

Multiple Agency Fiscal Note Summary

Bill Number: 2253 E 2S HB	Title: SEPA
----------------------------------	--------------------

Estimated Cash Receipts

Agency Name	2011-13		2013-15		2015-17	
	GF- State	Total	GF- State	Total	GF- State	Total
Office of Attorney General	0	28,054	0	9,351	0	0
Total \$	0	28,054	0	9,351	0	0

Estimated Expenditures

Agency Name	2011-13			2013-15			2015-17		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Office of Attorney General	.1	0	28,054	.0	0	9,351	.0	0	0
Department of Commerce	.0	0	0	.0	0	0	.0	0	0
Department of Ecology	.8	179,927	179,927	.5	104,678	104,678	.0	0	0
Department of Fish and Wildlife	.1	14,300	14,300	.1	18,200	18,200	.1	18,200	18,200
Department of Natural Resources	.2	12,600	34,800	.1	7,200	19,600	.0	3,000	8,200
Total	1.2	\$206,827	\$257,081	0.7	\$130,078	\$151,829	0.1	\$21,200	\$26,400

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

Estimated Capital Budget Impact

NONE

Prepared by: Linda Steinmann, OFM	Phone: 360-902-0573	Date Published: Final 2/22/2012
--	-------------------------------	---

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

** See local government fiscal note

FNPID 32245

FNS029 Multi Agency rollup

Individual State Agency Fiscal Note

Bill Number: 2253 E 2S HB	Title: SEPA	Agency: 100-Office of Attorney General
----------------------------------	--------------------	---

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		28,054	28,054	9,351	
Total \$		28,054	28,054	9,351	

Estimated Expenditures from:

	FY 2012	FY 2013	2011-13	2013-15	2015-17
FTE Staff Years	0.0	0.3	0.1	0.0	0.0
Account					
Legal Services Revolving Account-State 405-1	0	28,054	28,054	9,351	0
Total \$	0	28,054	28,054	9,351	0

Estimated Capital Budget Impact:

NONE

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

Check applicable boxes and follow corresponding instructions:

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

Legislative Contact: Michael Bennion	Phone: 360-786-7118	Date: 02/13/2012
Agency Preparation: Cam Comfort	Phone: (360) 664-9429	Date: 02/17/2012
Agency Approval: Sarian Scott	Phone: (360) 586-2104	Date: 02/17/2012
OFM Review: Cheri Keller	Phone: 360-902-0563	Date: 02/17/2012

Request # 12-163-1

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.

Section 1(1) states legislative intent.

Section 1(2) requires the Department of Ecology (ECY), by December 31, 2012, to increase the rule-based categorical exemptions to RCW 43.21C found in WAC 197-11-800 and update the environmental checklists found in WAC 197-11-960. Specific requirements are imposed on ECY in updating the categorical exemptions and the environmental checklist.

Section 1(3) requires ECY, by December 31, 2013, to: (a) update, but not decrease, the thresholds of all other project actions not specified in Section 1(2); (b), create a categorical exemption for projects designed to restore natural wildlife or fishery habitats or serve as environmental mitigation for other projects; and (c) propose methods for integrating the State Environmental Policy Act (SEPA) process with provisions of the Growth Management Act.

Section 1(4) requires ECY to convene an advisory committee to assist in updating the environmental checklist and updating the thresholds for other project actions for both rule-making processes under sections 1(2) and 1(3), and consider other opportunities to ensure notice is provided about projects of interest through a means other than through notice under RCW 43.21C.

Section 1(5) provides that this section expires July 31, 2013.

Section 2 amends RCW 43.21C.031 to separate prior subsection (1) into two subsections. A reference to section 7 of this act is added to Section 2(1) and a sentence relating county, city, or town planning under RCW 36.70A.040 is stricken. Prior subsection (2), describing planned actions, is stricken.

Section 3 adds a new section added to RCW 43.21C to describe what a planned action is for purposes of this chapter. Counties, cities, and towns are required to define the types of development included in the planned action and may limit a planned action to a specific geographical area that is less extensive than the jurisdictional areas of the county, city, or town, and to a time period identified in an ordinance or resolution adopted under this subsection. The process for designating a planned action is specified.

Section 4 amends RCW 43.21C.229 related to infill development and expands the criteria for when an exemption may be adopted by a city or county under this section.

Section 5 adds a new section to RCW 43.21C authorizing a county, city, or town to recover reasonable expenses incurred in the preparation of a nonproject environmental impact statement prepared under RCW 43.21C.030(2) through access to financial assistance under RCW 36.70A.490 and with funding from private sources.

Section 6 amends RCW 43.21C.420 to strike part of subsection (5)(b) relating to continued collection of reimbursement

fees and subsection (6) relating to nonproject environmental impact statements and the recovery of reasonable expenses.

Section 7 adds a new section to RCW 43.21C listing nonproject actions that are categorically exempted from the requirements of this chapter.

Section 8 amends RCW 36.70A.490 to authorize moneys in the Growth Management Planning and Environmental Review (GMPER) fund to be loaned to local governments for the purposes set forth in RCW 43.21C.240 and .031, or RCW 36.70A.500. Any payment of either principal or interest, or both, derived from loans made from this fund must be deposited into the fund.

Section 9 amends RCW 36.70A.500 to require the Department of Commerce to provide management services for the GMPER fund. The criteria that is to be considered in awarding a grant or loan is expanded 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 10 adds a new section to RCW 82.02 requiring cities and towns planning for increased growth or receiving areas under RCW 43.362 to comply with RCW 43.21C.

Section 11 amends RCW 43.21C.110 to make non-substantive changes, and change a reference from “RCW 43.21C.031(2)” to “section 3 of this act.”

Section 12 amends RCW 43.21C.095 to make a non-substantive change.

Section 13 adds a new section to RCW 43.21C to require the lead agency, upon receiving a completed environmental checklist, to provide the checklist and other submitted documents to the federally recognized tribe or tribes affected by the proposed project.

The Attorney General’s Office (AGO) estimates a workload impact of 0.15 Assistant Attorney General (AAG) and 0.1 Legal Assistant (LA) at a cost of \$28,054 in Fiscal Year (FY) 2013, and 0.05 AAG at a cost of \$9,351 in FY2014. The increase in staffing is to provide legal services for rulemaking.

This bill is assumed effective July 1, 2012.

II. B - Cash receipts Impact

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

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

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

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

budget.

II. C - Expenditures

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

The AGO estimates a workload impact of 0.15 AAG and 0.1 LA at a cost of \$28,054 in FY2013, and 0.05 AAG at a cost of \$9,351 in FY2014.

Assumptions:

1. We assume costs associated with providing legal advice for both of the contemplated rulemakings.
2. We assume the first set of rule amendments will be enacted in December 2012, and will be more complex and compressed than the second set of rules. We assume 0.2 AAG for six (6) months (July 1 - December 31, 2012) in FY2013.
3. We assume the second set of rule amendments will be enacted in December 2013. We assume 0.1 AAG from January 1, 2013 through June 30, 2013 (FY2013), and 0.1 AAG from July 1, 2013 through December 31, 2013 (FY2014).

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2012	FY 2013	2011-13	2013-15	2015-17
FTE Staff Years		0.3	0.1	0.0	
A-Salaries and Wages		16,475	16,475	4,115	
B-Employee Benefits		4,902	4,902	1,152	
C-Personal Service Contracts					
E-Goods and Services		5,862	5,862	3,859	
G-Travel		340	340	100	
J-Capital Outlays		475	475	125	
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total:	\$0	\$28,054	\$28,054	\$9,351	\$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
Assistant Attorney General	82,284		0.2	0.1	0.0	
Legal Assistant II	41,316		0.1	0.1		
Total FTE's	123,600		0.3	0.1	0.0	0.0

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	
Total \$		28,054	28,054	9,351	

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: 2253 E 2S HB	Title: SEPA	Agency: 103-Department of Commerce
----------------------------------	--------------------	---

Part I: Estimates

☒ No Fiscal Impact

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

Check applicable boxes and follow corresponding instructions:

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

Legislative Contact: Michael Bennion	Phone: 360-786-7118	Date: 02/13/2012
Agency Preparation: Paul Johnson	Phone: 360-725-3048	Date: 02/15/2012
Agency Approval: Karen Larkin	Phone: 360-725-3003	Date: 02/15/2012
OFM Review: Tristan Wise	Phone: (360) 902-0538	Date: 02/15/2012

Request # 088-6A0-1

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.

There are no differences between the engrossed second substitute bill and the substitute bill that affect the fiscal impact to the Department of Commerce.

Summary of the engrossed second substitute bill:

Section 5 permits counties and cities to recover reasonable expenses for preparation of a non-project environmental impact statement from the growth management planning and environmental review fund (PERF).

Section 8 permits loans, in addition to grants, from the PERF. Payments of principal and interest derived from PERF loans are deposited back into the account.

Section 9 adds local environmental reviews that address impacts of increased density to the list of elements of a proposal for which the Department of Commerce must give preference when awarding a PERF grant or loan.

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.

NONE

Individual State Agency Fiscal Note

Bill Number: 2253 E 2S HB	Title: SEPA	Agency: 461-Department of Ecology
----------------------------------	--------------------	--

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	1.5	0.8	0.5	0.0
Account					
General Fund-State 001-1	0	179,927	179,927	104,678	0
Total \$	0	179,927	179,927	104,678	0

Estimated Capital Budget Impact:

NONE

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

Check applicable boxes and follow corresponding instructions:

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

Legislative Contact: Michael Bennion	Phone: 360-786-7118	Date: 02/13/2012
Agency Preparation: Gordon Wiggerhaus	Phone: 360-407-6994	Date: 02/16/2012
Agency Approval: Erik Fairchild	Phone: 360-407-7005	Date: 02/16/2012
OFM Review: Linda Steinmann	Phone: 360-902-0573	Date: 02/17/2012

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.

The following is a comparison of E2SHB 2253 to SHB 2253. These changes do not affect the fiscal impact to Ecology.

Section 1 adds that the updated SEPA checklist would not include climate or greenhouse gas issues; specifies that GMA integration is a topic for the second round of rulemaking; and would require that the advisory committee members have direct experience with implementing SEPA.

Section 3 of SHB 2253 is deleted from E2SHB 2253. This section would have required Ecology to accept electronic submittals from SEPA lead agencies.

Section 3(4) of E2SHB 2253 adds a provision related to a planned action that encompasses the entire jurisdictional boundary of a county, city or town. For such a proposal, public notice would need to be given and a public meeting would need to be held before a scoping notice for a planned action is issued.

Section 4(1)(a) would specify that commercial developments of up to 65,000 sq. ft. would be eligible for categorical exemption from SEPA review along with residential and mixed-use development.

Sections 5 and 6 would no longer include local governments' ability to collect fees for SEPA costs.

Section 7(3) would preclude categorical exemption for a broad range of non-project actions related to development regulations, including "regulations for the protection of the environment."

Section 10 of SHB 2253 is deleted from E2SHB 2253. This section was concerned with the environmental checklist used for SEPA review.

Section 10 of E2SHB 2253 would amend RCW 82.02, General Provisions for State Taxes, to allow the Growth Management Planning and Environmental Review Fund (PERF) to provide loans and grants to local governments to fund detailed SEPA analysis. E2SHB 2253 removes the provisions that were in SHB 2253 that would have authorized local governments to charge fees to recoup costs of upfront SEPA documents.

Section 13 would require local governments to send the SEPA checklist for a project to the tribe affected by the project.

Changes were made to section numbering.

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

Categorical Exemptions and Environmental Checklist

Section 1(2) would direct Ecology to revise specific categorical exemptions in the SEPA rule and the SEPA checklist by

Request # 12-108-1

Bill # 2253 E 2S HB

December 31, 2012. Section 1(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 1(3) would require Ecology to revise the thresholds for all other project actions not included in Section 1(2) by December 31, 2013. For both rulemaking processes, Ecology would be required to convene an advisory committee.

Section 1(3) would require that the rule making must include an exemption for fish and wildlife habitat restoration projects. (Section 6 of SHB 2253 had a similar exemption requirement.)

Section 1(4)(a)(ii) would require Ecology to consider opportunities for parties to receive notice of projects through alternatives to the process defined in RCW 43.21C.

Section 1 states that the updated SEPA checklist would not include climate or greenhouse gas issues; specifies that GMA integration is a topic for the second round of rulemaking; and would require that the advisory committee members have direct experience with implementing SEPA.

Section 1(5) states that Section 1 expires on July 31, 2013. This date is inconsistent with the requirement of Section 1(3) to complete the second round of rule making by December 31, 2013. We assume that because Section 1(3) states that we have until December 31, 2013 to complete rulemaking, because the second round of rulemaking will require a year, and because rulemaking would already be under way by July 31, 2013, then Ecology would have until December 31, 2013 to complete the rule.

Added Exemptions

Section 4 is concerned with the infill exemption from SEPA. Section 4 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 4(1)(a) states that the types of development eligible for the exemption are residential, mixed use, and commercial up to 65,000 sq. ft. The current statute requires that an EIS must have been previously prepared on the city or county comprehensive plan. Section 4 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 7 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.

Section 7(3) would preclude categorical exemption for a broad range of nonproject actions related to development regulations, including “regulations for the protection of the environment.”

Loans

Sections 5 and 6 would move a portion of 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. Compared to SHB 2253, E2SHB 2253 does not include the ability to collect fees for such costs.

Sections 8 and 9 would allow the Growth Management Planning and Environmental Review Fund (PERF) 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 9 would amend RCW 36.70A.500., 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.”

Section 10 would amend RCW 82.02, General Provisions for State Taxes, to allow the PERF to make loans, as well as grants, to local governments to fund SEPA analysis.

Housekeeping - Planned Actions

Sections 2 and 3 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 3.

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

Section 3(4) is related to a planned action that encompasses the entire jurisdictional boundary of a county, city or town. For such a proposal, public notice would need to be given and a public meeting would need to be held before a scoping notice for a planned action is issued.

Sections 11 and 12 are minor language changes to clarify RCW 43.21C.110, Content of SEPA Rules.

Section 13 would require local governments to send the SEPA checklist for a project to the tribe affected by the project.

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.

None for 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.

The costs to Ecology of implementing this bill are driven by Section 1. This section 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 1 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		1.5	0.8	0.5	
A-Salaries and Wages		78,378	78,378	50,456	
B-Employee Benefits		25,943	25,943	16,701	
C-Personal Service Contracts					
E-Goods and Services		34,715	34,715	13,508	
G-Travel		1,459	1,459	911	
J-Capital Outlays		3,546	3,546		
N-Grants, Benefits and Client Services					
P-Debt Service					
S-Interagency Reimbursements					
9-Agency Administrative Overhead		35,886	35,886	23,102	
Total:	\$0	\$179,927	\$179,927	\$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	
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		0.3	0.1	0.1	
Total FTE's	291,048		1.5	0.8	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 1 would require Ecology to do two rule makings. Section 1(2) would require rule making for SEPA categorical exemption thresholds for minor construction by December 31, 2012. Section 1(3) would require rule making for SEPA categorical exemption thresholds for all other project actions not included in Section 1(2) by December 31, 2013.

Request # 12-108-1

Individual State Agency Fiscal Note

Bill Number: 2253 E 2S HB	Title: SEPA	Agency: 477-Department of Fish and Wildlife
----------------------------------	--------------------	--

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	0.2	0.1	0.1	0.1
Account					
General Fund-State 001-1	0	14,300	14,300	18,200	18,200
Total \$	0	14,300	14,300	18,200	18,200

Estimated Capital Budget Impact:

NONE

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

Check applicable boxes and follow corresponding instructions:

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

Legislative Contact: Michael Bennion	Phone: 360-786-7118	Date: 02/13/2012
Agency Preparation: Samantha Smithingell	Phone: (360) 902-2202	Date: 02/17/2012
Agency Approval: Owen Rowe	Phone: (360) 902-2204	Date: 02/17/2012
OFM Review: Chris Stanley	Phone: (360) 902-9810	Date: 02/17/2012

Request # 12-FN060-1

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 gives Ecology until December 31, 2013 to conduct two phases of rule making to increase the thresholds for SEPA categorical exemptions. This requires Ecology to convene an advisory committee consisting of members representing, at minimum, cities, counties, business interests, environmental interests, agricultural interests, cultural resources interests, state agencies, and tribal governments to assist in updating the environmental checklist and updating the thresholds for other project actions for both rule-making processes, and to consider opportunities to ensure that state agencies, tribes, and other interested parties can receive notice about projects of interest through a means other than through notice under chapter 43.21C RCW. Advisory committee members must have direct experience with the implementation or application of the state environmental policy act.

Section 13 requires duplicative mailings (electronic and regular mail) of SEPA materials to Tribal Chair and Tribal Natural Resource Managers when checklists and background materials first come in.

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.

FTE Costs

Section 1 requires Ecology to convene an advisory committee with members having direct experience in implementation/application of SEPA. The committee will develop new rules on expanding SEPA Exemptions. The WDFW SEPA NEPA Coordinator (Fish and Wildlife Biologist 4) would attend the committee meetings, which would include ten (10) four-hour meetings in FY 13, plus 4 hours of prep time per meeting. We assume that committee work will end June 30, 2013, and that Ecology will compile committee results into a report with the December 31, 2013 deadline.

Section 13 requires WDFW to make additional and duplicative mailings of SEPA documents to Tribal Chairs and to Tribal Natural Resource Managers when checklist and materials are received. This is in addition to the current mailing WDFW is required to send electronically when the agency issues a determination. WDFW is lead on approximately 100 SEPA documents per year and mailings of SEPA through mail and electronic notification and copying large documents would take Lead Secretary an estimated 2 hours per document total or approximately 200 hours of addition work per year. This additional work is estimated at 0.12 FTE of Lead Secretary.

Object E

Costs in this category include approximately \$6,600/FTE/FY to cover Department of Personnel and Human Resource Management System charges and WDFW standard costs, intended to cover an average employee's supplies,

communications, training, and subscription costs per year. An indirect rate of 23.51% is included in object E, and is calculated based on cost estimates for eligible objects each fiscal year.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2012	FY 2013	2011-13	2013-15	2015-17
FTE Staff Years		0.2	0.1	0.1	0.1
A-Salaries and Wages		7,300	7,300	8,800	8,800
B-Employee Benefits		3,200	3,200	4,400	4,400
C-Personal Service Contracts					
E-Goods and Services		3,800	3,800	5,000	5,000
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total:	\$0	\$14,300	\$14,300	\$18,200	\$18,200

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
F&W Biologist 4	58,320		0.1	0.0		
Lead Secretary	36,942		0.1	0.1	0.1	0.1
Total FTE's	95,262		0.2	0.1	0.1	0.1

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: 2253 E 2S HB	Title: SEPA	Agency: 490-Department of Natural Resources
----------------------------------	--------------------	--

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	0.4	0.2	0.1	0.0
Account					
General Fund-State 001-1	1,400	11,200	12,600	7,200	3,000
Forest Development Account-State 014-1	700	5,900	6,600	3,700	1,600
Resources Management Cost Account-State 041-1	1,300	11,500	12,800	7,200	3,000
Surface Mining Reclamation Account-State 04h-1	300	2,500	2,800	1,500	600
Total \$	3,700	31,100	34,800	19,600	8,200

Estimated Capital Budget Impact:

NONE

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

Check applicable boxes and follow corresponding instructions:

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

Legislative Contact: Michael Bennion	Phone: 360-786-7118	Date: 02/13/2012
Agency Preparation: Pouth Ing	Phone: (360) 902-1021	Date: 02/22/2012
Agency Approval: Lenny Young	Phone: (360) 902-1744	Date: 02/22/2012
OFM Review: Chris Stanley	Phone: (360) 902-9810	Date: 02/22/2012

Request # 12-51-1

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 directs the Department of Ecology to convene an advisory committee consisting of members representing, at minimum, cities, counties, business interests, environmental interests, agricultural interests, cultural resources interests, state agencies, and tribal governments to; (a) assist in updating the environmental checklist and updating the thresholds for other project actions for both rule-making processes under subsections (2) and (3) of section 1 of bill; and (b) consider opportunities to ensure that state agencies, tribes, and other interested parties can receive notice about projects of interest through a means other than through notice under chapter 43.21C RCW.

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.

No impact.

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 1 directs the Department of Ecology to convene an advisory committee consisting of members representing, at minimum, cities, counties, business interests, environmental interests, agricultural interests, cultural resources interests, state agencies, and tribal governments to; (a) assist in updating the environmental checklist and updating the thresholds for other project actions for both rule-making processes under subsections (2) and (3) of section 1 of bill; and (b) consider opportunities to ensure that state agencies, tribes, and other interested parties can receive notice about projects of interest through a means other than through notice under chapter 43.21C RCW.

Staff time required:

Environmental Specialist 5 and Administrative Assistant 2: Review proposed new rules and make decisions on them, as well as conducting research and coordinating within DNR with respect to specific program impacts resulting from any particular rule change proposal. Additionally, to the extent any additional coordination with local government is required as the result of changes to SEPA processing.

Positions required for the above are needed in the following fiscal years:

Environmental Specialist 5 – FY12 (.25 Staff Month), FY13 (2 Staff Months), FY14 (1 Staff Month), FY15 thru FY17 (.25 Staff Month).

Administrative Assistant 2 - FY12 (.25 Staff Month), FY13 (2 Staff Months), FY14 (1 Staff Month), FY15 thru FY17 (.25 Staff Month).

SEPA represents Forest Practice Program, Forest Resource and Conservation Program, and Surface Mining hence the funding distribution of GF-S, FDA, RMCA, and Surface Mining.

Salaries and benefits for staff are calculated based on FY11 rates.

Goods and services figures are based on program average costs.

Administrative cost of 27% is applied to salary, benefits, standard goods and services, and travel. 0.1 FTE in FY 13 for overhead is represented as a Fiscal Analyst 2 position.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2012	FY 2013	2011-13	2013-15	2015-17
FTE Staff Years	0.0	0.4	0.2	0.1	0.0
A-Salaries and Wages	2,000	16,600	18,600	10,800	4,400
B-Employee Benefits	800	6,500	7,300	4,200	1,800
C-Personal Service Contracts					
E-Goods and Services	100	1,500	1,600	400	200
G-Travel		100	100		
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-Administrative Costs	800	6,400	7,200	4,200	1,800
Total:	\$3,700	\$31,100	\$34,800	\$19,600	\$8,200

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
Administrative Assistant 2	36,756	0.0	0.2	0.1	0.1	0.0
Environmental Specialist 5	66,420	0.0	0.2	0.1	0.1	0.0
Fiscal Analyst 2	45,828		0.1	0.1		
Total FTE's	149,004	0.0	0.4	0.3	0.1	0.0

Part IV: Capital Budget Impact

NONE

No impact.

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.

LOCAL GOVERNMENT FISCAL NOTE

Department of Community, Trade and Economic Development

Bill Number: 2253 E 2S HB	Title: SEPA
----------------------------------	--------------------

Part I: Jurisdiction-Location, type or status of political subdivision defines range of fiscal impacts.

Legislation Impacts:

- ☒ Cities: Cities and counties would likely experience substantial (greater than \$1 million) decreases in both revenue and expenditures resulting from reduced project-level SEPA reviews.
- ☒ Counties: Same as above
- ☐ Special Districts:
- ☐ Specific jurisdictions only:
- ☐ Variance occurs due to:

Part II: Estimates

- ☐ No fiscal impacts.
- ☐ Expenditures represent one-time costs:
- ☐ Legislation provides local option:
- ☒ Key variables cannot be estimated with certainty at this time: New categorical exemption thresholds to be developed by Ecology, number and cost of area-wide SEPA reviews, number of project SEPA reviews no longer conducted due to increased exemptions

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: 02/17/2012
Leg. Committee Contact: Michael Bennion	Phone: 360-786-7118	Date: 02/13/2012
Agency Approval: Steve Salmi	Phone: (360) 725 5034	Date: 02/17/2012
OFM Review: Linda Steinmann	Phone: 360-902-0573	Date: 02/17/2012

Part IV: Analysis

A. SUMMARY OF BILL

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

SUMMARY OF CHANGES FROM SUBSTITUTE BILL VERSION

The current bill version, E2SHB 2253, requires a lead SEPA agency to provide notice to tribes upon receipt of a SEPA checklist, and discards provisions which would have:

- allowed local governments to recover the cost of preparing a nonproject environmental review under RCW 43.21C.030(2) through the assessment of reasonable and proportionate fees upon subsequent development that makes use of and benefits from the review,
- provided statutory SEPA review exemptions for certain environmental projects (instead, Ecology would be directed to increase rule-based thresholds for those projects), and
- authorized a SEPA lead agency to identify instances where checklist questions are already covered by existing local regulations, and pre-fill certain portions of the checklist.

SUMMARY OF CURRENT BILL VERSION

Section 1 directs the Department of Ecology (Ecology) to update the rule-based categorical exemptions to RCW 43.21C (SEPA) and environmental checklist in accordance with certain specifications by December 31, 2012. Exemptions must be increased for various types of projects and must differ based on whether the project is located in a city, an unincorporated area within a urban growth area (UGA), and unincorporated area other than a UGA in a county planning under the Growth Management Act, or other areas. A second update for other project actions would be required by December 31, 2013. Ecology would also be directed to convene an advisory committee in the course of the updates, including local government participants.

Section 3 provides cities, towns and counties planning under the Growth Management Act (GMA) additional authority related to planned actions.

Section 4 amends RCW 43.21C.229 to authorize cities or counties 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.

Section 5 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 or funding from private sources.

Section 6 amends RCW 43.21C.420 to delete provisions related to cost recovery for local governments preparing nonproject SEPA reviews for projects under that section, including current statutory language authorizing the assessment of reasonable and proportionate fees upon subsequent development that makes use of and benefits from the review.

Section 7 provides SEPA categorical exemptions for certain amendments to development regulations and technical codes.

Section 8 would amend RCW 36.70A.490 to authorize the growth management planning and environmental review fund (PERF) to provide loans (as well as grants) and provide that repayment of such loans be returned to the fund.

Section 9 would amend RCW 36.70A.500 to authorize the use of PERF funds for certain area-wide environmental reviews.

Section 13 would be added to RCW 43.21C to require a SEPA lead agency, upon receiving a completed environmental checklist, to provide it and related submitted documents to federally recognized or other tribes affected by the proposed project.

BACKGROUND:

Cities and counties act as lead SEPA officials on non-exempt development projects and non-project actions within their jurisdictions. In most jurisdictions, a project developer prepares a detailed SEPA checklist describing the potential impacts of the project on the built and natural environment. The city or county SEPA official reviews the checklist and may issue a Determination of Non-Significance (DNS), a Mitigated Determination of Non-Significance (MDNS), or may require the preparation of a full Environmental Impact Statement (EIS).

A project designated as DNS may receive that designation because it actually has no impacts, or it may have impacts that can be addressed through conditions imposed on the project in accordance with the jurisdiction's existing development standards and regulations. A project with impacts that cannot be adequately addressed under existing development rules would need an individual mitigation plan, and so would require the SEPA official to issue a MDNS or EIS.

The proposed legislation would require Ecology to expand categorical SEPA exemptions for a number of different types of projects, and provide statutory

exemptions for additional non-project actions. Cities and counties do not prepare SEPA determinations for categorically-exempt projects, but do review such projects in a variety of ways. For example, projects generally require a building permit and may require other permits such as a Shoreline Development Permit, conditional use permit, etc.

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 EXPENDITURE IMPACTS OF SUBSTITUTE BILL VERSION:

The current bill version, E2SHB 2253, includes provisions requiring lead SEPA agencies to provide notice to tribes upon receipt of a SEPA checklist, as well as copies of the checklist and associated documents, resulting in small increases to expenditure impacts. Overall impacts remain indeterminate.

EXPENDITURE IMPACTS OF CURRENT BILL VERSION:

The proposed legislation would direct Ecology to expand categorical exemptions for various types of projects, likely reducing 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 Ecology's update of exemption thresholds. 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 the CAB, 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 thresholds established by Ecology, 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 SEPA review expenses. If additional PERF funding were to become available, or if local governments identify private sources willing to provide funding in accordance with Section 5, the frequency of such area-wide planned actions could increase.

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.

NOTICE TO TRIBES

Section 13 requires a lead SEPA agency, including local governments, to provide a submitted SEPA checklist and associated documents to potentially-impacted tribes. Jurisdictions would incur expenditures for staff time, supplies and postage to comply with this requirement, which are assumed by local government fiscal note program staff to be negligible to minor (less than \$50,000) for most jurisdictions.

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 REVENUE IMPACTS OF SUBSTITUTE BILL VERSION:

The current bill version, E2SHB 2253, does not include provisions which would have authorized local governments preparing an area-wide SEPA review to recover the cost of that review through assessing reasonable and proportional fees on future developers that benefit from the review. This will potentially decrease the frequency of such reviews, and local government revenue impacts, compared to the previous bill version.

Also deleted were provisions in Section 6, RCW 43.21C.420, which were adopted in 2010 and currently authorize a latecomer fee for projects under that section. For the purpose of this local government fiscal note, it is assumed that any jurisdictions which have already conducted reviews under that section and passed ordinances providing for cost recovery through a latecomer fee would not be prevented by the current bill from implementing those fees, but that future jurisdictions would not be authorized to adopt such a fee.

SUMMARY OF REVENUE IMPACTS OF CURRENT BILL VERSION:

The proposed legislation would direct Ecology to expand categorical exemptions for various types of projects. This would result in a reduction in SEPA checklist review fees charged of individual project developers, as fewer projects would require SEPA review. The bill would also authorize cities, towns and counties to secure PERF funding or funding from private sources to recover the cost of area-wide nonproject SEPA reviews. Revenue decreases could be substantial (greater than \$1 million) over time, statewide. Individual jurisdictions that receive either PERF or private funding to conduct area-wide SEPA reviews could have impacts in the range of \$500,000, based on the cost of conducting the review as described above.

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 after Ecology updates the exemption thresholds, while increased revenue from PERF loans or private sources for area-wide SEPA reviews, if any, would depend on the future availability of funding.

CATEGORICAL EXEMPTIONS

The proposed legislation would direct Ecology to increase categorical exemptions for a variety of projects, 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 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. Overall revenue increases from 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, legislative appropriations to the PERF fund, and the availability of private funding.

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 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)