opportunity zones or specific brownfield renewal authorities. Ecology assumes the funds transferred to the trust(s) would originate from the Local Toxics Control Account (LTCA). Disbursements from the fund would be exempt from appropriation and allotment provisions of chapter 43.88. The department would be required to track funds in the trust fund and provide a biennial report to the legislature on activity within each subaccount in the trust fund.

Impact summary per assumed scenario;

Local Toxics Control Account: Transfer to New Brownfield Redevelopment Trust Fund FY 2013-15 Biennium (\$20,000,000)

New Brownfield Redevelopment Trust Fund: Transfer from LTCA \$20,000,000 (2 sub accounts in the trust X \$10.0 million each)

Ecology assumes the transfer would occur on July 1, 2013 (FY 2014).

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Section 4

This is a new section added to RCW 70.015D creating the brownfield redevelopment trust fund and authorizing Ecology to establish subaccounts within that fund for specific redevelopment opportunity zones or specific brownfield renewal authorities. Disbursements from the fund would be exempt from appropriation and allotment provisions of chapter 43.88. All investment income and interest earned by the trust fund would remain in the trust fund. The department would be required to track funds in the trust fund and provide a biennial report to the legislature on activity within each subaccount in the trust fund.

For the purposes of this fiscal note, Ecology assumes two sub accounts in the amount of \$10.0 million each (appropriated by the legislature in FY 2013) would be funded by the legislature and deposited into the new brownfield redevelopment trust fund. Ecology estimates an additional 0.05 FTE Fiscal Analyst 2 (starting in FY 2013 and on-going) to reconcile the trust account(s) activity on a monthly basis. The costs associated with establishing and administering this new trust is indeterminate because they are subject to legislative appropriation. It's unknown how many trust(s) would be established and the amounts that would be deposited into the treasury account.

Section 7

This Section would amend RCW 70.105D.030 to require the department to establish performance measures and track requests for reviews of independent remedial actions and how quickly the department responds to requests for review. By November 1, 2012, the department would be required to submit a report to the Governor and the appropriate fiscal and policy committees of the legislature providing recommendations for improving performance, including staffing needs. Ecology assumes it will need 0.1 FTE of an Environmental Planner 5 (Fiscal Year 2013) to complete this report.

Section 8(6)

This Section would amend RCW 70.105D.040 to authorize the department, as an alternative to settlements, to enter into an agreed order with a prospective purchaser in designated redevelopment opportunity zones. Ecology assumes three agreed orders per year would be issued with the associated staffing cost of 0.6 FTE (Hydrogeologist 3; 0.2 FTE per order X 3 orders per year = 0.6 FTE) per year starting in FY 2013. In addition Assistant Attorney General (AAG) support would be needed to create a prospective purchaser agreement (PPA) boiler plate (FY 2013 - one time 0.10 FTE AAG) and provide on-going support for PPA negotiations (0.20 FTE AAG per fiscal year starting in FY 2013).

Section 10

This Section would amend RCW 70.105D.070(2) to authorize the department to provide public funding for prospective purchasers within redevelopment opportunity zones. The director of Ecology would have to find that the public funding will be commensurate with a public benefit, in addition to cleanup, and provides examples of public benefits. Ecology assumes that three prospective purchasers that would apply for this funding each year. The amount of funding that would be requested is indeterminate. If an application is funded, it would be processed by existing staff and paid by reprioritizing Ecology's existing capital funds from the State Toxics Control Account.

This section would amend RCW 70.105D.070(3) to authorize Ecology to enter into a grant or loan agreement with a local government conducting a remedial action that provides for periodic reimbursement of remedial action costs as they are incurred as established in the agreement. Currently, the majority of Remedial Action Grant recipients conducting cleanups under orders or decrees receive quarterly cost reimbursements (estimated 98 per year). But independent remedial action grants are only reimbursed at the end of the cleanup (estimated 5 per year). With this new language, Ecology assumes independent remedial actions would be reimbursed on a quarterly schedule like other remedial action grants. It is expected this would also increase the number of independent remedial action grant applicants from 5 to 10 per year. This would result in a need for additional fiscal support. It's estimated an additional 0.03 FTE per year (Fiscal Analyst 2 - Starting in FY 2013 and would be an on-going cost) will be needed to process these additional payment requests.

Subsection (7) of this Section would authorize Ecology to expedite rulemaking to implement the act and award financial assistance through interpretive guidance through July 1, 2013. Ecology assumes updating the remedial action grants guidance would take 0.2 FTE (Environmental Specialist 5) and expedited rulemaking would take an additional 0.5 FTE (Environmental Planner 4) in FY 2013. Also, Ecology would need one-time AAG support as it develops new rules (0.20 FTE) and grant/loan guidance (0.10 FTE) in FY 2013.

Section 11

This Section would amend RCW 43.79A.040 to add the brownfield redevelopment trust fund to the list of state accounts that may retain their interest. See Section 4 for the assumptions related to this fund.

Notes on costs by object:

Salary estimates are based on current actual rates in effect for each job classification, and are calculated at the step corresponding to the experience level required.

Employee Benefits are calculated at the agency average of 33.1% of salaries.

Goods and Services standard costs are calculated at the agency average rate of \$5,008 per direct program FTE.

Also, included are costs for AAG support starting in FY 2013 \$112,214 (0.60 FTE AAG X \$187,024 per year) and \$37,405 (0.20 FTE AAG X \$187,024) each fiscal year thereafter. (Section 8(6) 0.30 FTE AAG and Section 10(7) 0.30 FTE AAG).

Travel expenditures are calculated at the agency average rate of \$1,097 per direct program FTE.

Start-up Equipment costs for the first year are calculated at the agency average rate of \$2,666 per direct program FTE based on current costs for basic computer equipment and an office chair.

Agency Administrative Overhead is calculated at the federal indirect rate of 34.4% of program salaries and benefits, and is identified in Expenditures by Object as 9-Agency Administrative Overhead. Administration program FTEs are included at 0.15 FTE per direct program FTE, and are identified in the Part III-B FTE Detail table as Fiscal Analyst 2.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2012	FY 2013	2011-13	2013-15	2015-17
FTE Staff Years		1.7	0.9	0.8	0.8
A-Salaries and Wages		98,400	98,400	92,388	92,388
B-Employee Benefits		32,570	32,570	30,580	30,580
C-Personal Service Contracts					
E-Goods and Services		119,626	119,626	81,620	81,620
G-Travel		1,624	1,624	1,492	1,492
J-Capital Outlays		3,946	3,946		
N-Grants, Benefits and Client Services					
P-Debt Service					
S-Interagency Reimbursements					
9-Agency Administrative Overhead		45,054	45,054	42,300	42,300
Total:	\$0	\$301,220	\$301,220	\$248,380	\$248,380

III. B - Detail: List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA

Job Classification	Salary	FY 2012	FY 2013	2011-13	2013-15	2015-17
Environmental Planner 4	64,428		0.5	0.3		
Environmental Planner 5	71,064		0.1	0.1		
Environmental Specialist 5	64,428		0.2	0.1		
Fiscal Analyst 2			0.2	0.1	0.1	0.1
Fiscal Analyst 2 (for program)	44,448		0.1	0.0	0.1	0.1
Hydrogeologist 3	71,064		0.6	0.3	0.6	0.6
Total FTE's	315,432		1.7	0.9	0.8	0.8

Part IV: Capital Budget Impact

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

Construction Estimate	FY 2012	FY 2013	2011-13	2013-15	2015-17
Acquisition					
Construction					
Other		200,000	200,000	20,400,000	400,000
Total \$		200,000	200,000	20,400,000	400,000

Section 4

This Section would create the brownfield redevelopment trust fund and authorize the department to establish subaccounts with that fund for specific redevelopment opportunity zones or specific brownfield renewal authorities. Disbursements from the fund are exempt from appropriation and allotment provisions of chapter 43.88. All investment income and interest earned by the trust fund must remain in the trust fund. Ecology assumes the funds transferred to the trust(s) would originate from the Local Toxics Control Account (LTCA). Furthermore, it is assumed that two brownfields in the amount of \$10.0 million each would be funded in the 2013-15 Biennium and the actual cash transfer would not occur until July 1, 2013 (FY2014).

Section 10

This Section would expand Ecology's authority to provide public funding for prospective purchasers within redevelopment opportunity zones. It would specifically authorize Ecology to issue integrated planning grants and areawide groundwater grants. It would prioritize brownfield renewal areas for these grants if funds prove insufficient.

The number of prospective purchasers that would apply for funding and the amount that would be requested is indeterminate. If an application is funded, it would be paid by reprioritizing Ecology's existing capital funds in the state toxics control account.

Historically, Ecology has, through a pilot integrated planning grant program, issued 8 or more of IPG grants (up to \$200,000) to local governments each biennium. This new section could increase the number of IPG grant requests. Ecology assumes that this bill not would increase the number of grants awarded, therefore, there is no fiscal impact.

Ecology assumes there would be additional costs to provide funds for Areawide Groundwater Contamination (AGC) grants. Ecology assumes one \$200,000 grant would be awarded each fiscal year.

Capital Cost Summary

Local Toxics Control Account: Transfer to Brownfields Trust \$20,000,000 Ecology assumes this transfer would occur on July 1, 2013 (FY 2014)

Local Toxics Control Account: - IPGs - Ecology assumes no impact because the same number of grants will be issued and the amount provided to grantees will not change.

Local Toxics Control Account: - One Areawide Groundwater Contamination Grant for \$200,000 per fiscal year.

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

Section 4

This section would authorize Ecology to develop rules on how to administer the brownfields redevelopment trust fund which is created in this section.

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Section 10

This section would authorize Ecology to issue integrated planning grants and areawide groundwater grants. This section would also authorize Ecology to expedite the adoption of rules necessary to implement the act, and to award financial assistance through interpretive guidance through July 1, 2013.

LOCAL GOVERNMENT FISCAL NOTE

Department of Community, Trade and Economic Development

Bill Number: 6211 S SB	Title: Hazardous waste site cleanup
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Part I: Jurisdiction-Location, type or status of political subdivision defines range of fiscal impacts.

Legislation Impacts:

- ☒ Cities: Cities, counties and port districts could establish brownfield renewal authorities to implement cleanup and reuse of designated redevelopment opportunity zones
- ☒ Counties: Same as above
- ☒ Special Districts: Same as above
- ☐ Specific jurisdictions only:
- ☐ Variance occurs due to:

Part II: Estimates

- ☐ No fiscal impacts.
- ☐ Expenditures represent one-time costs:
- ☒ Legislation provides local option: Establishing brownfield renewal authorities
- ☒ Key variables cannot be estimated with certainty at this time: Legislative appropriation to the brownfield redevelopment trust fund; number of local governments establishing redevelopment opportunity zones and brownfield renewal authorities; extent of cleanup activities within each zone

Estimated revenue impacts to:

Indeterminate Impact

Estimated expenditure impacts to:

Indeterminate Impact

Part III: Preparation and Approval

Fiscal Note Analyst: Jaime Kaszynski	Phone: 360-725-2717	Date: 02/14/2012
Leg. Committee Contact: Michael Bezanson	Phone: 360-786-7449	Date: 02/04/2012
Agency Approval: Steve Salmi	Phone: (360) 725 5034	Date: 02/14/2012
OFM Review: Linda Steinmann	Phone: 360-902-0573	Date: 02/14/2012

Part IV: Analysis

A. SUMMARY OF BILL

Provide a clear, succinct description of the bill with an emphasis on how it impacts local government.

Section 4 establishes the brownfield redevelopment trust fund (trust fund) and authorizes the Department of Ecology (Ecology) to establish subaccounts within the trust for the benefit of a local government designating a redevelopment opportunity zone (zone) under Section 5 or an associated brownfield renewal authority (authority) under Section 6. Expenditures from the fund would be used to conduct remedial actions on properties within zones, as detailed in an approved remediation plan.

Section 5 authorizes cities, counties and port districts to designate redevelopment opportunity zones by adopting a resolution containing specified elements.

Section 6 authorizes cities counties and port districts, or any combination of the same, to establish brownfield renewal authorities for the purpose of implementing the cleanup and reuse of properties within a designated zone. An authority would be a separate municipal corporation governed by a board of directors, and would have certain enumerated powers, including the ability to issue general obligation and revenue bonds. Ecology could require the dissolution of an authority if it determines substantial progress has not been made on the remediation plan within six years.

Section 10 would authorize Ecology to make grants or loans from the local toxics control account to local governments conducting or seeking to conduct remedial actions, for integrated planning or to address areawide groundwater contamination.

B. SUMMARY OF EXPENDITURE IMPACTS

Briefly describe and quantify the expenditure impacts of the legislation on local governments, identifying the expenditure provisions by section number, and when appropriate, the detail of expenditures. Delineate between city, county and special district impacts.

The proposed legislation would authorize local governments to designate redevelopment opportunity zones and establish brownfield renewal authorities to implement cleanup and reuse of specified areas. Jurisdictions choosing to do so would incur expenditures to designate zones and establish authorities, which could be minor (less than \$50,000) to moderate (over \$100,000) depending on the size of the zone and levels of cleanup required. Authorities would be authorized to receive funds from the brownfield redevelopment trust fund, to issue bonds, and take various other actions towards implementing the cleanup.

Expenditures for an authority could potentially become substantial (\$10 million or more), as shown in the scenario within Ecology's fiscal note. However, based on that scenario, no net revenue and expenditure impacts would be anticipated for local governments, since the funds for the brownfield authorities would otherwise have been distributed to other local governments through the local toxics control account. Overall revenue and expenditure impacts of the proposed legislation would depend on legislative appropriation to the trust fund, the number of local governments establishing redevelopment opportunity zones and brownfield renewal authorities and the extent of cleanup activities within each zone so cannot reasonably be estimated.

C. SUMMARY OF REVENUE IMPACTS

Briefly describe and quantify the revenue impacts of the legislation on local governments, identifying the revenue provisions by section number, and when appropriate, the detail of revenue sources. Delineate between city, county and special district impacts.

The proposed legislation would authorize cities, counties and port districts to establish brownfield renewal authorities, and enable the authorities to generate revenue by issuing general obligation or revenue bonds, or through other means. As noted in the Expenditure section, revenue impacts of the proposed legislation cannot be reasonably estimated. Based on the scenario in the fiscal note prepared by Ecology, the effect of the proposed legislation would be to shift \$20 million in grant funding from the local toxics control account to the brownfield redevelopment trust fund. There would be no net revenue impact to local governments under this scenario, as both accounts provide funding to local governments.

SOURCES:

Department of Ecology staff and fiscal note
Association of Washington Cities
Washington Public Ports Association