

Multiple Agency Fiscal Note Summary

Bill Number: 6406 S SB	Title: State's natural resources
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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	276,184	0	372,195	0	229,428
Department of Fish and Wildlife	0	1,199,486	0	2,486,639	0	1,289,196
Department of Natural Resources	(303,300)	606,600	(606,600)	1,213,200	(606,600)	1,213,200
Total \$	(303,300)	2,082,270	(606,600)	4,072,034	(606,600)	2,731,824

Estimated Expenditures

Agency Name	2011-13			2013-15			2015-17		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Administrative Office of the Courts	.0	0	0	.0	0	0	.0	0	0
Office of State Treasurer	.0	0	0	.0	0	0	.0	0	0
Office of Attorney General	1.0	0	276,184	1.5	0	372,195	1.0	0	229,428
Department of Commerce	.0	0	0	.0	0	0	.0	0	0
Department of Transportation	.0	0	55,000	.0	0	110,000	.0	0	55,000
Department of Ecology	.9	208,259	208,259	.5	104,678	104,678	.0	0	0
Environmental and Land Use Hearings Office	.8	170,949	170,949	.9	191,036	191,036	.9	191,036	191,036
Department of Fish and Wildlife	3.0	(298,710)	778,300	6.0	(1,155,853)	1,345,600	3.8	(726,103)	570,500
Department of Natural Resources	2.5	771,800	831,600	10.6	2,108,000	2,213,800	10.3	2,077,800	2,168,800
Total	8.2	\$852,298	\$2,320,292	19.5	\$1,247,861	\$4,337,309	16.0	\$1,542,733	\$3,214,764

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

* See Office of the Administrator for the Courts judicial fiscal note

** See local government fiscal note

FNPID 32240

FNS029 Multi Agency rollup

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 Fish and Wildlife						
Acquisition	0	0	0	0	0	0
Construction	0	0	0	0	0	0
Other	0	7,400	7,400	7,400	7,400	0
Total \$	\$0	\$7,400	\$7,400	\$7,400	\$7,400	\$0

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). Therefore, this fiscal analysis includes a projection showing the ten-year cost to tax or fee payers of the proposed taxes or fees.

Prepared by: Chris Stanley, OFM	Phone: (360) 902-9810	Date Published: Final 2/22/2012
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* See Office of the Administrator for the Courts judicial fiscal note

** See local government fiscal note

Judicial Impact Fiscal Note

Bill Number: 6406 S SB	Title: State's natural resources	Agency: 055-Admin Office of the Courts
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Part I: Estimates

☒ **No Fiscal Impact**

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). Therefore, this fiscal analysis includes a projection showing the ten-year cost to tax or fee payers of the proposed taxes or fees.

The revenue and expenditure estimates on this page represent the most likely fiscal impact. Responsibility for expenditures may be

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.

Legislative Contact: Curt Gavigan	Phone: 3607867437	Date: 02/06/2012
Agency Preparation: Julia Appel	Phone: (360) 705-5229	Date: 02/08/2012
Agency Approval: Dirk Marler	Phone: 360-705-5211	Date: 02/08/2012
OFM Review: David Dula	Phone: (360) 902-0543	Date: 02/09/2012

Request # -1

Part II: Narrative Explanation

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

Section 107 amends RCW 77.15.300 to add new elements to the crime of Unlawfully Undertaking Hydraulic Projects, a gross misdemeanor.

Section 108 amends RCW 77.55.291(2) to authorize DFW to levy civil penalties of up to \$10,000 for each HPA violation. If the penalty is not paid within thirty days after it becomes due, the attorney general, upon the request of the director, shall bring an action in superior court to recover the penalty.

Subsection (4) allows the director to apply for an administrative inspection warrant in superior court.

DFW and the AGO anticipate that there will be minimal requests to bring actions to collect unpaid civil penalties, or to seek administrative search warrants (possibly one of each per year). Therefore, it is assumed that there will be not be a significant fiscal impact to the courts statewide.

II. B - Cash Receipts Impact

II. C - Expenditures

Part III: Expenditure Detail

Part IV: Capital Budget Impact

Individual State Agency Fiscal Note

Bill Number: 6406 S SB	Title: State's natural resources	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

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). Therefore, this fiscal analysis includes a projection showing the ten-year cost to tax or fee payers of the proposed taxes or fees.

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: Curt Gavigan	Phone: 3607867437	Date: 02/06/2012
Agency Preparation: Dan Mason	Phone: 360-902-9090	Date: 02/08/2012
Agency Approval: Dan Mason	Phone: 360-902-9090	Date: 02/08/2012
OFM Review: Cheri Keller	Phone: 360-902-0563	Date: 02/09/2012

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 6406 creates the hydraulic project approval account and forest practices application account. Earnings from investments will be 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 6406 creates the hydraulic project approval account and forest practices application account. Earnings from investments will be 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: 6406 S SB	Title: State's natural resources	Agency: 100-Office of Attorney General
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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
Legal Services Revolving Account-State 405-1		276,184	276,184	372,195	229,428
Total \$		276,184	276,184	372,195	229,428

Estimated Expenditures from:

	FY 2012	FY 2013	2011-13	2013-15	2015-17
FTE Staff Years	0.0	2.1	1.0	1.5	1.0
Account					
Legal Services Revolving Account-State 405-1	0	276,184	276,184	372,195	229,428
Total \$	0	276,184	276,184	372,195	229,428

Estimated Capital Budget Impact:

NONE

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). Therefore, this fiscal analysis includes a projection showing the ten-year cost to tax or fee payers of the proposed taxes or fees.

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: Curt Gavigan	Phone: 3607867437	Date: 02/06/2012
Agency Preparation: Cam Comfort	Phone: (360) 664-9429	Date: 02/09/2012
Agency Approval: Sarian Scott	Phone: (360) 586-2104	Date: 02/09/2012
OFM Review: Cheri Keller	Phone: 360-902-0563	Date: 02/09/2012

Request # 12-118-1

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 stating legislative intent.

PART I – Hydraulic Project Approvals

Section 101 amends RCW 77.55.011 to add definitions for “emergency permit,” “expedited permit,” “general permit,” “multiple site permit,” “permit modification,” “pamphlet hydraulic project,” “one hundred year floodplain,” “shoreline or streambank protection project,” “forest practices hydraulic project,” “adjacent,” “unconfined channel,” “moderately confined channel,” “repair or maintenance,” “stream channelization,” and “outfall.”

Section 102 amends RCW 77.55.021 to require a person, with certain exceptions, to secure the approval of the Department of Fish and Wildlife (DFW) before conducting a hydraulic project at or below the ordinary high water line. The statute is substantially rewritten.

Section 103 adds a new section to RCW 77.55 requiring the DFW, except as otherwise provided, to charge a submittal fee and a processing fee for all hydraulic project permits issued under RCW 77.55.021. Subsections (2) through (4) list the hydraulic projects that DFW must categorize as low complexity, medium complexity, and high complexity, when assessing fees for permits. Subsection (6) specifies the submittal fees that DFW must charge. Subsection (7) specifies the hydraulic project permit application processing fees that DFW must charge unless it establishes a lower fee consistent with this section. Subsection (9) specifies the permit modification processing fee DFW must charge unless it establishes a lower fee consistent with this section. Subsection (10) lists the hydraulic projects that are exempt from all fees listed in this section. Subsection (11) provides DFW discretion to reduce fees where the work required of it is substantially less than typically required. Subsections (12) and (13) list circumstances in which DFW is required to refund 50% and 100% of all fees. Subsection (14) required DFW to calculate adjusted fees by the rate of inflation on September 30th of each year.

Section 104 adds a new section to RCW 77.55 requiring DFW, by January 1, 2013, to develop and implement a program to monitor the effectiveness of its approvals under this chapter.

Section 105 is a new section requiring DFW to report to the Legislature by September 1, 2015. DFW must develop the report in consultation with affected stakeholders.

Section 106 adds a new section to RCW 77.55 creating the Hydraulic Project Approval Account in the state treasury.

Section 107 amends RCW 77.15.300 to redefine when a person is guilty of unlawfully undertaking hydraulic project activities which is a gross misdemeanor. The Commission is authorized to identify, by rule, certain acts that violate the hydraulic code as being of minimal impact to fish life and may classify these acts, on an individual basis, as infractions, punishable under RCW 77.15.160 and RCW 7.84.

Section 108 amends RCW 77.55.291 to authorize the Director of DFW (Director) to issue a compliance notice or order to a person who takes certain actions involving hydraulic projects. The notice or order may be appealed to the Pollution Control Hearing Board (PCHB) within 30 days. Before appealing to the PCHB, a compliance order may be informally appealed within DFW within 30 days from the date of the receipt of the decision. The Director may levy certain civil penalties. If the penalty is not paid within 30 days after it becomes due and payable, the Attorney General, upon the request of the Director, must bring an action in the name of the state in Superior Court to recover the penalty. DFW is entitled to attorney's fees and reasonable costs incurred in connection with the penalty. The Director must establish, by rule, a penalty schedule. The Director is authorized to apply for an administrative inspection warrant.

Section 109 adds a new section to RCW 77.55 requiring DFW to make available to the public on its internet site statistics on civil enforcement actions taken and penalties issued under RCW 77.55.291 and criminal enforcement actions taken under RCW 77.15.300.

Section 110 amends RCW 77.55.151 to require DFW, upon application under RCW 77.55.021, to issue a renewable, five-year general permit to a marina or marina terminal for its regular maintenance activities identified in the application. Examples of regular maintenance activities are provided. A permit under this section is subject to the fee for a general permit provided in section 103.

Section 111 adds a new section to RCW 77.55 requiring DFW, by December 31, 2012, to make examples of complete, high quality applications and the resulting issued hydraulic project approvals. These examples shall be readily available to the public on its internet site and the internet site of the Office of Regulatory Assistance.

Section 112 amends RCW 77.55.231 to add new subsection (3) providing that a permit contain provisions allowing for minor modifications to the required work timing without requiring the reissuance of the permit.

Section 113 adds a new section to RCW 77.55 requiring DFW to prepare and distribute technical and educational information to the general public.

Section 114 adds a new section to RCW 77.55 providing that this chapter may be known and cited as the Hydraulic Code.

Section 115 adds a new section providing that the fee provisions in section 103 are prospective only.

Section 116 adds a new section to RCW 77.55 requiring DFW to develop a system to provide local governments, affected tribes, and other interested parties with access to project approval applications.

Section 117 adds a new section to RCW 77.55 authorizing DFW and cities or counties to enter into voluntary agreements pursuant to RCW 39.34 to integrate state and local permitting of hydraulic projects conducted above the ordinary high water line as described under RCW 77.55.021(1)(a)(ii). Coordination with tribes is required. The minimum required contents of such agreements are listed. By December 31, 2013, DFW is required to adopt, by rule, best management practices that provide for the protection of fish life for those hydraulic projects to be permitted under an agreement. DFW retains the ultimate authority for the protection of fish life.

Section 118 adds a new section to RCW 77.55 authorizing an applicant to enter into cost-reimbursement agreement with DFW under RCW 43.300.080 for the purpose of preapplication project coordination. DFW must convene a meeting with the applicant and invite other regulatory agencies to attend.

Section 119 amends RCW 43.21B.100 to add a reference to RCW 77.55.291, a reference to “decisions to enter into an agreement authorized under section 117 of this act,” and delete a reference to “appeals of decisions by the department as provided in chapter 43.21L RCW.”

Section 120 adds a new section to RCW 35.21 authorizing a city to enter into a voluntary agreement with DFW to integrate state and local permitting of hydraulic projects conducted above the ordinary high water line as authorized under section 117.

Section 121 adds a new section to RCW 36.01 authorizing a county to enter into a voluntary agreement with DFW to integrate state and local permitting of hydraulic projects conducted above the ordinary high water line as authorized under section 117.

Section 122 adds a new section to RCW 39.34 authorizing a city or county to enter into a voluntary agreement with DFW to integrate state and local permitting of hydraulic projects conducted above the ordinary high water line as authorized under section 117.

Section 123 is a new section requiring the Director to adopt rules required or deemed necessary to implement sections 101 through 122.

Section 124 is a new section stating that sections 101 through 110, 112, 115 through 118, and 120 through 122 expire July 1, 2016.

Section 125 is a new section stating that section 119 expires on June 30, 2019.

PART II – Hydraulic Project– Approval and Forest Practices Integration

Section 201 adds a new section to RCW 77.55 providing that the requirements of this chapter do not apply to any forest practices hydraulic projects, or to any activities associated with such a project, upon incorporation of fish protection standards adopted under this chapter into the forest practices rules and approval of technical guidance as required under RCW 76.09.040, at which time these projects are regulated under RCW 76.09. DFW must continue to conduct regulatory and enforcement activities under this chapter for forest practices hydraulic projects until the Forest Practices Board (FPB) incorporates fish protection standards into the forest practices rules and approves technical guidance as required under RCW 76.09.040. DFW, by July 1, 2013, must adopt rules establishing the form and procedures for the concurrent review process consistent with section 202. DFW must notify the DNR prior to beginning a rule-making process that may affect activities regulated under RCW 76.09. DFW is authorized to review and provide comments on any forest practices applications. DFW must participate in effectiveness monitoring for forest practices hydraulic projects.

Section 202 adds a new section to RCW 76.09 authorizing DNR to request information and technical assistance from DFW regarding any forest practices hydraulic project regulated under this chapter. A concurrence review process is established for certain forest practices hydraulic projects.

Section 203 amends RCW 76.09.040 to require the FPB, by July 1, 2013, to incorporate into the forest practice rules those fish protection standards in the rules adopted under RCW 77.55, as the rules existed on the effective date of this section, that are applicable to activities regulated under the forest practices rules. Thereafter, the Board must incorporate into the forest practices rule certain changes to the fish protection standards in the rules adopted under RCW 77.55. By July 1, 2013, the Board must establish and maintain technical guidance in the forest practices board manual, including best management practices and standard techniques to ensure fish protection.

Section 204 is a new section added to RCW 77.55 requiring DFW and DNR to enter into, and maintain, an agreement that describes how to implement integration of hydraulic project approvals into forest practices applications consistent with this act. The initial memorandum agreement must be executed by December 31, 2012.

Section 205 amends RCW 76.09.050 to required DNR to approve or disapprove an application within 60 calendar days from the date it receives the application if it determines that a detailed statement must be made, unless the Commissioner of Public Lands, through the promulgation of a formal order, determines that the process cannot be completed within such a period.

Section 206 amends RCW 76.09.060. This section now states that the information required in a notification of application submitted on or after the effective date of section 202 may include a forest practices hydraulic project, plans, and specifications for the project to ensure proper protection of fish life. Subsection (6)(b) is added to authorize the renewal of a notification or application for an additional three-year term by filing and approval of a notification or application, as applicable, prior to the expiration of the original application or notification. Subsection (6)(d) is revised to provide that DNR may require the applicant to provide advance notice before commencing operations on an approved application or notification.

Section 207 amends RCW 76.09.150 to add a reference to “including forest practice rules incorporated under RCW 76.09.040(3).”

Section 208 adds a new section to RCW 43.30 requiring DNR, by December 31, 2013, to make examples of complete, high quality forest practices applications and the resulting issued permits readily available to the public on its internet site.

Section 209 amends RCW 76.09.065 to revise the fees for applications and notifications submitted to DNR if sections 201 through 203 and 206 are enacted into law by June 30, 2012.

Section 210 amends RCW 76.09.470 to provide that the fee for a new application for conversion under subsection (1) (c) is the difference between the applicable fee for a new application under RCW 76.09.065 and the fee previously paid for the original application or notification.

Section 211 amends RCW 76.09.030 to make non-substantive changes and to delete subsection (2).

Section 212 amends RCW 76.09.020 to revise the definition of “forest practice” and add definitions for “forest practices hydraulic project” and “fill.”

Section 213 adds a new section to RCW 43.21C to exempt from compliance with this chapter the incorporation of fish protection standards adopted under RCW 77.55 into the forest practices rules as required by RCW 76.09.040(3).

Section 214 is a new section requiring DNR and DFW to jointly report to the appropriate committees of the Legislature with findings and any recommendations relating to the regulatory integration of hydraulic projects and forest practices as provided in this act. An initial report must be provided by September 1, 2014, and a second report by September 1, 2016.

Section 215 is a new section providing that sections 202 and 205 take effect on the date the FPB incorporates fish protection standards adopted under RCW 77.55 into the forest practices rules and approves technical guidance as required under RCW 76.09.040. DNR must provide written notice of the effective date of these sections to affected parties and others.

Section 216 is a new section providing that nothing in this act affects any DFW and DNR rules, processes, or procedures existing on the effective date of this section that provide for regulatory regulation of hydraulic projects and forest practices for projects non-fish bearing waters.

Section 217 is a new section providing that nothing in this act authorizes DFW to assume authority over the approval, disapproval, conditioning, or enforcement of applications submitted under RCW 76.09.

Section 218 is a new section which is the severability clause.

PART III – State Environmental Policy Act and Local Development Regulations

Section 301 is a new section requiring the Department of Ecology (ECY), by December 31, 2012, to update the rule-based categorical exemptions to RCW 43.21C found in WAC 197-11-800 and update the environmental checklist found in WAC 197-1-960. Certain requirements for the updated categorical exemptions are provided. ECY also is required, by December 31, 2013, to update the thresholds for all other projects actions. ECY must convene an advisory committee for both rule-making processes.

Section 302 amends 43.21C.021 to delete a sentence addressing county, city, or town planning under RCW 36.70A.040. Subsection (1) is divided into two subsections. Prior subsection (2), defining planned action, is deleted.

Section 303 amends RCW 43.21C.087 to require ECY to accept electronic submittal of all required filings from lead agencies under this section.

Section 304 adds a new section to RCW 43.21C to describe what a planned action is. Counties, cities, and towns are required to define the types of development included in the planned action or a specific geographical area that is less

extensive than the jurisdictional boundaries of the county, city, or town, and may limit a planned action. The process for designating a planned action is specified.

Section 305 amends RCW 43.21C.229 to revise the criteria of when a city or county may adopt a categorical exemption.

Section 306 adds a new section to RCW 43.21C providing that this chapter does not apply to projects designed exclusively to restore natural wildlife or fishery habitats or projects that serve as environmental mitigation for other projects. Several exceptions are provided. The lead agency permitting a project that qualifies for an exemption under this section must consult with the Department of Archaeology and Historic Preservation to evaluate any impacts to historic or archaeological sites.

Section 307 adds a new section to RCW 43.21C to authorize a county, city, or town to recover reasonable expenses incurred by the preparation of a nonproject environmental impact statement prepared under RCW 43.21C.030(2), including through the assessment of a reasonable and proportionate fee upon subsequent development. The fee may be “paid under protest” and, if the city provides for an administrative appeal of its decision on the project for which the fees are imposed, any dispute about the amount of the fees must be resolved in that appeal process.

Section 308 amends RCW 43.21C.420 to delete the part of subsection (5)(b) pertaining to the continued collection of reimbursement fees. Subsection (6), pertaining to a city that prepares a nonproject environmental impact statement, is also deleted.

Section 309 adds a new section to RCW 43.21C to categorically exempt certain listed proposed actions from the requirements of this chapter if the proposed action is located within a county, city, or town planning.

Section 310 adds a new section to RCW 43.21C to authorize a lead agency for an environmental review under this chapter utilizing an environmental checklist developed by ECY to satisfy the requirements of the checklist by identifying instances where questions on the checklist are adequately covered by a locally adopted ordinance, development regulation, land use plan, or other legal authority.

Section 311 amends RCW 36.70A.490 to provide that moneys in the Growth Management Planning and Environmental Review (GMPER) fund shall be used to make grants or loans to local governments for the purposes set forth in RCWs 43.21C.240, 43.21C.031, or 36.70A.500. Payments of either principal or interest, or both, derived from loans made from this fund must be deposited into the fund.

Section 312 amends RCW 36.70A.500 to require the Department of Commerce to provide management services for the GMPER Fund created by RCW 36.70A.490. The criterion for a city or county to qualify for a grant or loan is revised to add environmental review that addresses the impacts of increased density or intensity of comprehensive plans, subarea plans, or receiving areas designated by a city or town under the regional transfer of development rights program in RCW 43.362.

Section 313 adds a new section to RCW 82.02 containing legislative findings and authorizing counties, cities, and towns that conduct detailed environmental review under RCW 43.21C, integrated with a comprehensive plan or subarea plan

within urban growth areas, to impose environmental fees on development activity as part of the financing for environmental review conducted under RCW 43.21C on a comprehensive plan or subarea plan. Limits on the fees are provided.

Section 314 amends RCW 82.02.020 to add references to sections 307 and 313.

Section 315 amends RCW 43.21C.110 to make non-substantive changes, and adds a reference to section 304.

Section 316 amends RCW 43.21C.095 to make a non-substantive change, and add a reference to section 301.

Section 317 amends RCW 36.70A.280 to strike the limitation that nothing in this subsection authorizes the GMHB to hear petitions alleging noncompliance with RCW 36.70A.5801. Subsection (2) is revised with respect to who may file a petition. Subsection (4), pertaining to establishing standing under subsection (2), is stricken.

The Attorney General's Office (AGO) estimates a workload impact of 1.45 Assistant Attorney General (AAG) and 0.6 Legal Assistant (LA) at a cost of \$276,184 in Fiscal Year (FY) 2013, 1.35 AAG and 0.6 LA at a cost of \$257,481 in FY2014, 0.6 AAG and 0.4 LA at a cost of \$114,714 in FY2015 and in each FY thereafter. The increase in staffing is to provide legal services for advice, rulemaking, appeals of enforcement orders and civil penalties pursuit of administrative search warrants, and recovery of unpaid civil penalties.

We estimate direct litigation costs at \$5,000 in FY2013 and FY2014, and \$2,500 in FY2015 and in each FY thereafter, which are included in this cost. Direct litigation costs are for depositions, court fees, and increased travel based on the enactment of this bill.

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 agencies are assumed to be DFW, DNR, and ECY. The AGO will bill DFW, DNR, and 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.

NATURAL RESOURCES DIVISION (RES) ASSUMPTIONS:

DNR will be billed for 0.1 AAG in FY2013 and FY2014, at a cost of:

FY2013: LSRF: \$18,702

FY2014: LSRF: \$18,702

FISH AND WILDLIFE DIVISION (FWP) ASSUMPTIONS:

1. DFW will be billed for 1.2 AAG and 0.6 LA in FY2013 and FY2014, and 0.6 AAG and 0.4 LA in FY2015 and in each FY thereafter, at a cost of:

FY2013: LSRF: \$229,428

FY2014: LSRF: \$229,428

FY2015 and in each FY thereafter: LSRF: \$114,714

2. We assume direct litigation costs at \$5,000 in FY2013 and FY2014, and \$2,500 in FY2015 and in each FY thereafter.

ECOLOGY (ECY) ASSUMPTIONS:

ECY will be billed for 0.15 AAG FY2013 and 0.05 AAG in FY2014, at a cost of:

FY2013: LSRF: \$28,054

FY2014: LSRF: \$9,351

FY2015: 0

FY2016: 0

FY2017: 0

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 1.45 AAG and 0.6 LA at a cost of \$276,184 in FY2013, 1.35 AAG and 0.6 LA at a cost of \$257,481 in FY2014, and 0.6 AAG and 0.4 LA at a cost of \$114,714 in FY2015 in each FY thereafter.

We estimate direct litigation costs at \$5,000 in FY2013 and FY2014, and \$2,500 in FY2015 and in each FY thereafter, which are included in this cost.

RES DIVISION ASSUMPTIONS:

1. We assume we will bill DNR for legal services based on the enactment of this bill.

2. We assume legal services are required for client advice related to forest practice permits and enforcement actions with integrated Hydraulic Project Approval requirements.

3. We assume increased litigation costs from any administrative appeals and judicial review of decisions involving these issues.

4. We assume workload impact for 0.1 AAG in FY2013 and FY2014 only.

Request # 12-118-1

Bill # 6406 S SB

FWP DIVISION ASSUMPTIONS:

1. We assume we will bill DFW for legal services based on the enactment of this bill.
2. We assume legal services are required for appeals of enforcement orders and civil penalties pursuant of administrative search warrants.
3. WDFW estimates the following number of new civil enforcement actions for the first biennium: 67 civil penalties and 202 enforcement orders. In the ensuing biennia, counts are assumed reduced by half.
4. We assume legal services are required for recovery of unpaid civil penalties.
5. We assume workload impact for 1.2 AAG and 0.6 LA in FY2013 and FY2014, and 0.6 AAG and 0.4 LA in FY2015 and in each FY thereafter.
6. We assume direct litigation costs of \$5,000 in FY2013 and FY2014, and \$2,500 in FY2015 and in each FY thereafter for court fees, depositions, and increased travel based on the enactment of this bill.

ECY DIVISION ASSUMPTIONS:

1. We assume we will bill ECY for legal services based on the enactment of this bill.
2. We assume 0.2 AAG for legal advice and rulemaking to be provided between July 1, 2012 and Dec 31, 2012.
3. We assume 0.1 AAG for rulemaking for board functioning issues between January 1, 2013 and June 30, 2013.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2012	FY 2013	2011-13	2013-15	2015-17
FTE Staff Years		2.1	1.0	1.5	1.0
A-Salaries and Wages		148,235	148,235	201,772	131,794
B-Employee Benefits		43,530	43,530	59,388	39,216
C-Personal Service Contracts		5,000	5,000	7,500	5,000
E-Goods and Services		65,914	65,914	93,360	46,898
G-Travel		3,180	3,180	4,300	2,720
J-Capital Outlays		10,325	10,325	5,875	3,800
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total:	\$0	\$276,184	\$276,184	\$372,195	\$229,428

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		1.5	0.7	1.0	0.6
Legal Assistant II	41,316		0.6	0.3	0.5	0.4
Total FTE's	123,600		2.1	1.0	1.5	1.0

III. C - Expenditures By Program (optional)

Program	FY 2012	FY 2013	2011-13	2013-15	2015-17
Ecology Division (ECY)		28,054	28,054	9,351	
Fish and Wildlife Division (FWP)		229,428	229,428	344,142	229,428
Natural Resources Division (RES)		18,702	18,702	18,702	
Total \$		276,184	276,184	372,195	229,428

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: 6406 S SB	Title: State's natural resources	Agency: 103-Department of Commerce
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Part I: Estimates

☒ No Fiscal Impact

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). Therefore, this fiscal analysis includes a projection showing the ten-year cost to tax or fee payers of the proposed taxes or fees.

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: Curt Gavigan	Phone: 3607867437	Date: 02/06/2012
Agency Preparation: Paul Johnson	Phone: 360-725-3048	Date: 02/08/2012
Agency Approval: Leonard Bauer	Phone: 360-725-3055	Date: 02/08/2012
OFM Review: Tristan Wise	Phone: (360) 902-0538	Date: 02/08/2012

Request # 080-6A0-1

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 311 permits loans from the planning and environmental review fund (PERF). The PERF account is presently limited to grants. Payments of principal and interest from PERF loans would be deposited back into the account.

Section 312 makes the statutory references to PERF consistent with the changes in section 11. The list of criteria that the Department of Commerce must consider when awarding a PERF grant or loan is expanded to include additional local environmental review proposals.

Section 317 amends the requirements to file a petition for review before the growth management hearings board, removing standing for persons who have participated orally or in writing before the county or city regarding the matter on which the review is requested.

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.

There are no cash receipts to the Department of Commerce because there is no fund balance in the planning and environmental review fund and there is no appropriation to that account in either this bill or in the proposed supplemental budget from which future loans could be made.

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.

There is no impact to the Department of Commerce because there is no fund balance in the planning and environmental review fund and there is no appropriation to that account in either this bill or in the proposed supplemental budget from which future loans could be made.

Part III: Expenditure Detail

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.

Commerce will amend rules on growth management hearings and public participation to implement the requirements of section 317.

Individual State Agency Fiscal Note

Bill Number: 6406 S SB	Title: State's natural resources	Agency: 405-Department of Transportation
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Expenditures from:

	FY 2012	FY 2013	2011-13	2013-15	2015-17
Account					
Motor Vehicle Account-State 108-1	0	29,000	29,000	58,000	29,000
Puget Sound Ferry Operations Account-State 109-1	0	26,000	26,000	52,000	26,000
Total \$	0	55,000	55,000	110,000	55,000

Estimated Capital Budget Impact:

NONE

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). Therefore, this fiscal analysis includes a projection showing the ten-year cost to tax or fee payers of the proposed taxes or fees.

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: Curt Gavigan	Phone: 3607867437	Date: 02/06/2012
Agency Preparation: Kenneth Schlatter	Phone: 360-704-6327	Date: 02/10/2012
Agency Approval: Jerry Lenzi	Phone: 360-705-7032	Date: 02/10/2012
OFM Review: Paul Ingiosi	Phone: (360) 902-9822	Date: 02/10/2012

Request # 12-059-1

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.

This bill affects the department because it establishes a system of fees for Hydraulic Project Approvals (HPAs) issued by the Department of Fish and Wildlife for any project that will use, divert, obstruct, or change the natural flow of any salt or fresh waters of the state. Currently, there is no fee for an HPA.

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.

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 103(6) and (7) of the bill establishes fees for HPAs. The department estimates that the new fees will annually cost approximately \$24,000 for highway constructions projects, \$2,000 for ferries capital projects, and \$29,000 for highway maintenance projects.

Sec 102 requires that WSDOT submit applications for work above the ordinary high water line for repair and maintenance of an existing bridge, dike, or levee adjacent to the ordinary high water line and for shoreline or streambank protection projects adjacent to the ordinary high water line (see Sec 102(1)(ii)(B) and (D)). These are new requirements (not in current law). Section 101 (29) defines "adjacent" as 50 feet from the ordinary high water line for confined channels and 200 feet from the ordinary high water line for unconfined channels. These are also new definitions. This means that the department will require more permits, and as a consequence also need to do more wetland environmental mitigation work to compensate for the adverse ecological impacts from the projects. Without knowing the specifics of possible adverse impacts from these projects and the extent of possible mitigation required, it is impossible to estimate the additional costs for environmental mitigation.

In addition, there will be incidental administrative costs to prepare additional permit applications.

The assumptions and calculations to determine these amounts are contained in the attached spreadsheet. The estimated costs do NOT include annual inflation per OFM instructions, even though Section 103 (14) of the bill requires annual adjustment of fees for inflation. Because the bill does not state a specific effective start date of the new fees, the department assumes the effective date will be July 1, 2012. The fees will expire on July 1, 2016 per Section 124 of the bill.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2012	FY 2013	2011-13	2013-15	2015-17
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Personal Service Contracts					
E-Goods and Services		29,000	29,000	58,000	29,000
G-Travel					
J-Capital Outlays		26,000	26,000	52,000	26,000
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total:	\$0	\$55,000	\$55,000	\$110,000	\$55,000

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.

WSDOT Estimated Costs From SSB 6406 for Hydraulic Project Approvals

	Annual Number of Projects				FEES (From SB 6406 Section 103 (6) and (7))				Annual Cost by Type of Project			
Type of Project Requiring a Hydraulic Project Approval (HPA)	Capital Projects	Ferries Capital	Maint. Projects	Total Projects	Submittal Fee	Processing Fee	Three add-on sites*	Total Fees	Capital Projects	Ferries Capital	Maint. Projects	Total Projects
Low Complexity	9		13	22	\$50	\$75		\$125	\$1,125		\$1,625	\$2,750
Medium Complexity	11	7	27	45	\$75	\$175		\$250	\$2,750	\$1,750	\$6,750	\$11,250
High Complexity	14		20	34	\$125	\$575		\$700	\$9,800		\$14,000	\$23,800
Multi-site	5		7	12	\$75	\$175	\$105	\$355	\$1,775		\$2,485	\$4,260
General HPA	1			1	\$175	\$4,875		\$5,050	\$5,050			\$5,050
Permit modifications	17	2	18	37		\$75		\$75	\$1,275	\$150	\$1,350	\$2,775
Project 200' to water (medium complexity)	10			10	\$75	\$175		\$250	\$2,500			\$2,500
Project 200' to water (low complexity)			23	23	\$50	\$75		\$125			\$2,875	\$2,875
Total	67	9	108	184					\$24,275	\$1,900	\$29,085	\$55,260

*The cost for additional sites for a multi-site permit is 20% of the \$175 processing fee for each site up to 3 additional sites.

Note: The costs above do NOT include annual inflation. Section 103 (14) of the bill requires annual adjustment of fees for inflation

Individual State Agency Fiscal Note

Bill Number: 6406 S SB	Title: State's natural resources	Agency: 461-Department of Ecology
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Expenditures from:

	FY 2012	FY 2013	2011-13	2013-15	2015-17
FTE Staff Years	0.0	1.8	0.9	0.5	0.0
Account					
General Fund-State 001-1	0	208,259	208,259	104,678	0
Total \$	0	208,259	208,259	104,678	0

Estimated Capital Budget Impact:

NONE

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). Therefore, this fiscal analysis includes a projection showing the ten-year cost to tax or fee payers of the proposed taxes or fees.

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: Curt Gavigan	Phone: 3607867437	Date: 02/06/2012
Agency Preparation: Gordon Wiggerhaus	Phone: 360-407-6994	Date: 02/17/2012
Agency Approval: Erik Fairchild	Phone: 360-407-7005	Date: 02/17/2012
OFM Review: Linda Steinmann	Phone: 360-902-0573	Date: 02/17/2012

Request # 12-092-2

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 following is a comparison of SSB 6406 to SB 6406. These changes affect the fiscal impact to Ecology.

- Reimbursement of travel expenses for council members would no longer be required.
- The Council on Environmental Policy is removed.
- Section 309 which would have allowed local environmental checklists is removed.
- Section 312 which concerned concurrent public notice for SEPA and permit review for developments is removed.
- Section 306 allowing an exemption from SEPA for fishery/wildlife mitigation projects is new.
- Changes to section numbering.

Parts 1 and 2 of SB 6406 are concerned with Hydraulic Project Approvals (Dept. of Fish and Wildlife) and Forest Practices (Dept. of Natural Resources and Dept. of Ecology). Part 3 is concerned with the State Environmental Policy Act (SEPA), which is administered by the Dept. of Ecology.

Forest Practices

Section 203 would amend RCW 76.09.040, Forest Practices Rules. The Forest Practices Rules are administered by the Dept. of Natural Resources (DNR). This section's amendments would affect Ecology's Water Quality Program.

Part 3 is concerned with categorical exemptions, fees, and streamlining for the State Environmental Policy Act (SEPA).

SEPA Rules

Categorical Exemptions and Environmental Checklist

Section 301(2) would direct Ecology to revise specific categorical exemptions in the SEPA rule and the SEPA checklist by December 31, 2012. Section 301(2) would require that categorical exemption thresholds for minor construction be increased. These include single-family housing, multifamily housing, offices, schools, and commercial structures. Section 301(3) would require Ecology to revise the thresholds for all other project actions not included in Section 301(2) by December 31, 2013. For both rulemaking processes, Ecology would be required to convene an advisory committee.

Section 301(4)(b) would require Ecology to consider opportunities for parties to receive notice of projects through alternatives to the process defined in RCW 43.21C.

Section 301(5) states that this section would expire July 31, 2013.

The expiration date in section 301(5) is inconsistent with the section 301(2) rulemaking deadline. Since section 301(2) states that Ecology would have until December 31, 2013, and we would need until then to complete the rule, we assume that the deadline for the rule to be completed would be December 31, 2013.

Added Exemptions

Request # 12-092-2

Bill # 6406 S SB

Section 305 is concerned with the infill exemption from SEPA. Section 305 would amend existing provisions of RCW 43.21C.229 that allow cities and counties to categorically exempt certain infill development from SEPA review. Currently, the types of development eligible for the exemption are residential and mixed use (residential along with other uses, such as commercial). Section 305(1)(a) reiterates that the types of development eligible for the exemption are residential and mixed use (residential along with other uses, such as commercial). The current statute requires that an EIS must have been previously prepared on the city or county comprehensive plan. Section 305 would allow the infill exemption to apply if an EIS was prepared for the area where the exemption applies, and the EIS considered the use or intensity of use proposed for categorical exemption from SEPA review.

Section 306 would add a new exemption to SEPA for “projects designed exclusively to restore natural wildlife or fishery habitats or projects that serve as environmental mitigation for other projects.” The section lists some exceptions.

Section 309 adds specific non-project actions that would be exempt from SEPA review. Several non-project actions would be exempted, including regulation changes that would be required to bring development regulations in line with comprehensive plans, shoreline master programs, and state building codes. Subsection 309(1)(b) would allow local governments to customize exemption levels for specific geographic areas.

Section 310 is concerned with the environmental checklist used for SEPA review. A lead agency could identify where existing local regulations adequately cover a question on the checklist. This would be a substitute for applicants' responding to each question with information on their particular project.

Fees and Loans

Sections 307 and 308 would move RCW 43.21C.420(6) to a separate section of RCW 43.21C. This subsection would allow cities to recover costs of nonproject EISs in some manner, including fees.

Sections 311 and 312 would allow the Growth Management Planning and Environmental Review Fund to make loans to local governments. Under current law, the fund is used for SEPA project review and is administered by the Dept. of Commerce. Section 312 would amend RCW 36.70A.500., Growth Management Planning and Environmental Review Fund, to add a criteria to the list of criteria that are considered in awarding grants/loans from the fund. The section would add “environmental review that addresses the impacts of increased density or intensity of comprehensive plans, subarea plans, or receiving areas designated by a city or town under the regional transfer of development rights program.”

Sections 313 and 314 would amend RCW 82.02, General Provisions for State Taxes, to allow local governments to collect fees for SEPA reviews. Section 313(2) would state that local governments “that conduct detailed environmental review under chapter 43.21C RCW, integrated with a comprehensive plan or subarea plan within urban growth areas, are authorized to impose environmental fees on development activity as part of the financing for environmental review conducted under chapter 43.21C RCW on a comprehensive plan or subarea plan.”

Housekeeping - Planned Actions and Other Changes

Sections 302 and 304 are chiefly a rearranging of a subsection of SEPA. RCW 43.21C.031 describes when an

Environmental Impact Statement must be prepared. It also describes a specific type of environmental review called a “planned action.” The planned action provisions would be deleted from 43.21C.031 and moved to section 304.

Section 303 would require Ecology to accept electronic submittals of SEPA filings. Ecology already does this.

Section 304 would contain the planned action provisions. Section 304(1)(e) would amend the provisions by allowing “essential public facilities” to be included in a development that is designated as a planned action. Section 304(3) would add more provisions to the process for designating a planned action.

Sections 315 and 316 are minor language changes to clarify RCW 43.21C.110, Content of SEPA Rules.

Section 317 would change standing for filing appeals under the Growth Management Act. Participation at the local level in GMA actions would no longer provide standing in GMA appeals.

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.

This bill would not have a cash receipts impact to Ecology.

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.

Water Quality Program

Ecology's Water Quality Program staff would be engaged in participating, advising, and evaluating the changeover to forest practices rules brought about in Section 203.

Subsection 203(3), in conjunction with the existing statute, would require support to DNR staff in the development of rules to implement the amended statute. Based on other forest practices rulemaking, participation in the development of a rule and the supplemental EIS is estimated to require a WMS 2 at 15% time for nine months (0.11 FTE WMS 2 FY13).

Subsection 203(3)(c) which directs the board to establish technical guidance in the forest practices manual would require the assistance of an Environmental Specialist 4 (Range 55, Step L) at 20% time for six months (0.10 FTE ES4 FY13)

Ecology assumes that since this would not be an Ecology rule that would have to be developed, Assistant Attorney General time for legal support on rule development would not be required for Ecology.

Shorelands Program - SEPA Rules

The costs to Ecology of implementing Part 3 of this bill are driven by Section 301.

Section 301 would require Ecology to undertake two rule makings. The first would have to be completed in the July 1, 2012, to December 31, 2012, period. The second would have to be completed in the January 1, 2013, to December 31, 2013, period.

The costs of the two rule makings would occur in all 12 months of FY13 and the first six months of FY14.

Rulemaking could not be expedited because it does not meet the criteria of RCW 34.05.353. The bill would require that Ecology review and revise categorical exemption thresholds with assistance from an advisory committee. This rulemaking would require considerable discretion and expertise to put the bill's requirements into amended SEPA rules. Rulemaking is also anticipated to be contentious so we would need to go through the full public process.

Advisory committee meeting assumptions:

1. Meet monthly for one day per month during two rule updates. The two rounds of updates per Section 301 would extend from July 1, 2012, to December 31, 2013.
 - a. Assume that stakeholder meetings and public hearings are included in these meetings.
 - b. Assume regular meetings in Olympia, with work sessions and hearings occasionally in other parts of the state.

For rule making Ecology staff would do the analysis, drafting, scheduling of hearings and meetings, etc. required to update the rules. The Ecology manager (WMS2) and the SEPA lead (EP4) would set direction, review materials, meet with stakeholders, and make decision on rules. The WMS2 and the SEPA lead's work would include: 1) agendas and work plan for advisory committee; and 2) communication and stakeholder outreach between meetings.

The following staffing levels would be required for rulemaking and support staff during the two rule makings:

Environmental Planner 4 (59-L) - 0.25 FTE FY13, 0.13 FTE FY14. SEPA lead. Takes lead on drafting rule.

Organizes stakeholder input. Provide expert knowledge of SEPA statute, rule, and processes.

Environmental Specialist 2 (43-L) - 0.25 FTE FY13, 0.13 FTE FY14. Perform staff-level SEPA work to support SEPA lead.

Secretary Senior (33-L) - 0.25 FTE FY13, 0.13 FTE FY14. Clerical support for SEPA staff and CEB.

Wash. Mgmt. Service 2 (\$7,500 per month) - 0.25 FTE FY13, 0.13 FTE FY14. Supervise SEPA staff, oversee rule making.

One FTE of an Economic Analyst 3 (61-L) would be required for four months to write a cost-benefit analysis and a small business economic impact statement for each of the two SEPA rule revisions (0.33 FTE in FY13 and 0.33 FTE in FY14).

Ecology would require support from the Attorney General's Office of 0.15 AAG FTE in FY13 (\$28,054) and 0.05 AAG FTE in FY14 (\$9,351).

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. AG costs are also included for 0.15 AAG and 0.05 LA at a cost of \$28,054 in FY13 (0.2 AAG from 7/1/12-12/31/12, then 0.1 AAG from 1/1/13-6/30/13), and 0.05 AAG (0.1 AAG from 7/1/13-12/31/13) at a cost of \$9,351 in FY14. AGO costs are calculated at the standard cost of \$187,024 per FTE per year.

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		1.8	0.9	0.5	
A-Salaries and Wages		93,186	93,186	50,456	
B-Employee Benefits		30,845	30,845	16,701	
C-Personal Service Contracts					
E-Goods and Services		35,766	35,766	13,508	
G-Travel		1,689	1,689	911	
J-Capital Outlays		4,106	4,106		
N-Grants, Benefits and Client Services					
P-Debt Service					
S-Interagency Reimbursements					
9-Agency Administrative Overhead		42,667	42,667	23,102	
Total:	\$0	\$208,259	\$208,259	\$104,678	\$0

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
Economic Analyst 3	67,668		0.3	0.2	0.2	
Environmental Planner 4 (59-L)	64,428		0.3	0.1	0.1	
Environmental Specialist 2 (43-L)	43,368		0.3	0.1	0.1	
Environmental Specialist 4	58,320		0.1	0.1		
Fiscal Analyst 2			0.2	0.1	0.1	
Secretary Senior (33-L)	33,984		0.3	0.1	0.1	
Washington Management Service 2	81,600		0.4	0.2	0.1	
Total FTE's	349,368		1.8	0.9	0.5	0.0

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.

Section 301 would require Ecology to do two rule makings. Section 301(2) would require rule making for SEPA categorical exemption thresholds for minor construction by December 31, 2012. Section 301(3) would require rule making for SEPA categorical exemption thresholds for all other project actions not included in Section 301(2) by December 31, 2013.

Request # 12-092-2

Individual State Agency Fiscal Note

Bill Number: 6406 S SB	Title: State's natural resources	Agency: 468-Environmental & Land Use Hearings
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Expenditures from:

	FY 2012	FY 2013	2011-13	2013-15	2015-17
FTE Staff Years	0.0	1.6	0.8	0.9	0.9
Account					
General Fund-State 001-1	0	170,949	170,949	191,036	191,036
Total \$	0	170,949	170,949	191,036	191,036

Estimated Capital Budget Impact:

NONE

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). Therefore, this fiscal analysis includes a projection showing the ten-year cost to tax or fee payers of the proposed taxes or fees.

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: Curt Gavigan	Phone: 3607867437	Date: 02/06/2012
Agency Preparation: Robyn Bryant	Phone: 360-664-9166	Date: 02/22/2012
Agency Approval: Bill Lynch	Phone: (360) 664-9179	Date: 02/22/2012
OFM Review: Linda Steinmann	Phone: 360-902-0573	Date: 02/22/2012

Request # -3

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.

Substitute Senate Bill 6406 modifies a number of natural resource provisions, including hydraulic permits, SEPA, and forest practices. Section 108 provides that compliance orders and penalties issued by the Department of Fish and Wildlife with respect to hydraulic permits are appealable to the Pollution Control Hearings Board. The PCHB already conducts hearings on appeals of penalties issued by DFW, but the issuance of compliance orders is a new appealable type of decision to the PCHB. Likewise, Section 117 authorizes DFW to enter into voluntary agreements with local governments for the integration of state and local permitting of hydraulic projects above the ordinary high water line. The PCHB assumes that there will be a significant increase in the number of hydraulic permit appeals filed with the Board.

For the Growth Management Hearings Board, Section 317 deletes the GMA provision which grants standing to Petitioners who have participated in local government decisions on comprehensive land use or development regulations. Current law allows standing if Petitioners have participated in writing or orally before local jurisdictions. This requires Petitioners to bring concerns to the county/city during the public process before a jurisdiction adopts a land use plan or regulation, or lose the right to challenge the action.

Section 317 would narrow the criteria for standing to that specified in the Administrative Procedures Act, which states that:

“A person is aggrieved or adversely affected ... only when all three of the following conditions are present: (1) The agency action has prejudiced or is likely to prejudice that person; (2) That person's asserted interests are among those that the agency was required to consider when it engaged in the agency action challenged; and (3) A judgment in favor of that person would substantially eliminate or redress the prejudice to that person caused or likely to be caused by the agency action.” See RCW 34.05.530

Currently, to have standing before the GMHB, Petitioners must participate in local decision-making before final action by local jurisdictions. The provisions in Section 317 will not require Petitioners to participate in local government public processes, but they can still pursue a GMHB appeal if they meet APA standing requirements. Without participation early in the process, local governments will not know if their actions will be challenged; they will forego the opportunity to settle disagreements prior to an appeal.

If a Petitioner disagrees with a jurisdiction's action, Section 317 grants standing to and allows appeals only from those who can show prejudice or harm to their interests. Thus, Section 317 will allow community groups, local citizen groups, non-profit organizations, and business associations to file appeals with the GMHB, but only if they can meet the more rigorous APA standards.

The Board anticipates the following fiscal impacts from Section 317.

1. Several one-time administrative tasks will need to be completed in FY13. The GMHB WAC 242-03 will need to be amended to reflect the new standing provisions. The GMHB Handbook for the public and petitioners will need to be edited and updated. The website and Planner Forum materials will need to be updated. Approximately 10% of a current board member's time will be needed in FY13 to complete this work. For Section 317, one of the Growth Board

members would absorb the work to change the Board's administrative code (WAC 242-03) and would also change the GMHB Handbook and websites which inform the public about standing requirements. The costs is approximately \$11,712 which will be absorbed by the Board. To offset the absorbed work, the Board member will delay non-substantive orders, will not complete GMHB Digest summaries and will not attend Commerce Planner Forums.

2. The Board assumes that, under Section 317, Petitioners' standing may be challenged by a local jurisdiction and the Board may need to process more motions and issue more orders clarifying standing. Board members would increase their time per case by approximately 15 hours. Board members will need to determine Petitioner standing based on Petitioner's interest, injury or ability of the Board to redress their grievance. At this point, the Board does not know how many standing challenges would be brought to the Board.

3. This fiscal note assumes that the new standing criteria only apply to new cases filed with GMHB after the bill takes effect in July 1, 2012. Therefore if standing challenges occur, they would begin in FY13. If jurisdictions challenge standing for currently open cases, the Courts may need to decide this issue, the costs of which would be indeterminate.

4. Caseload impacts from Section 317 are indeterminate. GMHB carries an average of 35-40 open cases (petitions for review) per year. If Section 317 limits eligibility to only those Petitioners who meet APA standards, then GMHB appeals would be more limited than at the present. When the Board applied this assumption to data over the past three years, it found about a third (34%) of cases would have been excluded under Section 317.

There are a number of unknown factors that could impact GMHB caseloads:

- a. The effect of jurisdiction-wide land use plans may not be known until permits are actually issued for specific land parcels. Thus, jurisdictions could request that GMHB cases be dismissed because the actual impact of the land use plan will not be known until the permit is issued. This scenario would change the GMHB workload in indeterminate ways and would no doubt need to be tested by the Courts.
- b. GMHB case load may decline for a few years while the Courts interpret the standing provisions.
- c. As the Courts interpret the standing provisions, the Board would look to other quasi-judicial boards (such as the Shorelines Hearings Board) for their interpretation of APA standing. The GMHB may liberally or strictly apply APA standing requirements. Caseload will be affected depending on whether the Board allows more or less Petitioners to have standing.

For these reasons the caseload impact of Section 317 is indeterminate and the one-time administrative costs are absorbed by an existing Board Member.

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.

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 Department of Fish & Wildlife assumes that in FY13, they will issue 67 civil penalties and 202 enforcement orders. In the ensuing biennia, the counts are assumed to be reduced by half.

We have made the following assumptions:

(1) Approximately 30% of the civil penalties and 20% of the enforcement orders will be appealed to the Pollution Control Hearings Board, which would amount to a total of 60 new appeals for the first year, and 30 appeals thereafter. The authority for WDFW to issue substantially higher penalties is likely to increase the appeal rate.

(2) Of those appeals filed, we estimate, based on hydraulic caseload dispositions since the PCHB assumed jurisdiction of such appeals, that half would go to hearing or would be disposed of by either Summary Judgment motions or Board-conducted mediations.

(3) 66% of the civil penalty cases will be “short board” hearings (one PCHB member and one Administrative Appeals Judge (AAJ) and the remainder, including all the enforcement action appeals will require a full board (three PCHB members and one AAJ).

(4) The PCHB would require one full time Administrative Appeals Judge and .5 FTE for an Office Assistant the first year.

(5) The AAJ position would be reduced to .60 and the Office Assistant to .30 in the second and subsequent years. Although WDFW estimated the appeal drop would be 50% in the second and subsequent years, we estimate that the appeal rate could be slightly higher than the first year, and therefore have used 60% as our best estimate for the AAJ and Office assistant positions. Salaries and benefits are calculated based on the annual salary of each position times the estimated FTE level required for each activity. Staff related goods and services are calculated based on actual averages times the FTE level for each year. Equipment estimates are included in the first year for all new FTEs for computers, desks, phones and chairs. The equipment costs are based on average current estimates for the equipment.

(6) The majority of these hearings will last one full day and approximately 75% will be in western Washington and 25% in eastern Washington. Of those in western Washington, many would be heard in the Board’s office in Tumwater, thus saving on travel. However, about 25%, or 8 hearings, would require Board travel to the Bellingham and Mt. Vernon areas, and all appeals heard in eastern Washington (approximately 7) would require Board travel to the Spokane area. Our travel calculations for the first year:

- a. One short board hearing in Bellingham for three people from Olympia (one Board member, one Administrative Appeals Judge, and one Court Reporter).
- b. Five full board hearings in the Mt. Vernon area for five people from Olympia (three Board members, one Administrative Appeals Judge, and one Court Reporter).
- c. Two short board hearings in Spokane for three people from Olympia (one Board member, one Administrative Appeals Judge, and one Court Reporter).
- d. Five full board hearings in Spokane are for five people from Olympia (three Board members, one Administrative

Appeals Judge, and one Court Reporter).

Our travel calculations for the second year:

- a. One short board hearing in Bellingham for three people from Olympia (one Board member, one Administrative Judge, and one Court Reporter).
- b. Three full board hearings in Mt. Vernon area for five people from Olympia (three Board members, one Administrative Appeals Judge, and one Court Reporter.)
- c. One short board hearing in Spokane for three people from Olympia (one Board member, one Administrative Appeals Judge, and one Court Reporter.)
- c. Two full board hearings in Spokane for five people from Olympia (three Board members, one Administrative Appeals Judge, and one Court Reporter.)

All travelers will be paid travel expenses at state rates.

All Board members and administrative judges will carpool using state motorpool cars.

Court reporters travel independently of the Board, but are paid at the same rates as state travelers.

(7) Court Reporter cost assumptions are based on 30 days of hearing at 7 hours per day at \$50/per hour (for the first year) and reduced by 50% for the second and subsequent years.

(8) For Section 314, one of the Growth Management Hearings Board members would take about 10% of their time to absorb the work to amend the Board's administrative code (WAC 242-03) and would also change the GMHB Handbook and websites which inform the public about standing requirements. The costs is approximately \$11,712 which will be absorbed by the Board. To offset the absorbed work, the Board member will delay non-substantive orders, will not complete GMHB Digest summaries and will not attend Commerce Planner Forums.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2012	FY 2013	2011-13	2013-15	2015-17
FTE Staff Years		1.6	0.8	0.9	0.9
A-Salaries and Wages		111,402	111,402	126,370	126,370
B-Employee Benefits		30,556	30,556	40,136	40,136
C-Personal Service Contracts					
E-Goods and Services		16,824	16,824	19,796	19,796
G-Travel		4,045	4,045	4,734	4,734
J-Capital Outlays		8,122	8,122		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total:	\$0	\$170,949	\$170,949	\$191,036	\$191,036

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
Admin Appeals Judge	85,920		1.0	0.5	0.6	0.6
Board Member	92,520		0.1	0.1		
Office Assistant 3	32,460		0.5	0.3	0.3	0.3
Total FTE's	210,900		1.6	0.8	0.9	0.9

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.

New Rules:

An existing GMHB member would absorb the rule-making requirements resulting from this bill. About 10% of their time (salary and benefits) would be needed to research and draft WAC changes, work with stakeholders throughout the public involvement process and work with the Code Reviser's Office. Included in this work, is the Board member's time to revise the GMHB Handbook and web pages.

Individual State Agency Fiscal Note

Bill Number: 6406 S SB	Title: State's natural resources	Agency: 477-Department of Fish and Wildlife
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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
Hydraulic Project Approval Account-State NEW-1		1,199,486	1,199,486	2,486,639	1,289,196
Total \$		1,199,486	1,199,486	2,486,639	1,289,196

Estimated Expenditures from:

	FY 2012	FY 2013	2011-13	2013-15	2015-17
FTE Staff Years	0.0	6.0	3.0	6.0	3.8
Account					
General Fund-State 001-1	0	(298,710)	(298,710)	(1,155,853)	(726,103)
General Fund-Federal 001-2	0	1,907	1,907	3,814	1,907
State Wildlife Account-State 104-1	0	5,500	5,500	11,000	5,500
Hydraulic Project Approvals Account-State NEW-1	0	1,069,603	1,069,603	2,486,639	1,289,196
Total \$	0	778,300	778,300	1,345,600	570,500

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	7,400	7,400	7,400	7,400	0
Total \$	\$0	\$7,400	\$7,400	\$7,400	\$7,400	\$0

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). Therefore, this fiscal analysis includes a projection showing the ten-year cost to tax or fee payers of the proposed taxes or fees.

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:	Curt Gavigan	Phone: 3607867437	Date: 02/06/2012
Agency Preparation:	Lori Peterson	Phone: 360-902-8404	Date: 02/13/2012
Agency Approval:	Owen Rowe	Phone: (360) 902-2204	Date: 02/13/2012
OFM Review:	Chris Stanley	Phone: (360) 902-9810	Date: 02/13/2012

Request # 12-FN053-3

Bill # 6406 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.

Section 124 requires that the act expires on July 1, 2016, so most fiscal impacts resulting from Part 1 of the act are eliminated on that date.

Fee Collection

Section 103 would authorize WDFW to charge fees to recover a portion of the costs associated with processing and issuing decisions on permit applications for Hydraulic Project Approvals (HPAs), for the new costs of administering fee collections, and for costs related to compliance monitoring and enforcement of projects requiring a permit. This section creates the fees associated with all types of hydraulic projects based on their complexity and other factors. It also requires WDFW to partially refund fees if it delays processing of applications beyond that required by statute, and to fully refund fees if it denies approval of an application. Section 103 also exempts certain projects from fees.

Section 104 would require WDFW, by January 1, 2013, to develop and implement an effectiveness program to monitor the protection of fish life under approved HPA permits. WDFW would have to use adaptive management principles to modify standards that do not provide for the proper protection of fish life.

Section 105 would require WDFW to report to the legislature by September 1, 2015, regarding the impact of fees on the HPA program, and to develop recommendations in consultation with affected stakeholders for improving the Department's permit streamlining efforts and the HPA fee schedule. It would also require WDFW to evaluate other permitting agencies' ability to protect fish life for hydraulic projects conducted above the ordinary high waterline.

Section 117 would allow WDFW to enter into agreements with local governments to incorporate conditions to protect fish life into their permits. Negotiation of those agreements would be conducted by existing staff and the new staff hired under this bill. Negotiations will likely only occur with counties having the largest populations because they will be the only entities with sufficient resources to do the work necessary for incorporation. WDFW estimates it issues 100 HPAs per year that would be covered by these agreements. There would be an indeterminate loss of HPA fee revenue for these projects.

Civil Authority

Section 108 would provide WDFW with the authority to issue stop work orders for violations and to levy civil penalties of up to \$10,000 for violations of RCW 77.55 or rules adopted under the chapter. Penalties of up to \$2,500 are allowed for violations involving low complexity projects, \$5,000 for medium complexity projects, and \$10,000 for high complexity projects. The civil authority described here would also require development of a penalty schedule by rule.

Rulemaking

Section 108 would require WDFW to establish a civil penalty schedule by rule.

Section 117 requires rulemaking by December 31, 2013 to establish best management practices that must be incorporated by local governments in to permits they issue under agreement with WDFW under this section.

Permit Streamlining/Improved Effectiveness Monitoring

Section 201 would require the Fish and Wildlife Commission to amend rules under Chapter 220-110 WAC to clarify that forest practices conducted under an approved forest practices application do not require a HPA.

Section 201 would eliminate WDFW's issuance of HPAs for forest practices activities as soon as the Forest Practices Board integrates rules adopted by WDFW for those activities into the forest practices rules. The section also allows WDFW to review any forest practice applications. WDFW is required to participate in effectiveness monitoring for forest practices hydraulic projects.

Cost Reimbursement

Section 119 would allow WDFW to enter into cost reimbursement agreements with applicants for pre-application project coordination.

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 124 requires that the act expires on July 1, 2016, so all cash receipts resulting from Part 1 of the act are eliminated on that date.

Fee Collection

Section 103 would require WDFW to charge fees to recover a portion of the costs associated with the HPA program, which would be adjusted by the rate of inflation on September 30th of each year.

Section 103 would exempt hydraulic projects approved under the cost-sharing program for fish passage barriers, approved fish habitat enhancement projects, mineral prospecting, and hydraulic projects approved under applicant-funded contracts with WDFW from the fee requirement. This section also requires WDFW to refund fees for HPAs it issues for projects exempted from substantial shoreline development permits under RCW 90.58.147.

Section 103 allows WDFW, at its discretion, to reduce fees charged to applicants.

Section 103 requires WDFW to refund some or all fees when it fails to process applications within the statutory requirements, it denies approval of a permit, or determines that a project does not qualify for a permit.

WDFW estimates receiving 2,436 full HPA applications and 464 applicant-initiated modification requests, for a total of 2,900 HPA applications per fiscal year that require fees. Applying the fee schedule established in Section 103, WDFW estimates baseline annual fee revenue of \$1,199,486 in FY 13 which would be adjusted for inflation each year. Thereafter, fees expire and revenues cease because of the act expiration requirements of Section 124. Please note that the number of applications fluctuates seasonally, and this estimate is an average. For further detail on the calculations used to develop the HPA fee revenue estimate, refer to Table 1 – HPA Revenue Estimate worksheet.

WDFW assumes that 100 hydraulic projects will be permitted by local governments under the agreements with WDFW authorized in Section 117. Assuming that 20 will be single-site medium complexity projects and 80 will be single-site high

complexity projects, these projects have been subtracted from the totals for estimating revenue (as reflected in Table 1).

WDFW assumes fee collection will begin July 1, 2012. Although the permanent rulemaking required to implement this act cannot be completed that quickly, WDFW could adopt emergency rules, followed later with permanent rules. This will result in an estimated revenue of \$1,199,486 to the Hydraulic Project Approval Account during fiscal year 2013, increasing to \$1,228,273 in fiscal year 2014.

A working capital reserve of \$129,883, equal to two months of operating expenditures for the account, is set aside in fiscal year 2013. This amount is reflected in the difference between the estimated cash receipts and estimated expenditures from the HPA Account in FY 13.

This fiscal note assumes revenue generated by HPA fees authorized through FY 16 would be used to replace an equivalent amount of GF-S appropriation currently used to fund the HPA program.

Civil Authority

Section 108 would provide WDFW with the authority to levy civil penalties of up to \$10,000 for every violation of Chapter 77.55 RCW or rules adopted under the chapter. A portion of the penalties received would be deposited to the Hydraulic Project Approval Account to recover the costs of the actions taken to recover the penalty. The remainder would be deposited in the state general fund. Based on compliance rates under the current HPA program, WDFW estimates that approximately 11 percent of HPAs inspected are found to be out of compliance at some level. The revenue associated with civil penalties is sporadic, small and difficult to predict with any accuracy. WDFW estimates no fiscal impact as a result of the civil penalty provisions of the bill.

Cost Reimbursement

WDFW cannot estimate the number of projects under Section 118 that will be negotiated through cost reimbursements with applicants. Because expenditures on projects subject to cost reimbursement agreements will be balanced by the payments from applicants, the fiscal impact is indeterminate at this time.

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.

Fee Collection

Emergency rulemaking may be conducted to allow for immediate fee collection. WDFW assumes that fee collections will begin July 1, 2012.

WDFW does not currently have authority to collect fees for HPAs. The bill requires the Department to begin collecting fees, which will drive the following personnel costs to build and maintain that capability.

DFW anticipates 0.5 FTE Fiscal Analyst 1 would be required annually in the Fiscal Office to provide fiscal oversight and cash management services. This position will process all payments received with the new HPA applications and prepare and reconcile deposits to the new Hydraulic Project Approval Account created by this bill. It will prepare any needed refunds, account for and report on non-sufficient fund checks, manage any credit card requests, prepare the required state accounting entries and work in conjunction with HPA staff on creating reports showing all revenues received from

applicants. This position would be filled in July 2012.

1.0 FTE Management Analyst 4 is necessary for project management related to HPA fee collection, coordination of rulemaking, regular reporting of HPA revenue and financial status, invoicing applicants, filing and mailing completed HPAs, and report writing. This FTE would also compile all HPA program financial data and performance data necessary to complete the report required in section 105. This position would be filled in July 2012 to begin rulemaking and support the headquarters aspects of the development of the effectiveness monitoring program required in section 104.

Section 202 requires applicants for forest practices hydraulic projects involving water crossing structures to submit plans and specifications to WDFW for concurrence review prior to submitting their application to DNR. WDFW would have to follow the process it developed during rulemaking required in Section 201. While WDFW is already doing similar work when it reviews applications for HPAs, the end result of the evaluation, under the provision of this bill, would be a concurrence letter rather than a HPA. Section 204 requires WDFW and DNR to spend significant time negotiating the MOA on integrating the FPA and HPA authorities. The deadline of December 31, 2012 will be difficult to achieve, so an interim agreement may have to be executed with modifications to follow later. This work would be accomplished with 1.5 FTE Fish and Wildlife Biologist 3 under an interagency agreement with DNR for \$150,000/year. This amount is included as a negative expenditure, or reimbursement, in Object S, and a commensurate increase in objects A, B, and E account for the costs of the Fish and Wildlife Biologist 3 FTEs.

Improved Effectiveness Monitoring

Establishment of the dedicated effectiveness monitoring program required in section 104 would be coordinated by existing WDFW Headquarters staff and implemented by staff in each region and headquarters to ensure that HPA conditions are being followed and applied in a consistent manner across the state, and that permits are effective in protecting fish life from project impacts. In addition to existing staff, 2.0 FTE Scientific Technician 2s are needed to support the effectiveness monitoring program. These positions would be dedicated to organizing and implementing the statewide HPA Effectiveness Monitoring program, and will provide technical assistance in obtaining administrative inspection warrants. Additionally, they will assist other staff in the completion of the report to the legislature on the impact of the streamlining required by sections 105 and 117.

WDFW has attempted to implement a simple effectiveness monitoring program during the past year using existing staff. Experience has shown that existing staff have full permitting workloads and have been unable to adequately conduct the monitoring and data analysis required to have a successful program. The 2.0 FTE Scientific Technician 2 positions would be filled in July 2012.

1.0 FTE Fish and Wildlife Biologist 1 is needed to categorize HPA applications according to the fee schedule described in section 6, consult with program policy staff in the development and modification of the HPA fee and penalty schedules, develop and update the technical and educational material required in section 113, and review current and past HPAs according to protocols developed by the effectiveness staff to help determine the success of those permits in protecting fish life. This position will assist the program policy staff in revising rules, processes, and procedures based on findings of their reviews. This position would be filled in July 2012 to support rulemaking.

Object C:

Hydraulic Project Approvals are currently tracked by WDFW using the Hydraulic Project Management System

(HPMS). Startup costs of \$49,600 for modification of the existing HPMS software, included in object C, are required to facilitate invoicing, payment processing and tracking of HPA applications. Maintenance of the modified HPMS is estimated at \$10,000/FY, also included in object C.

WDFW will be required to conduct a small business economic impact study and cost benefit analysis of the permanent rules and publish the results in FY prior to rule adoption. Because WDFW does not have in-house expertise, a contract with an economist will be required. WDFW estimates contract cost of \$27,000 in FY14.

Object E Goods and Services:

WDFW includes a standard per-FTE cost of \$6000 annually to cover expenses such as employee's supplies, communications, training, and subscription costs. Agency administrative overhead of 23.51 percent, and Personnel and HRMS service fees, are also computed and included in Object E.

Attorney General costs:

WDFW estimates 202 Notices to Comply/Stop Work Orders and 67 Civil Penalties issued annually under section 108. The Attorney General's Office estimates a workload impact of 1.2 FTE Assistant Attorney General and 0.7 FTE legal assistant annually. These resources are estimated at \$254,236/FY. These Attorney General costs include \$5,000/FY in direct litigation expenses. WDFW assumes that the number of Notices to Comply/Stop Work Orders and Civil Penalties will decline by 50 percent after the first biennium due to increased public education and improved HPA coordination, compliance, enforcement and effectiveness monitoring required under the bill. The result will be 50 percent fewer appeals filed and 50 percent of the cost required for Assistant Attorneys General starting in FY15.

Rulemaking

Sections 108, 117, 119, 123, and 201 require or allow WDFW to adopt rules to implement this act. This will require an initial emergency adoption of rules to quickly implement fee collection at a cost of \$1,500 (no hearing required), followed by a single hearing and rule adoption for the Hydraulic Code rules at a cost of \$2,500 and \$1,500, respectively. The rulemaking required under section 108 regarding civil penalties for violations of permits or rules will be conducted concurrent with that required by Section 201, so WDFW will not incur additional costs for this rulemaking but will require an additional meeting at the agency standard cost of \$2,500. Upon expiration of most of the provisions of this act, additional rulemaking will be required to restore portions of the rules. A single hearing and rule adoption will be necessary at a cost of \$2,500 and \$1,500 respectively.

Cost Reimbursement

WDFW cannot estimate the number of projects under Section 119 that will be negotiated through cost reimbursements with applicants. Because the expenditures by WDFW on projects subject to cost reimbursement agreements will be balanced by the payments from applicants, there will be no fiscal impact.

HPA Fees

WDFW applicants for HPAs will be required to pay HPA fees when applying for HPAs. On average, all programs of WDFW apply for 87 HPAs per year, of which 62 are paid out of state or federal general funds, and 25 out of capital project funds (see section IV). This is a combination of all HPA types, including low, medium and high complexity projects, fish habitat enhancement streamlined HPAs, and general HPAs.

Wildlife program applies for an estimated 40 HPAs per year for work typically qualifying as a low complexity project subject to fees of \$125/application. This would result in a cost of \$5,000/year to the state general fund.

Fish program applies for an estimated 10 HPAs per year for work in a mix of complexity categories subject to varying fees. This would result in a cost of \$1,544/year to the federal general fund.

WDFW's Capital Asset Management Program (CAMP) applies for a single general HPA for hatchery maintenance under operating funds. This HPA type would be subject to \$5,000 in fees every 5 years to the state general fund. This cost occurs in FY15.

Habitat Program applies for an estimated 12 HPAs per year. Most are in the medium complexity category accruing a fee of \$250/HPA for a total cost of \$3,000 to the state general fund.

Forest Practices Applications

Wildlife program applies for an average of 5 FPAs per year. This bill increases the cost of those permits by \$100. The impact would be \$500/year to the State Wildlife Account, starting in FY13 and continuing into the future.

Object G (Travel):

Travel for existing staff, Fish and Wildlife Biologist 1 and Scientific Technician 2s is estimated at \$1,000/FY for consultation on HPA applications and rule development meetings.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2012	FY 2013	2011-13	2013-15	2015-17
FTE Staff Years		6.0	3.0	6.0	3.8
A-Salaries and Wages		279,900	279,900	559,800	363,200
B-Employee Benefits		116,900	116,900	233,800	148,100
C-Personal Service Contracts		49,600	49,600	47,000	10,000
E-Goods and Services		481,900	481,900	805,000	349,200
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements		(150,000)	(150,000)	(300,000)	(300,000)
T-Intra-Agency Reimbursements					
9-					
Total:	\$0	\$778,300	\$778,300	\$1,345,600	\$570,500

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
Fiscal Analyst 1	40,260		0.5	0.3	0.5	0.3
Fish and Wildlife Biologist 1	40,260		1.0	0.5	1.0	0.5
Fish and Wildlife Biologist 3	55,524		1.5	0.8	1.5	1.5
Management Analyst 4	63,192		1.0	0.5	1.0	0.5
Scientific Technician 2	36,492		2.0	1.0	2.0	1.0
Total FTE's	235,728		6.0	3.0	6.0	3.8

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		7,400	7,400	14,800	7,400
Total \$		7,400	7,400	14,800	7,400

CAMP anticipates the need for approximately 25 low, medium, and high complexity HPAs each year for a total cost of \$7,400 per year. To offset these impacts, WDFW may need to reduce the project scopes this biennium. To accommodate the additional cost in the future, WDFW will need to increase the funding requests for capital projects requiring a HPA.

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 108 would require WDFW to establish a civil penalty schedule by rule.

Section 117 requires rulemaking by December 31, 2013 to establish best management practices that must be incorporated by local governments in to permits they issue under agreement with WDFW under this section.

Section 123 would require the adoption of rules to implement the sections of the bill.

Section 124 would require the cessation of rules adopted to implement the measures in part I of the bill. Upon expiration of most of the provisions of this act, additional rulemaking will be required to restore portions of the rules.

Section 201 would require the Fish and Wildlife Commission to amend rules under Chapter 220-110 WAC to clarify that forest practices conducted under an approved forest practices application do not require a HPA.

Section 201 would allow WDFW to retain authority to require HPAs for forest practices hydraulic projects until those rules are incorporated by reference by the Forest Practices Board.

Public hearings needed: 3 @ \$2,500

Rules adopted and meetings needed: 3 @ \$1,500

Table 1 - Hydraulic Project Approval Revenue Estimate

Annual HPA Fee Revenue Under SSB 6406										
Number of Hydraulic Project Approval Applications Estimated to be Received Annually										
Assumptions for HPAs in each category										
Pamphlet HPA	No charge for pamphlet HPAs									
Mineral prospecting HPA	Estimate 57 HPAs per year for freshwater mineral prospecting; 90 HPAs per year for marine beach prospecting No charge for any prospecting HPAs									
Low complexity HPA	76% of HPAs per year estimated as single-site HPAs; subtracted 201 FPA related from all single-site HPA complexities; 10% of HPAs per year estimated as low complexity; 2% are processed late. Assumes no FPA-related HPAs in any category starting @ date of first fee collection.									
Low complexity multi-site HPA	12% of all first version HPAs are multi-site with median of 3 sites per HPA. Total category fee for one site, plus 20% of processing fee for each additional site. Subtracted 23 FPA related from all multi-site categories; 2% are processed late.									
Medium complexity HPA	43% of HPAs per year estimated as medium; subtracted 7 HPAs for shoreline exemption fee refund; 2% are processed late. Subtracted 20 outfall projects permitted by local governments.									
Medium complexity multi-site HPA	Total category fee for one site, plus 20% of application processing fee for each additional site; median of 3 sites per HPA; 2% are processed late									
High complexity HPA	48% of all HPAs per year estimated as high complexity; subtracted 7 HPAs for shoreline exemption fee refund; 2% are processed late. Subtracted 80 projects permitted by local governments.									
High complexity multi-site HPA	Total category fee for one site, plus 20% of application processing fee for each additional site; median of 3 sites per HPA; 2% are processed late									
General HPA	New general permits per year. Assume 3 project types per general permit; each permit issued for 5 years									
General HPA renewal	Assume no renewals until after 5th year, each general permit issued 5 years earlier will be renewed									
HPA modification	592 HPA modifications per year minus 61 for fish passage exemption and 34 for fish habitat exemption (based on 2007-2009 data); 75% initiated by permittee; subtracted 33 mods for FPAs (single-site & multi-site)									

Estimated Baseline Revenue based on Experience						
Type of HPA Application	Fee (per Fee Schedule in SSB 6406)					
	Application Fee	Processing Fee	Total Fee	# Permits/FY	Revenue, Years 1-4	Revenue, Years 5-10*
Pamphlet HPA	\$0	\$0	\$0	0	\$0	\$0
Mineral prospecting HPA	\$0	\$0	\$0	0	\$0	\$0
Low complexity HPA	\$50	\$75	\$125	222	\$27,584	\$0
Low complexity multi-site HPA	\$50	\$105	\$155	30	\$4,619	\$0
Medium complexity HPA	\$75	\$175	\$250	925	\$229,631	\$0
Medium complexity multi-site HPA	\$75	\$245	\$320	130	\$41,282	\$0
High complexity HPA	\$125	\$575	\$700	976	\$677,588	\$0
High complexity multi-site HPA	\$125	\$805	\$930	145	\$133,683	\$0
General HPA	\$125	\$4,875	\$5,000	4	\$59,000	\$0
General HPA renewal	\$0	\$75	\$75	4	\$0	\$0
HPA modification	\$0	\$75	\$75	464	\$26,100	\$0
Total Annual Baseline HPA Fee Revenue			Total Permits	2900	\$1,199,486	\$0

* Assumes authorization to collect fees expires July 1, 2016, per Section 124 of SSB 6406

FY2013	Revenue with July 1, 2012 start date		\$1,199,486
	Working Capital Reserve		\$199,914
	HPA Fee revenue available to program in FY 2013		\$999,571

Total Biennial HPA Fee Revenue										
Baseline revenue + CPI growth assumed in Fiscal Years 2014 and beyond										
Annual Fee Increases										
Increases based on USDOL U.S. Consumer Price Index data										
	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
U.S CPI ¹	2.40%	2.45%	2.45%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%
Increase ²	\$ 28,788	\$ 30,093	\$ 30,830	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Revenue	\$ 1,228,273	\$ 1,258,366	\$ 1,289,196	\$0	\$0	\$0	\$0	\$0	\$0	\$0

1) FY 13 increase assumes revenue collection beginning January 2013. Because CPI is calculated on an annual basis, this estimate uses the average increase for each two year period beginning in 2014. The rate of inflation is defined as the Consumer Price Index for the twelve months prior to each September 1, as calculated by the United States Department of Labor.
Source: U.S. Bureau of Labor Statistics; The Puget Sound Economic Forecaster, prepared by Conway Pedersen Economics, Inc.
Inflation forecasts based on CPI-U. CPI-U covers all urban consumers.
Forecast ends Calendar Year 2020. Assumes a 2.4% increase in each fiscal year 2020 and beyond, carried out through 2022.

2) Assumes authorization to collect fees expires July 1, 2016, per Section 124 of SSB 6406

Individual State Agency Fiscal Note

Bill Number: 6406 S SB	Title: State's natural resources	Agency: 490-Department of Natural Resources
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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
General Fund-State 001-1		(303,300)	(303,300)	(606,600)	(606,600)
Forest Practice Application Account-State NEW-1		909,900	909,900	1,819,800	1,819,800
Total \$		606,600	606,600	1,213,200	1,213,200

Estimated Expenditures from:

	FY 2012	FY 2013	2011-13	2013-15	2015-17
FTE Staff Years	0.0	4.9	2.5	10.6	10.3
Account					
General Fund-State 001-1	0	771,800	771,800	2,108,000	2,077,800
Forest Development Account-State 014-1	0	17,900	17,900	31,500	27,000
Resources Management Cost Account-State 041-1	0	22,400	22,400	36,900	28,400
Surface Mining Reclamation Account-State 04H-1	0	2,000	2,000	2,400	600
Access Road Revolving Account-Non-Appropriated 198-6	0	17,500	17,500	35,000	35,000
Total \$	0	831,600	831,600	2,213,800	2,168,800

Estimated Capital Budget Impact:

NONE

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). Therefore, this fiscal analysis includes a projection showing the ten-year cost to tax or fee payers of the proposed taxes or fees.

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:	Curt Gavigan	Phone: 3607867437	Date: 02/06/2012
Agency Preparation:	Robert Brauer	Phone: 360) 902-1244	Date: 02/14/2012
Agency Approval:	Bridget Moran	Phone: 360-902-1508	Date: 02/14/2012
OFM Review:	Chris Stanley	Phone: (360) 902-9810	Date: 02/14/2012

Request # 12-44-1

Bill # 6406 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.

Section 202(1) – the Department of Natural Resources (DNR) may request information and technical assistance from the Department of Fish and Wildlife (DFW) regarding any forest practices hydraulic project regulated under this bill.

Section 202(2) – a concurrence review process is established for certain forest practices hydraulic projects; a) Prior to submitting an application that includes a forest practices hydraulic project the applicant shall submit water crossing structure plans to DFW for concurrence review; b) The concurrence review process applies only to culvert installation or replacement and repair, and fill within the flood level; c) When submitting an application the applicant shall attach the following to the application: The concurrence review form; and plans and specifications for each water crossing structure subject to concurrence review.

Section 203(3)(a) - the Forest Practices Board (FPB) shall incorporate into the forest practices rules those fish protection standards in the rules adopted under this bill that are applicable to activities regulated under the forest practices rules. If fish protection standards are incorporated by reference, the FPB shall minimize administrative processes.

Section 203(3)(c) - the FPB shall establish and maintain technical guidance in the forest practices board manual to assist with implementation of the standards incorporated into the forest practices rules under this bill.

Section 203(3)(d) - the FPB must complete the requirements of section 203(3)(a) and establish initial technical guidance under section 203(3)(c) by July 1, 2013.

Section 204 - DFW and DNR shall enter into and maintain a memorandum of agreement between the two agencies that describe how to implement integration of hydraulic project approvals into forest practices applications consistent with this bill. The memorandum of agreement must be executed by December 31, 2012.

Section 205(1) - removes Class II forest practices which require approvals under the provisions of the hydraulics act (RCW 77.55.021).

Section 206(1)(f) - an application submitted on or after the effective date of section 202 of this bill that includes a forest practices hydraulic project, will require the plans and specifications for the forest practices hydraulic project to ensure the proper protection of fish life.

Section 206(3) - when DNR becomes aware of a landowner harvesting without an approved application the department shall send to DOE and the appropriate county, city, town and regional government a notice of a conversion to nonforestry use; a copy of the applicable forest practices application; and copies of any applicable outstanding final orders or decisions related to the forest practices application.

Section 206(6) - except as provided in RCW 76.09.350(4) applications shall be effective for a term of three years from the date of approval. An application may be renewed for an additional three-year term by the filing and approval of a

notification or application prior to the expiration date of the original application or notification.

Section 208(1) - by December 31, 2013 DNR must make examples of complete, high quality forest practices applications and the resulting approvals readily available to the public on its internet site.

Section 209(2)(b) - upon this bill being enacted the fee for applications shall be \$150 for class II applications, class III applications, and class IV forest practices. The fee shall be \$1,500 for class IV forest practices applications on lands being converted to other uses or on lands that are not to be reforested because of the likelihood of future conversion.

Section 209(3) - the forest practices application account is created and moneys in the account may be spent only after appropriation.

Section 10 - if a landowner decides to convert land to a nonforestry use within 6 years of receiving an approved FPA then the landowner must notify DNR and submit a new application for the conversion. The fee for a new application is the difference between the application fee for the new application and the fee previously paid for the original application.

Section 212 - amends the definition of forest practices to include hydraulic projects.

Section 213 - exempts the FPB rule making for hydraulic projects from SEPA.

Section 214 - DNR and DFW must jointly provide a report to the appropriate committees of the legislature containing findings and any recommendations relating to the regulatory integration of hydraulic projects and forest practices as provided in this bill. An initial report is due by September 1, 2014, and a second report by September 1, 2016.

Section 215 – sections 202 and 205 take effect on the date the FPB incorporates fish protection standards into the forest practices rules and approves technical guidance.

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 209 - revenue estimates for the new Forest Practices Application Account (FPAA). It is assumed that the changes in fee amounts begin July 1, 2012. The Forest Practices Application/Notification (FPA/N) numbers identified below reflect a reduction in Class II renewals and other FPA/N due to the extension to a 3-year FPA approval and renewal time identified in section 206. The FPA numbers are based on total FPAs over a period of 11 years, averaged by year and class of application.

FPA Class	Avg #/year	New Fee	Total Rev
II	765	\$150	\$114,750
III	3,035	\$150	\$455,250
IVS	56	\$150	\$8,400
IVGc	221	\$1,500	\$331,500
Total	4,077		\$909,900

Section 209 – estimated decrease revenue from FPA/N that would no longer be going into the general fund. It is assumed effective July 1, 2012.

FPA Class	Avg #/year	Current Fee	Total Rev
II	765	\$50	\$38,250
III	3,035	\$50	\$151,750
IVS	56	\$50	\$2,800
IVGc	221	\$500	\$110,500
Total	4,077		\$303,300

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.

Forest Practices Expenditure Detail:

Sec 202, 203, 205, 209, 212 and 213: FPB rule-making, board manual development, update FPA/N forms, instructions, website and other FP publications

DNR anticipates that 1.63 FTE would be required in FY13 for rule-making and board manual development. Also it is estimated that \$15,900 would be required for AAG time with rule making.

DNR anticipates that .58 FTE would be required in FY13 for updating FPA/N forms and instructions, website and other FP publications. There would be a \$10,000 cost to add a new data item into FPARS.

DNR anticipates that .52 FTE would be required in FY13 to prepare and provide training and outreach in coordination DFW to DNR, DFW staff and stakeholders.

DNR anticipates that .56 FTE would be required in FY14 and thereafter for ongoing evaluation and training on integration processes in coordination with DFW.

DNR assumes that FPA processing/compliance/enforcement for FY14 and thereafter is based on 1,000 FPA's per biennium containing hydraulic projects; of those 750 (375/year) will meet the requirement for DFW concurrence prior to FPA submittal, 250 (125/year) will not go through the concurrence process.

DNR anticipates that .42 FTE would be required in FY14 and thereafter for FPA office processing.

DNR anticipates that 3.33 FTE would be required in FY14 and thereafter for FPA field processing/compliance/enforcement for concurrence of FPAs.

DNR anticipates that 1.67 FTE would be required in FY14 and thereafter for FPAs not requiring a concurrence process.

DNR anticipates that 1.11 FTE would be required in FY14 and thereafter for RMAP compliance on 50% of projects.

DNR anticipates that .38 FTE would be required in FY13 and FY14 and .25 FTE thereafter for oversight of the integration process, address stakeholder questions, facilitate dispute resolution (region and division), and program coordination (division).

Sec 204: DFW/DNR Memorandum of Agreement/Interagency Agreement

DNR anticipates that .46 FTE would be required in FY13 for the memorandum of agreement with biological and/or engineering technical assistance from DFW for training, FPA consultation and compliance monitoring. It is anticipated that \$150,000/yr. would be required for an interagency agreement with DFW.

Sec 208: Assist Office of Regulatory Assistance to post high quality FPA's on their website.

DNR anticipates that .03 FTE would be required in FY13 to assemble FPAs, transmit to and coordinate with ORA.

Sec 214: Compliance monitoring of FPA's that include hydraulic projects and joint legislative report

Assume sampling will begin in FY15 and continue each year thereafter sampling ~ 30 activities/year.

DNR anticipates that .42 FTE would be required in FY15 and .17 FTE thereafter for compliance monitoring methods, field form development, and training and identification of sample FPA's. .37 FTE would be required in FY15 and thereafter for data collection, data analysis and report writing.

DNR anticipates that .1 FTE would be required in FY15 and FY17 for the joint DFW/DNR report to legislature on Sept 1, 2014 and Sept 1, 2016.

Sec 215: Written notification of new rules/board manual for hydraulic projects.

DNR anticipates that .01 FTE would be required in FY13 for notice to affected parties, House of Representatives, Senate, Code Reviser and others.

DNR anticipates that .17 FTE would be required in FY15 and thereafter for Forest Practices HCP data analysis/reporting on integration and compliance success.

Sec 301 – FPB rulemaking to harmonize the differences in 76.09 and Ecology required rule making. The FP program assumes that the Forest Practices rule making will be relatively non-complex because DOE will conduct SEPA and economic analyses and receive public comments on the categorical exemption changes. The assumptions for the Forest Practices rule making costs, therefore, are as follows:

- An extensive stakeholder process during rule development will not be necessary because stakeholder concerns will be heard and accounted for during Ecology's rulemaking to update the categorical exemptions;
- Non-complex SEPA checklist that references DOE's SEPA analysis of the new categorical exemptions.
- Cost-benefit analysis will be moderate in scope.
- Small business economic impact statement will not be required because the rule would not impose costs on businesses.

DNR anticipates that .34 FTE would be required in FY13 and FY14 to prepare Code Reviser rule making forms, oversee rule making process, schedule and attend hearings, prepare hearing materials, oversee Forest Practices Board communications; draft rule, draft SEPA checklist, review drafts and analyses, and consult, develop cost-benefit analysis, present to Board (4 meetings).

In addition, DNR anticipates that AAG staff time costing \$1,600 would be required in FY13 and FY14 to review cost-benefit analysis and rule drafts.

DNR anticipates that .03 FTE would be required in FY13 to adjust Forest Practices Applications and instructions to reflect the FPB rulemaking.

Summary of FP Staff Cost/Savings by FTE for SSB 6406:

Job Class	FY13	FY14	FY15	FY16	FY17
Div Mgr.	.16	.03	.02	.02	.02
WMS-2	.52	.23	.23	.15	.16
WMS-1	.48	.23	.21	.15	.15
NR Spec 4	.84	.21	.54	.46	.54
NR Spec 3	1.26	1.88	2.38	2.13	2.13
NR Spec 2		5.00	5.00	5.00	5.00
NR Tech 3		.14	.14	.14	.14
ITAS 4	.08				
Env. Plnr 3	.25	.08			

Environmental Review & Analysis Expenditure Detail

Part III All sections contemplate rulemaking and we assume the 12/31/12 deadline will require 1-2 staff days for 1-2 staff for 6 months July-December 2012 and the 12/31/13 deadline will require 1-2 staff days for 1-2 staff for 12 months January-December 2013.

Section 309 allows for customized Checklists, which we assume will require 1-2 additional staff days per month to handle the increased tracking and potentially 1-2 additional staff days per month to handle additional environmental review.

Staff estimates:

Environmental Spec 5 – .17 FTE for FY13 and FY14, .02 FTE thereafter;

NR Scientist 1 – .17 FTE for FY13 and FY14, .02 FTE thereafter.

Forest Resources & Conservation Expenditure Detail

The FRC division applies for approximately 250 FPAs per year for timber sales. Increased fees would cost an estimated \$25,000 per year (proposed \$150 minus current \$50 = \$100 per permit x 250 permits). Cost split 50/50 between RMCA and FDA.

Forest Roads Expenditure Detail:

Forest roads estimates that it will apply for approximately 158 Class III and 7 Class II FPAs each year at a cost of \$16,500 per year (75 for fish barrier replacement, 13 for non-fish barrier stream-work, 70 for roadwork, and 7 for renewals and other Class II projects). Proposed FPA fee \$150 minus current \$50; \$100 per permit x 165 permits = \$16,500 per year. Cost applied to ARRF fund.

Forest roads further estimates per section 3 that it would apply for 3 modifications, 2 low complexity and 2 medium complexity HPAs each year at a cost of \$975 per year (stream work maintenance/placement of large woody debris or bank armoring). Cost applied to ARRF fund.

Asset Planning & Management Expenditure Detail

The APM division would apply for a few HPA's related to their agricultural, upland leasing and right-of-way projects. The program estimates 6 new applications at the high complexity rate of \$125 per submittal (per section 103(6)) for a total of \$750 per year.

FP General Expenditure Detail:

Purchased services - \$10,000 in FY13 to add a new data item to FPARS.

Purchased services - \$17,500 in FY13 and \$1,600 in FY14 for staff time of an assistant attorney general for rule making.

Staff related goods and services and travel cost are calculated based on program actual averages.

Interagency Reimbursement (Object S) - \$150,000 per year for interagency agreement with DFW.

Equipment - \$142,200 for 6 pickups in FY13.

Computers - \$4,800 for 6 computers in FY13.

Other equipment - GPS/Arc Pad - \$4,800 in FY13

Admin cost calculated at 27% for staff related cost only. Administrative cost for fiscal note purposes is represented as a Fiscal Analyst 2 (.97 FTE in FY13 and approximately 2.1 FTE thereafter).

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2012	FY 2013	2011-13	2013-15	2015-17
FTE Staff Years		4.9	2.5	10.6	10.3
A-Salaries and Wages		237,500	237,500	894,700	867,000
B-Employee Benefits		82,200	82,200	332,300	322,800
C-Personal Service Contracts					
E-Goods and Services		96,400	96,400	220,800	218,300
G-Travel		22,000	22,000	99,700	98,800
J-Capital Outlays		151,800	151,800		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements		150,000	150,000	300,000	300,000
T-Intra-Agency Reimbursements					
9-Administration		91,700	91,700	366,300	361,900
Total:	\$0	\$831,600	\$831,600	\$2,213,800	\$2,168,800

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 3	60,120		0.3	0.1	0.0	
Environmental Specialist 5	66,420		0.2	0.1	0.1	0.0
Fiscal Analyst 2	45,828		1.0	0.5	2.2	2.2
ITAS 4	71,496		0.1	0.0		
NR Scientist 1	45,828		0.2	0.1	0.1	0.0
NR Specialist 2	50,568				5.0	5.0
NR Specialist 3	55,836		1.3	0.6	2.1	2.1
NR Specialist 4	61,632		0.8	0.4	0.4	0.5
NR Tech 3	40,524				0.1	0.1
WMS 1	64,464		0.5	0.2	0.2	0.2
WMS 2	76,602		0.7	0.3	0.3	0.2
Total FTE's	639,318		4.9	2.5	10.6	10.3

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.

Bill sections 202, 203, 205, 206, 212, 213 will require rule making by the Forest Practices Board.

Affected chapters of the Forest Practices Rules:

- 222-08 WAC, Practices and Procedures,
- 222-12 Policy and Organization,
- 222-16 Definitions,
- 222-20 Applications and Notifications,
- 222-24 Road Construction and Maintenance, and
- 222-30 Timber Harvesting.

Environmental Review & Analysis:

Ch. 197-11 WAC. The bill contemplates rule updates on a regular basis, the first one needing to be completed by 12/31/12 and the second (more substantial) completed by 12/31/13.

LOCAL GOVERNMENT FISCAL NOTE

Department of Community, Trade and Economic Development

Bill Number: 6406 S SB	Title: State's natural resources
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Part I: Jurisdiction-Location, type or status of political subdivision defines range of fiscal impacts.

Legislation Impacts:

- ☒ Cities:
- ☒ Counties:
- ☒ Special Districts:
- ☐ Specific jurisdictions only:
- ☐ Variance occurs due to:

Part II: Estimates

- ☐ No fiscal impacts.
- ☐ Expenditures represent one-time costs:
- ☒ Legislation provides local option: Please see part-by-part discussion of revenue and expenditure impacts.
- ☒ Key variables cannot be estimated with certainty at this time: Please see part-by-part discussion of revenue and expenditure impacts.

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: 02/13/2012
Leg. Committee Contact: Curt Gavigan	Phone: 3607867437	Date: 02/06/2012
Agency Approval: Steve Salmi	Phone: (360) 725 5034	Date: 02/13/2012
OFM Review: Chris Stanley	Phone: (360) 902-9810	Date: 02/13/2012

Part IV: Analysis

A. SUMMARY OF BILL

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

CHANGES FROM ORIGINAL BILL VERSION

The current bill version, SSB 6406:

- authorizes cities or counties to implement an integrated state and local HPA permitting process for projects conducted above the ordinary high water line under specified conditions,
- provides an expiration date for most sections related to HPA permits,
- removes provisions that would have transferred authority to issue notices of conversion to nonforest land (NOCs) from DNR to local governments, and
- replaces most SEPA-related provisions with other versions.

SUMMARY OF CURRENT BILL VERSION

Part I modifies provisions governing construction projects in state waters under RCW 77.55. This part:

- establishes application and processing fees for hydraulic project approval (HPA) permits from the Department of Fish and Wildlife (DFW),
- expands DFW's civil enforcement authority to include the ability to issue stop work orders and levy penalties up to \$10,000,
- provides new definitions and criteria that delineate the types of projects for which HPAs must be obtained,
- authorizes cities and counties to enter into memoranda of agreement with DFW to integrate state and local permitting of HPA projects conducted above the ordinary high water line, and
- provides an expiration date of July 1, 2016 for most of the above provisions.

Part II addresses the integration of hydraulic project and forest practices approval under RCWs 77.55 and 76.09. This part:

- provides that the requirements of RCW 77.55 do not apply to forest practices hydraulic projects and associated activities once specified steps are taken, and
- establishes new forest practices application fees if certain sections are enacted into law by June 30, 2012 and other steps are taken by July 1, 2013. Class II applications and notifications, class III applications, and class IV applications that could potentially have substantial environmental impacts, or don't involve conversion, would be charged a \$150 fee (up from \$50), and class IV-conversion applications would be charged \$1,500 (up from \$500). Fees for applications submitted to a local government entity would now be set by the jurisdiction (rather than \$500, in general).

Part III relates to the State Environmental Policy Act (SEPA), RCW 43.21C, and local development regulations. This part:

- directs the Department of Ecology (Ecology) to update the rule-based categorical exemptions to SEPA and the environmental checklist in accordance with certain specifications by December 31, 2012 and update additional sections by December 31, 2013,
- provides cities, towns and counties planning under the growth management act (GMA) additional authority related to planned actions,
- authorizes cities planning under the GMA to provide categorical exemptions for certain infill development in an area of the jurisdiction that has been subject to an environmental impact statement (this language appears to be limited to cities, whereas other subsections discuss both cities and counties),
- authorizes a city, town or county that prepares a nonproject SEPA review under RCW 43.21C.030(2) to recover the cost of the review through: financial assistance under RCW 36.70A.490; funding from private sources; or by enacting an ordinance authorizing the assessment of reasonable and proportionate fees upon subsequent development that makes use of and benefits from the nonproject SEPA review,
- provides SEPA categorical exemptions for specified projects and certain amendments to development regulations and technical codes,
- authorizes the lead SEPA agency to identify instances where SEPA checklist questions are adequately covered by existing local regulations, plans or authority, and to provide information necessary to answer those specific questions,
- authorizes the growth management planning and environmental review fund (PERF) to provide loans (as well as grants), and be used for certain area-wide reviews, and
- restricts certain parties from appealing local decisions to the Growth Management Hearings Board.

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.

CHANGES FROM ORIGINAL BILL VERSION

The current bill version provides an expiration date for increased HPA fees, authorizes local governments to integrate HPA reviews with local permitting processes for projects above the ordinary high water mark in certain circumstances, removes provisions that would have transferred authority to issue NOCs to local governments, and replaces most SEPA provisions with alternate versions. These changes would reduce local government expenditures for HPA permits by over \$320,000 per year beginning in FY 17 compared to the original bill. Indeterminate expenditure increases related to issuing NOCs would also be eliminated. Expenditure impacts related to SEPA remain indeterminate as described below.

SUMMARY OF CURRENT BILL VERSION

PART I

The proposed legislation would establish HPA application review and processing fees. DFW estimates that the fee would be paid on 2,900 HPA applications annually which would generate about \$1.2 million in fee revenue in FY 13, increasing to just under \$1.3 million in FY 16, the last year in which fees would be collected. Local governments comprise about 23 percent of HPA applicants historically. Therefore, this bill would result in anticipated local expenditure increases of about \$276,000 in FY 13 rising to \$299,000 in FY 16. (\$1.2 million X 23 percent = \$276,000 in FY 13. \$1.3 million X 23 percent = \$299,000 in FY 16.)

Local Government Fiscal Note Program staff estimated expenditures using the ratio of local applicants to all HPA applicants between 2001 and 2010. During this period, 10,220 of 44,954 HPA applications, or 23 percent, were submitted by local governments. Of local government applications, 56 percent were submitted by counties, 31 percent by cities and 13 percent by special districts. This estimate assumes that local government HPA applicants will generally be of similar complexity to the entire pool of applications.

Expenditure impacts could vary from these estimates as local governments would be required to provide information, or submit HPA applications, for projects or portions of projects which are situated above or adjacent to the ordinary high water line. Any such impacts would depend on the interpretation of definitional changes and additions in Part I, and future implementation by DFW, so cannot be reasonably estimated. The current bill version also authorizes cities or counties to enter into memoranda of understanding with DFW to establish integrated review of certain HPA projects above the ordinary high water line. Impacts from these provisions would be at the option of the local government, and cannot be reasonably estimated as they would depend on future actions by the jurisdiction(s) and DFW.

Finally, the fiscal note prepared by DFW indicates that the department anticipates up to 11 percent of HPAs will not be fully compliant with all requirements, but estimates that revenue from penalties would be small and sporadic. It is therefore assumed for the purpose of this local government fiscal note that local government entities would comply with all HPA requirements and not incur expenditures for penalties under DFW's expanded enforcement authority. However, if a jurisdiction were to be deemed out of compliance, it could incur penalties of up to \$10,000 per day, and associated legal costs.

PART II

The proposed legislation would increase fees for forest practices permits charged by DNR. City and town expenditures for such permits are estimated to increase by \$6,200 per year, county expenditures would increase by \$4,700 per year and special district expenditures would increase by \$1,600 per year.

Local expenditure impacts from increased fees were calculated based on applications submitted to DNR over five years, from 2006 to 2010, in each of the forest practices permit categories. On average:

-- cities and towns submitted 26 applications per year, of which four were FPA Class IVG-conversion. $(22 \times \$100 \text{ fee increase}) + (4 \times \$1,000 \text{ fee increase}) = \$6,200$

-- counties submitted 20 applications per year, of which three were Class IVG-conversion. $(17 \times \$100) + (3 \times \$1,000) = \$4,700$

-- special districts submitted 7 applications per year, of which one was a Class IVG-conversion $(6 \times \$100) + (1 \times \$1,000) = \$1,600$

PART III

The proposed legislation would likely reduce city and county expenditures incurred for reviewing SEPA checklists by a substantial (more than \$1 million yearly) but indeterminate amount statewide. Individual jurisdictions choosing to conduct area-wide SEPA reviews would experience increased costs (estimated to average \$500,000, as described below), which could be fully or partly offset by new revenue sources.

CATEGORICAL EXEMPTIONS

No data are available to determine the number of projects that are constructed annually which would become categorically exempt from SEPA checklist review under the proposed legislation. Data on the frequency of local development regulation and technical code amendments are similarly unavailable. However, a recent survey by the Association of Washington Cities (AWC) reported an average of about 1,543 SEPA determinations of nonsignificance (DNS) yearly across a sample of 47 cities and four counties. Extrapolating from these figures, the increased categorical exemptions provided in the proposed legislation, or adopted by Ecology as directed, could reduce the number of SEPA reviews statewide by several thousand per year. In general, SEPA checklist review fees provide only partial recovery of the jurisdiction's cost of conducting the review, therefore expenditure reductions are anticipated to exceed the fee revenue reductions described below, resulting in a net decrease of local expenditures.

Actual reductions cannot be determined as they would depend on the number of projects that would no longer require SEPA review, the complexity of each project, and the process by which such projects are reviewed in each jurisdiction, including the degree to which SEPA review is integrated with other review

or permitting processes. Many jurisdictions integrate SEPA review with other reviews such as building permits, shoreline development permits, and other discretionary permitting processes. Jurisdictions would continue to perform such reviews on projects that would become exempt from SEPA review under this legislation, and could intensify such reviews in some cases.

AREA-WIDE ENVIRONMENTAL REVIEWS

The Department of Commerce indicates that fewer than 10 "planned actions" have been undertaken in recent years but that they occurred more frequently in the past when dedicated grant funds (from the growth management planning and environmental review fund, or PERF) were available to assist jurisdictions with planning and EIS expenses. Local government fiscal note program staff therefore assume that such actions would be undertaken more frequently in the future under the proposed legislation, which would authorize new revenue options to recover the cost of the review.

A 2003 report from Commerce (then CTED) examined a number of planned actions, many of which received PERF grants. Direct costs incurred by jurisdictions ranged from \$170,000 to \$660,000 and averaged \$388,000. Since these figures are based on projects that took place roughly 10 years ago, it is assumed for the purpose of this local government fiscal note that a city choosing to adopt area or subarea plans and develop nonproject EISs as provided by the proposed legislation would incur costs ranging from \$225,000 to \$750,000, with an average cost of about \$500,000. Actual costs would vary widely depending on the size of the area involved, the complexity of environmental issues, the use to which the area would be put, etc. Overall impacts would depend on the extent to which the revenue options in the proposed legislation result in increased use of such reviews, which would remain a local option.

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.

CHANGES FROM ORIGINAL BILL VERSION

None

SUMMARY OF CURRENT BILL VERSION

PART II

Section 209 would amend RCW 76.09.065 to provide local governments with new revenue authority to establish fees for applications submitted to the jurisdiction under the Forest Products Act, rather than establishing the fee in statute. Jurisdictions choosing to charge a different fee would experience revenue increases or decreases, but any such impacts would be at the discretion of each local government so cannot be reasonably estimated.

PART III

The proposed legislation would reduce SEPA checklist review fees charged of individual project developers by increasing categorical exemption thresholds, and would provide cities, towns and counties with additional revenue authority to charge fees to recover the cost of area-wide nonproject SEPA reviews. Revenue decreases and increases could each be substantial (greater than \$1 million) over time, and could result in either net increases or decreases in SEPA review-related fee revenue for individual jurisdictions.

While overall impacts cannot be reasonably estimated, fee revenue would likely decline overall, particularly in the first several years after passage. Reduced fees from project-based SEPA reviews on newly-exempted projects would take effect in the near-term, while increased fees from area-wide SEPA reviews would only occur after jurisdictions adopt enabling ordinances, conduct the reviews, and charge fees of subsequent development activity within the area.

CATEGORICAL EXEMPTIONS

The proposed legislation would increase categorical exemptions for a variety of projects, either directly or after Ecology updates rule-based exemptions, so would likely reduce city and county revenue from SEPA checklist fees by a substantial (more than \$1 million yearly), but indeterminate amount. Data are not available to determine the number of projects that would no longer require SEPA review. However, assuming that 80 percent of projects currently receiving a DNS would become exempt under the proposed legislation, jurisdictions that participated in the AWC survey described above would experience a revenue reduction of about \$477,713 $[(1,543 \times 0.8) \times \$387 \text{ per SEPA checklist} = \$477,713]$ per year. This figure is based on an average SEPA checklist review fee of \$387, which was derived from AWC's 2008 Tax and User Fee Survey. Extrapolating from this figure, overall revenue reductions could exceed \$1 million annually, statewide.

AREA-WIDE ENVIRONMENTAL REVIEWS

The proposed legislation would authorize local governments preparing SEPA reviews for certain area-wide nonproject actions to recover the cost of preparing the review through fees charged of subsequent developers, so long as the fees are reasonable and proportional. Jurisdictions could also conduct such reviews using upfront funds from private sources, or through PERF funds if available. As noted above, the cost of an area-wide review is estimated to range from \$225,000 to \$750,000, averaging \$500,000. These figures therefore also represent the amounts that individual jurisdictions could seek as upfront funds from private sources or PERF funds, or that could be recovered from late-comer fees on subsequent development. Overall revenue increases from cost-recovery or subsidization of area-wide SEPA reviews cannot be reasonably estimated as they would depend on the frequency and cost with which the review are conducted, and the length of time between the review and subsequent development activity.

ECONOMIC IMPACTS

The proposed legislation could indirectly accelerate the construction of projects in various jurisdictions by decreasing or eliminating the cost and potential delay attendant with SEPA review of those projects. The economic impacts of any such increase in construction projects, including tax revenue increases to individual jurisdictions, are speculative in nature and cannot be reasonably estimated.

SOURCES:

Department of Natural Resources staff and fiscal note

Department of Ecology fiscal note

Association of Washington Cities' staff, SEPA survey and 2008 Tax and User Fee Survey

Washington State Association of Counties

Department of Commerce staff

City of Sammamish

City of Seattle

City of Lacey

Local Government Fiscal Note on SHB 2538 (2010), including:

--Association of Washington Businesses

--Department of Commerce, Growth Management Unit

--"SEPA and the Promise of the GMA: Reducing the Costs of Development," February 2003

(http://www.commerce.wa.gov/uploads/SEPA_Promise_GMA.pdf)

Sources consulted for past fiscal notes related to HPA permits, including:

-- Washington State Association of County Engineers

-- Washington State Water Resources Association

-- King County

-- Pierce County



Multiple Agency Ten-Year Analysis Summary

Bill Number	Title
6406 S SB	State's natural resources

This ten-year analysis is limited to the estimated cash receipts associated with the proposed tax or fee increases.

Estimated Cash Receipts

	Fiscal Year 2012	Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	2012-21 TOTAL
Admin Office of the Courts	0	0	0	0	0	0	0	0	0	0	0
Office of State Treasurer	0	0	0	0	0	0	0	0	0	0	0
Office of Attorney General	0	0	0	0	0	0	0	0	0	0	0
Department of Commerce	0	0	0	0	0	0	0	0	0	0	0
Department of Transportation	0	0	0	0	0	0	0	0	0	0	0
Department of Ecology	0	0	0	0	0	0	0	0	0	0	0
Environmental & Land Use Hearings	0	0	0	0	0	0	0	0	0	0	0
Department of Fish and Wildlife	0	1,199,486	1,228,273	1,258,366	1,289,196	0	0	0	0	0	4,975,321
Department of Natural Resources	0	606,600	606,600	606,600	606,600	606,600	606,600	606,600	606,600	606,600	5,459,400
Department of Commerce	0	0	0	0	0	0	0	0	0	0	0
Total	0	1,806,086	1,834,873	1,864,966	1,895,796	606,600	606,600	606,600	606,600	606,600	10,434,721



Ten-Year Analysis

Bill Number 6406 S SB	Title State's natural resources	Agency 055 Admin Office of the Courts
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This ten-year analysis is limited to agency estimated cash receipts associated with the proposed tax or fee increases. The Office of Financial Management ten-year projection can be found at <http://www.ofm.wa.gov/tax/default.asp>.

Estimates

☒ **No Cash Receipts** ☐ **Indeterminate Cash Receipts**

Name of Tax or Fee	Acct Code											
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Agency Preparation: Julia Appel	Phone: (360) 705-5229	Date: 2/8/2012 1:44:56 pm
Agency Approval: Dirk Marler	Phone: 360-705-5211	Date: 2/8/2012 1:44:56 pm
OFM Review: Chris Stanley	Phone: (360) 902-9810	Date: 2/14/2012 9:37:39 am



Ten-Year Analysis

Bill Number 6406 S SB	Title State's natural resources	Agency 090 Office of State Treasurer
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This ten-year analysis is limited to agency estimated cash receipts associated with the proposed tax or fee increases. The Office of Financial Management ten-year projection can be found at <http://www.ofm.wa.gov/tax/default.asp>.

Estimates

☒ **No Cash Receipts** ☐ **Indeterminate Cash Receipts**

Name of Tax or Fee	Acct Code											
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Agency Preparation: Dan Mason	Phone: 360-902-9090	Date: 2/8/2012 1:31:19 pm
Agency Approval: Dan Mason	Phone: 360-902-9090	Date: 2/8/2012 1:31:19 pm
OFM Review: Chris Stanley	Phone: (360) 902-9810	Date: 2/14/2012 9:37:39 am



Ten-Year Analysis

Bill Number 6406 S SB	Title State's natural resources	Agency 100 Office of Attorney General
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This ten-year analysis is limited to agency estimated cash receipts associated with the proposed tax or fee increases. The Office of Financial Management ten-year projection can be found at <http://www.ofm.wa.gov/tax/default.asp>.

Estimates

☒ **No Cash Receipts** ☐ **Indeterminate Cash Receipts**

Name of Tax or Fee	Acct Code											
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Narrative Explanation (Required for Indeterminate Cash Receipts)

None.

Agency Preparation: Cam Comfort	Phone: (360) 664-9429	Date: 2/9/2012 11:38:19 am
Agency Approval: Sarian Scott	Phone: (360) 586-2104	Date: 2/9/2012 11:38:19 am
OFM Review: Chris Stanley	Phone: (360) 902-9810	Date: 2/14/2012 9:37:39 am



Ten-Year Analysis

Bill Number 6406 S SB	Title State's natural resources	Agency 103 Department of Commerce
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This ten-year analysis is limited to agency estimated cash receipts associated with the proposed tax or fee increases. The Office of Financial Management ten-year projection can be found at <http://www.ofm.wa.gov/tax/default.asp>.

Estimates

☒ **No Cash Receipts** ☐ **Indeterminate Cash Receipts**

Name of Tax or Fee	Acct Code											
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Narrative Explanation (Required for Indeterminate Cash Receipts)

There are no cash receipts to the Department of Commerce because there is no fund balance in the planning and environmental review fund and there is no appropriation to that account in either this bill or in the proposed supplemental budget from which future loans could be made.

Agency Preparation: Paul Johnson	Phone: 360-725-3048	Date: 2/8/2012 1:41:12 pm
Agency Approval: Leonard Bauer	Phone: 360-725-3055	Date: 2/8/2012 1:41:12 pm
OFM Review: Chris Stanley	Phone: (360) 902-9810	Date: 2/14/2012 9:37:39 am



Ten-Year Analysis

Bill Number 6406 S SB	Title State's natural resources	Agency 405 Department of Transportation
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This ten-year analysis is limited to agency estimated cash receipts associated with the proposed tax or fee increases. The Office of Financial Management ten-year projection can be found at <http://www.ofm.wa.gov/tax/default.asp>.

Estimates

☒ **No Cash Receipts** ☐ **Indeterminate Cash Receipts**

Name of Tax or Fee	Acct Code											
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Agency Preparation: Kenneth Schlatter	Phone: 360-704-6327	Date: 2/10/2012 1:31:15 pm
Agency Approval: Jerry Lenzi	Phone: 360-705-7032	Date: 2/10/2012 1:31:15 pm
OFM Review: Chris Stanley	Phone: (360) 902-9810	Date: 2/14/2012 9:37:39 am



Ten-Year Analysis

Bill Number 6406 S SB	Title State's natural resources	Agency 461 Department of Ecology
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This ten-year analysis is limited to agency estimated cash receipts associated with the proposed tax or fee increases. The Office of Financial Management ten-year projection can be found at <http://www.ofm.wa.gov/tax/default.asp>.

Estimates

☒ **No Cash Receipts** ☐ **Indeterminate Cash Receipts**

Name of Tax or Fee	Acct Code											
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Agency Preparation: Gordon Wiggerhaus	Phone: 360-407-6994	Date: 2/17/2012 10:58:55 am
Agency Approval: Erik Fairchild	Phone: 360-407-7005	Date: 2/17/2012 10:58:55 am
OFM Review: Chris Stanley	Phone: (360) 902-9810	Date: 2/14/2012 9:37:39 am



Ten-Year Analysis

Bill Number 6406 S SB	Title State's natural resources	Agency 468 Environmental & Land Use Hearings
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This ten-year analysis is limited to agency estimated cash receipts associated with the proposed tax or fee increases. The Office of Financial Management ten-year projection can be found at <http://www.ofm.wa.gov/tax/default.asp>.

Estimates

☒ **No Cash Receipts** ☐ **Indeterminate Cash Receipts**

Name of Tax or Fee	Acct Code											
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Agency Preparation: Robyn Bryant	Phone: 360-664-9166	Date: 2/22/2012 11:29:22 am
Agency Approval: Bill Lynch	Phone: (360) 664-9179	Date: 2/22/2012 11:29:22 am
OFM Review: Chris Stanley	Phone: (360) 902-9810	Date: 2/14/2012 9:37:39 am



Ten-Year Analysis

Bill Number 6406 S SB	Title State's natural resources	Agency 477 Department of Fish and Wildlife
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This ten-year analysis is limited to agency estimated cash receipts associated with the proposed tax or fee increases. The Office of Financial Management ten-year projection can be found at <http://www.ofm.wa.gov/tax/default.asp>.

Estimates

☐ **No Cash Receipts**
☐ **Indeterminate Cash Receipts**

Estimated Cash Receipts

Name of Tax or Fee	Acct Code	Fiscal Year 2012	Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	2012-21 TOTAL
Hydraulic Project Approval Permit Fee	NEW		1,199,486	1,228,273	1,258,366	1,289,196						4,975,321
Total			1,199,486	1,228,273	1,258,366	1,289,196						4,975,321

Biennial Totals	1,199,486	2,486,639	1,289,196	4,975,321
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Narrative Explanation (Required for Indeterminate Cash Receipts)

Section 103 authorizes WDFW to charge fees to recover a portion of the costs associated with processing and issuing decisions on permit applications for Hydraulic Project Approvals (HPAs), for the new costs of administering fee collections, and for costs related to compliance monitoring and enforcement of projects requiring a permit.

Agency Preparation: Lori Peterson	Phone: 360-902-8404	Date: 2/13/2012 2:42:40 pm
Agency Approval: Owen Rowe	Phone: (360) 902-2204	Date: 2/13/2012 2:42:40 pm
OFM Review: Chris Stanley	Phone: (360) 902-9810	Date: 2/14/2012 9:37:39 am



Ten-Year Analysis

Bill Number 6406 S SB	Title State's natural resources	Agency 490 Department of Natural Resources
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This ten-year analysis is limited to agency estimated cash receipts associated with the proposed tax or fee increases. The Office of Financial Management ten-year projection can be found at <http://www.ofm.wa.gov/tax/default.asp>.

Estimates

☐ **No Cash Receipts** ☐ **Indeterminate Cash Receipts**

Estimated Cash Receipts

Name of Tax or Fee	Acct Code	Fiscal Year 2012	Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	2012-21 TOTAL
Forest Practices Application Fee	NEW		606,600	606,600	606,600	606,600	606,600	606,600	606,600	606,600	606,600	5,459,400
Total			606,600	606,600	606,600	606,600	606,600	606,600	606,600	606,600	606,600	5,459,400
Biennial Totals			606,600	1,213,200	1,213,200	1,213,200	1,213,200	1,213,200	1,213,200	1,213,200	1,213,200	5,459,400

Narrative Explanation (Required for Indeterminate Cash Receipts)

Section 209 - revenue estimates for the new Forest Practices Application Account (FPAA). It is assumed that the changes in fee amounts begin July 1, 2012. The Forest Practices Application/Notification (FPA/N) numbers reflect a reduction in Class II renewals and other FPA/N due to the extension to a 3-year FPA approval and renewal time identified in section 206. Also it is assumed that there would be a decrease in revenue from FPA/N into the general fund. The amount shown above is the net additional amount of revenue that the state would realize if you added the new revenue in the FPAA account and subtracted the loss of general fund that is currently collected.

Agency Preparation: Robert Brauer	Phone: 360) 902-1244	Date: 2/14/2012 9:03:25 am
Agency Approval: Bridget Moran	Phone: 360-902-1508	Date: 2/14/2012 9:03:25 am
OFM Review: Chris Stanley	Phone: (360) 902-9810	Date: 2/14/2012 9:37:39 am