

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 6406 E S SB	<b>Title:</b> 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	65,458	0	65,458	0	0
Department of Fish and Wildlife	0	404,250	0	808,500	0	404,250
Department of Natural Resources	(303,300)	606,600	(606,600)	1,213,200	(606,600)	1,213,200
<b>Total \$</b>	<b>(303,300)</b>	<b>1,076,308</b>	<b>(606,600)</b>	<b>2,087,158</b>	<b>(606,600)</b>	<b>1,617,450</b>

## Estimated Expenditures

Agency Name	2011-13			2013-15			2015-17		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Office of State Treasurer	.0	0	0	.0	0	0	.0	0	0
Office of Attorney General	.2	0	65,458	.2	0	65,458	.0	0	0
Department of Commerce	.0	0	0	.0	0	0	.0	0	0
University of Washington	1.3	242,160	242,160	1.6	300,475	300,475	.0	0	0
Department of Transportation	.0	0	21,000	.0	0	43,000	.0	0	21,000
Department of Ecology	.8	188,482	207,184	.6	142,818	161,520	.0	0	0
Environmental and Land Use Hearings Office	.0	0	0	.0	0	0	.0	0	0
Department of Fish and Wildlife	1.5	(113,328)	225,400	3.0	(424,506)	387,700	2.3	(226,303)	179,800
Department of Natural Resources	2.5	0	840,000	10.6	296,700	2,222,500	10.3	258,000	2,167,100
<b>Total</b>	<b>6.3</b>	<b>\$317,314</b>	<b>\$1,601,202</b>	<b>16.0</b>	<b>\$315,487</b>	<b>\$3,180,653</b>	<b>12.6</b>	<b>\$31,697</b>	<b>\$2,367,900</b>

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 32510

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	10,250	10,250	10,250	10,250	500
Total \$	\$0	\$10,250	\$10,250	\$10,250	\$10,250	\$500

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 3/13/2012
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\* See Office of the Administrator for the Courts judicial fiscal note

\*\* See local government fiscal note

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 6406 E S SB	<b>Title:</b> State's natural resources	<b>Agency:</b> 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, and alternate ranges (if appropriate), are explained in Part II.*

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: Jason Callahan	Phone: 360-786-7117	Date: 03/06/2012
Agency Preparation: Dan Mason	Phone: 360-902-9090	Date: 03/07/2012
Agency Approval: Dan Mason	Phone: 360-902-9090	Date: 03/07/2012
OFM Review: Cheri Keller	Phone: 360-902-0563	Date: 03/07/2012

## 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.*

ESSB 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 February 2012 Revenue Forecast that the net rate for estimating earnings for FY 12 is 0.10%, FY 13 is 0.10%, FY 14 is 0.10%, and FY 15 is 1.11%. Approximately \$1,000 in FY 12, \$1,000 in FY 13, \$1,000 in FY 14, and \$11,100 in FY 15 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.*

ESSB 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

<b>Bill Number:</b> 6406 E S SB	<b>Title:</b> State's natural resources	<b>Agency:</b> 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		65,458	65,458	65,458	
<b>Total \$</b>		65,458	65,458	65,458	

### Estimated Expenditures from:

	FY 2012	FY 2013	2011-13	2013-15	2015-17
FTE Staff Years	0.0	0.5	0.2	0.2	0.0
<b>Account</b>					
Legal Services Revolving Account-State 405-1	0	65,458	65,458	65,458	0
<b>Total \$</b>	0	65,458	65,458	65,458	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, and alternate ranges (if appropriate), are explained in Part II.*

Check applicable boxes and follow corresponding instructions:

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- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact: Jason Callahan	Phone: 360-786-7117	Date: 03/06/2012
Agency Preparation: Cam Comfort	Phone: (360) 664-9429	Date: 03/08/2012
Agency Approval: Sarian Scott	Phone: (360) 586-2104	Date: 03/08/2012
OFM Review: Cheri Keller	Phone: 360-902-0563	Date: 03/09/2012

Request # 12-194-1

## 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 states a legislative finding and legislative intent.

#### PART I – Hydraulic Project Approvals

Section 101 amends RCW 77.55.011 to add definitions for “emergency permit,” “expedited permit,” “forest practices hydraulic project,” “general permit,” “multiple site permit,” “pamphlet hydraulic project,” “permit modification,” and “repair or maintenance.”

Section 102 amends RCW 77.55.021 to require, as part of complete written application for a permit, payment of all applicable fees charged by the Department of Fish and Wildlife (DFW) under section 103 of this act. DFW is authorized to establish direct billing accounts or other funds transfer methods. DFW is authorized to accept complete, written applications for multiple site permits that identify each specific location and general permits, and may issue these permits. Except for emergency permits, such applications must be submitted to DFW’s headquarters office in Olympia. A modification under subsection (10) is not subject to the fees provided under section 103 of this act. DFW may not charge a person requesting an emergency permit any of the fees authorized by section 103 of this act until after the emergency permit is issued and reduced to writing.

Section 103 adds a new section to RCW 77.55.

Section 103(1) requires DFW to charge an application fee of \$150 for a hydraulic project permit or permit modification issued under RCW 77.55.021 where the project is located at, or below, the ordinary high water line. The application fee established under this subsection may only be charged after June 30, 2012, if section 104 of this act has been enacted into law by that date.

Section 103(2) lists hydraulic projects that are exempt from all fees under this section.

Section 103(3) requires all fees collected under this section to be deposited in the Hydraulic Project Approval Account created in section 105 of this act.

Section 103(4) provides that the fees contained in this section are prospective only.

Section 103(5) provides that this section expires June 30, 2016.

Section 104 is a new section requiring the University of Washington (UW), through colleges and schools with relevant subject matter expertise, to conduct a review of state, federal, and local natural resources, environmental, and other regulatory programs. The UW must conduct the review in consultation with appropriate federal and state agencies, local governments, tribal governments, and business and environmental interests. A report detailing the review is required to be submitted to the appropriate legislative committees by September 1, 2014. This section expires January 1, 2015

Section 105 adds a new section to chapter 77.55 creating the Hydraulic Project Approval Account in the state treasury.

Section 106 amends RCW 77.55.151 to require DFW, upon application under RCW 77.55.021, to issue a renewable, five (5) 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 application fee provided in section 103 of this act.

Section 107 amends RCW 77.55.231 to add new subsection (3) providing that a permit must contain provisions allowing for minor modifications to the required work timing without requiring the reissuance of the permit. The term “minor modifications to the required work timing” is defined.

Section 108 adds a new section to RCW 77.55 requiring DFW to prepare and distribute technical and educational information to assist the general public in complying with the chapter’s requirements.

Section 109 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 110 is a new section requiring the Director of DFW to adopt rules required or deemed necessary to implement RCW 77.55.011, .021, .151, .231, and sections 103 through 105, 108, and 109 of this act.

## 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 December 31, 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 December 31, 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 December 31, 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 require 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 relating to the commercial harvest of timber 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. This section expires December 31, 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 providing that nothing in this act affects the jurisdiction or other authority of a federally recognized tribe within the boundary of its reservation or on other tribally owned lands.

Section 219 is a 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 increase 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. Various requirements are provided for the updated categorical exemptions and environmental checklist. ECY also is required, by December 31, 2013, to update, but not decrease, the thresholds for all other projects actions not specified in subsection (2) of this section, propose methods for integrating the state environmental policy act process with provisions of the growth management act, and create categorical exemptions for minor code amendments for which review under RCW 43.21C would not be required because they do not lessen environmental protection. ECY must convene an advisory committee for both rule-making processes, and ensure that state agencies, other interested parties, and federally recognized tribes received notice through RCW 43.21C and other means.

Section 302 amends 43.21C.031 to add a reference to “section 307 of this act” and 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 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 and may limit a planned action to 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 304 amends RCW 43.21C.229 to revise the criteria of when a city or county may adopt a categorical exemption.

Section 305 adds a new section to RCW 43.21C to authorize a county, city, or town to recover its reasonable expenses of preparing a nonproject environmental impact statement under RCW 43.21C.229 and section 303 of this act, through access to financial assistance under RCW 36.70A.490, with funding from private sources, and by the assessment of fees consistent with the limitations of this section. Requirements applying to such fees are set forth in subsections (2) through (7).

Section 306 amends RCW 82.02.020 to add a reference to section 305 of this act.

Section 307 adds a new section to RCW 43.21C to categorically exempt certain listed amendments to development regulations and technical codes from the requirements of this chapter.

Section 308 adds a new section to RCW 43.21C authorizing the lead agency for an environmental review under this chapter utilizing an environmental checklist developed by ECY pursuant to RCW 43.21C.110 to identify within the checklist provided to applicants instances where questions on the checklist are adequately covered by the local adopted ordinance, developmental regulation, land use plan, or other legal authority. Various requirements applying to lead agencies are specified.

Section 309 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 GMPER fund.

Section 310 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 311 amends RCW 43.21C.110 to make non-substantive changes, and adds a reference to section 303 of this act.

Section 312 amends RCW 43.21C.095 to make a non-substantive change.

Section 313 amends RCW 90.48.260 to require ECY, by July 31, 2012, to reissue without modification and for a term of one (1) year any national pollutant discharge elimination system municipal storm water general permit first issued January 17, 2007, for western Washington municipalities. ECY must also issue updated national pollutant discharge elimination system municipal storm water general permits for western Washington municipalities whose permits were first issued or reissued January 17, 2007. Certain requirements are imposed on ECY, including publishing final proposed permits by July 1, 2012 and providing the final proposed permits to the appropriate committees of the Senate and House

of Representatives for legislative review. ECY must issue final permits on July 1, 2013 that are effective August 1, 2013. In addition, ECY must reissue without modification and for a term of two (2) years any national pollutant discharge elimination system municipal storm water general permit first issued January 17, 2007, for eastern Washington municipalities. ECY must also issue an updated national pollutant discharge elimination system municipal storm water general permit for any permit first issued on January 17, 2007, for eastern Washington municipalities that becomes effective August 1, 2014.

The Attorney General's Office (AGO) estimates a workload impact of 0.35 Assistant Attorney General (AAG) and 0.1 Legal Assistant (LA) at a cost of \$65,458 in Fiscal Year (FY) 2013, 0.3 AAG and 0.1 LA at a cost of \$56,107 in FY2014, and 0.05 AAG at a cost of \$9,351 in FY2015. The increase in staffing is to provide legal services for advice, rulemaking, and permit appeals.

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 DNR and ECY. The AGO will bill 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.

DNR will be billed for 0.1 AAG in FY2013 and 0.05 AAG in FY2014 and FY2015, at a cost of:

FY2013: LSRF: \$18,702

FY2014: LSRF: \$9,351

FY2015: LSRF: \$9,351

FY2016: 0

FY2017: 0

ECY will be billed for 0.25 AAG FY2013 and 0.25 AAG in FY2014, at a cost of:

FY2013: LSRF: \$46,756

FY2014: LSRF: \$46,756

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 0.35 AAG and 0.1 LA at a cost of \$65,458 in FY2013, 0.3 AAG and 0.1 LA at a cost of \$56,107 in FY2014, and 0.05 AAG at a cost of \$9,351 in FY2015.

#### ASSUMPTIONS FOR DNR WORKLOAD:

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 0.05 AAG in FY2014 and FY2015 only.

#### ASSUMPTIONS FOR ECY WORKLOAD:

1. We assume we will bill ECY for legal services based on the enactment of this bill.
2. We assume 0.3 AAG for legal advice and rulemaking to be provided between July 1, 2012 and Dec 31, 2012.
3. We assume 0.2 AAG for rulemaking for rulemaking and NPDES permit appeal work between January 1, 2013 and June 30, 2013.
4. We assume 0.3 AAG for legal advice and rulemaking to be provided between July 1, 2013 and Dec 31, 2013.
5. We assume 0.2 AAG for assisting on issues related to federal program delegation between January 1, 2014 and June 30, 2014.

## Part III: Expenditure Detail

### III. A - Expenditures by Object Or Purpose

	FY 2012	FY 2013	2011-13	2013-15	2015-17
FTE Staff Years		0.5	0.2	0.2	
A-Salaries and Wages		32,932	32,932	32,933	
B-Employee Benefits		9,510	9,510	9,510	
C-Personal Service Contracts					
E-Goods and Services		21,301	21,301	21,050	
G-Travel		740	740	740	
J-Capital Outlays		975	975	1,225	
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
<b>Total:</b>	\$0	\$65,458	\$65,458	\$65,458	\$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		0.4	0.2	0.2	
Legal Assistant II	41,316		0.1	0.1	0.1	
<b>Total FTE's</b>	123,600		0.5	0.2	0.2	0.0

### III. C - Expenditures By Program (optional)

Program	FY 2012	FY 2013	2011-13	2013-15	2015-17
Ecology Division (ECY)		46,756	46,756	46,756	
Natural Resources Division (RES)		18,702	18,702	18,702	
<b>Total \$</b>		65,458	65,458	65,458	

## 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

<b>Bill Number:</b> 6406 E S SB	<b>Title:</b> State's natural resources	<b>Agency:</b> 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, and alternate ranges (if appropriate), are explained in Part II.*

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- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact: Jason Callahan	Phone: 360-786-7117	Date: 03/06/2012
Agency Preparation: Paul Johnson	Phone: 360-725-3048	Date: 03/07/2012
Agency Approval: Karen Larkin	Phone: 360-725-3003	Date: 03/07/2012
OFM Review: Tristan Wise	Phone: (360) 902-0538	Date: 03/07/2012

Request # 107-6A0-1

## 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 substitute bill and the proposed second substitute bill that affect the fiscal impact to the Department of Commerce.

Summary of engrossed substitute bill:

Section 305 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 309 permits loans, in addition to grants, from the growth management planning and environmental review fund. Payments of principal and interest derived from PERF loans are deposited back into the account.

Section 310 adds local environmental reviews that address the 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 presently 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 presently 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

<b>Bill Number:</b> 6406 E S SB	<b>Title:</b> State's natural resources	<b>Agency:</b> 360-University of Washington
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## Part I: Estimates

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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	2.5	1.3	1.6	0.0
<b>Account</b>					
General Fund-State 001-1	0	242,160	242,160	300,475	0
<b>Total \$</b>	0	242,160	242,160	300,475	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, and alternate ranges (if appropriate), are explained in Part II.*

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: Jason Callahan	Phone: 360-786-7117	Date: 03/06/2012
Agency Preparation: Kateri Schlessman	Phone: 206-543-3542	Date: 03/06/2012
Agency Approval: Kateri Schlessman	Phone: 206-543-3542	Date: 03/06/2012
OFM Review: Marc Webster	Phone: 360-902-0650	Date: 03/07/2012

Request # 2012-46-1

## 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 104 of the bill requires the UW to conduct a review of state, federal, and local natural resources and environmental regulatory programs relating to the hydraulic project approval program, forest practices act, and state environmental policy act. The review is to be conducted in consultation with appropriate federal and state agencies, local governments, tribal governments, and business and environmental interests. Following the consultation and review, the UW would be required to submit a report detailing the review to the appropriate standing committees of the senate and house of representatives by September 1, 2014.

The UW estimates it would have a fiscal impact of approximately \$242,000 in FY13 and FY14 and \$58,315 in FY15. Other sections of the bill have an indeterminate impact on the UW.

### 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.*

In order to satisfy the requirements of Section 104, the UW would likely hire a project manager uniquely qualified to handle the substantive set of scientific issues as well as to deal effectively with the human dimensions and policy dimensions of the review. This is a serious engagement of the UW with a specific set of communities and it demands special skills and goes beyond modest faculty oversight. The project manager is proposed to oversee two post-docs: one versed in the biophysical aspects of what is required in the bill and one in policy. Additional resources (\$10K/year for forums/workshop/etc. and \$2K/year for travel) would be needed to effectively engage federal and state agencies, local governments, tribal governments, business and environmental interests, and other stakeholders throughout the review process.

The UW assumes that work would begin in FY13 and go through FY14 with a minor amount of follow up into the early part of FY15.

## Part III: Expenditure Detail

### III. A - Expenditures by Object Or Purpose

	FY 2012	FY 2013	2011-13	2013-15	2015-17
FTE Staff Years		2.5	1.3	1.6	
A-Salaries and Wages		180,000	180,000	225,600	
B-Employee Benefits		50,160	50,160	62,875	
C-Personal Service Contracts					
E-Goods and Services		10,000	10,000	10,000	
G-Travel		2,000	2,000	2,000	
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
<b>Total:</b>	\$0	\$242,160	\$242,160	\$300,475	\$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
Post Doctoral Student	60,000		2.0	1.0	1.3	
Project Manager	120,000		0.5	0.3	0.3	
<b>Total FTE's</b>	180,000		2.5	1.3	1.6	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.*

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 6406 E S SB	<b>Title:</b> State's natural resources	<b>Agency:</b> 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
<b>Account</b>					
Motor Vehicle Account-State 108 -1	0	20,000	20,000	41,000	20,000
Puget Sound Ferry Operations Account-State 109-1	0	1,000	1,000	2,000	1,000
<b>Total \$</b>	0	21,000	21,000	43,000	21,000

### 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, and alternate ranges (if appropriate), are explained in Part II.*

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: Jason Callahan	Phone: 360-786-7117	Date: 03/06/2012
Agency Preparation: Kenneth Schlatter	Phone: 360-704-6327	Date: 03/09/2012
Agency Approval: Jerry Lenzi	Phone: 360-705-7032	Date: 03/09/2012
OFM Review: Paul Ingiosi	Phone: (360) 902-9822	Date: 03/09/2012

Request # 12-086-1

## 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.*

Under Section 103 (1) of this bill, the Washington Department of Fish and Wildlife will charge \$150 for a Hydraulic Project Approval (HPA) permit for work at or below the Ordinary High Water Line (OHWL). Currently there is no fee for these permits.

Section 103 (1) establishes the \$150 fee for HPA permits, but makes the establishment of the fees dependent upon the enactment of Section 104 of the act by June 30, 2012. Section 104 requires the University of Washington to conduct a review of state, federal, and local regulatory programs and provide a report to the legislature by September 1, 2014.

Section 103 (5) says this section (establishing HPA fees) expires June 30, 2016.

Overall, on Part Three of this bill, WSDOT expects no significant direct fiscal impacts. WSDOT has concerns about impacts on the state's transportation system; however, we will work within the two phased Department of Ecology rulemaking to address WSDOT's concerns regarding adequate notice of planned actions, and the increased exemptions.

Section 301(4)(a) requires Department of Ecology to convene an advisory committee to ensure that state agencies and other interested parties can receive notice about projects of interest through notice under chapter 43.21C RCW and means other than chapter 43.21 RCW. WSDOT anticipates participating in this committee.

### 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 estimates that approximately 140 projects annually will be subject to HPA fees (140 x \$150 = \$21,000 annually.) Please see the attached spreadsheet for the detailed calculations.

### 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		10,000	10,000	20,000	10,000
G-Travel					
J-Capital Outlays		11,000	11,000	23,000	11,000
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
<b>Total:</b>	\$0	\$21,000	\$21,000	\$43,000	\$21,000

### 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.*

<b>WSDOT Estimated Costs for Hydraulic Project Approvals Under ESSB 6406</b>				
	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>
<b>Cost of Permits</b>	\$150	\$150	\$150	\$150
<b>Number of Projects Needing Permits</b>				
Estimated Annual Permits	66	66	66	66
General HPAs (Renewals of 5 year Permits)	3	5	1	0
<b>Subtotal Highway Construction Permits</b>	69	71	67	66
<b>Ferries Capital Projects</b>	7	7	7	7
<b>Highway Maintenance Projects</b>	67	67	67	67
<b>Total Number of Projects Needing Permits</b>	143	145	141	140
<b>Total Cost of Permits (\$150 x Number of Permits)</b>				
Highway Construction	\$10,350	\$10,650	\$10,050	\$9,900
Ferries Capital Projects	\$1,050	\$1,050	\$1,050	\$1,050
<b>Subtotal Capital Projects</b>	\$11,400	\$11,700	\$11,100	\$10,950
Rounded	\$11,000	\$12,000	\$11,000	\$11,000
<b>Highway Maintenance Projects</b>	\$10,050	\$10,050	\$10,050	\$10,050
Rounded	\$10,000	\$10,000	\$10,000	\$10,000
<b>Total All Projects</b>	\$21,450	\$21,750	\$21,150	\$21,000
Rounded	\$21,000	\$22,000	\$21,000	\$21,000

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 6406 E S SB	<b>Title:</b> State's natural resources	<b>Agency:</b> 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	1.6	0.8	0.6	0.0
<b>Account</b>					
General Fund-State 001-1	0	188,482	188,482	142,818	0
Water Quality Permit Account-State 176-1	0	18,702	18,702	18,702	0
<b>Total \$</b>	0	207,184	207,184	161,520	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, and alternate ranges (if appropriate), are explained in Part II.*

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: Jason Callahan	Phone: 360-786-7117	Date: 03/06/2012
Agency Preparation: Gordon Wiggerhaus	Phone: 360-407-6994	Date: 03/09/2012
Agency Approval: Erik Fairchild	Phone: 360-407-7005	Date: 03/09/2012
OFM Review: Linda Steinmann	Phone: 360-902-0573	Date: 03/09/2012

Request # 12-132-2



## 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 ESSB 6406 to P2SSB 6406. The change to the fiscal impact is for Attorney General costs for the new Section 313 related to NPDES stormwater permits and a change in Attorney General cost assumptions for Section 301, not related to changes in the bill.

Section 301 of ESSB 6406 does not contain a requirement that the SEPA rule making must include an exemption for fish and wildlife habitat restoration projects.

Section 303(3)(b) of ESSB 6406 would require a public meeting and public notice of planned actions.

Section 304(1)(c) of ESSB 6406 would allow a categorical exemption if the local government determines that the “specific probably adverse environmental impacts” of the proposed action are addressed by current regulations and plans.

Sections 305 and 306 of ESSB 6406 would allow local governments to recover costs of non-project EISs in some manner, including fees (the fee provision was not in P2SSB 6406).

ESSB 6406 does not contain a provision to preclude categorical exemption for a broad range of non-project actions related to development regulations, including “regulations for the protection of the environment” (was in Section 307(3) of P2SSB 6406).

ESSB 6406 does not contain Section 310 from P2SSB 6406 that would have amended RCW 82.02, General Provisions for State Taxes, to allow the Growth Management Planning and Environmental Review Fund (PERF) to make loans, as well as grants, to local governments to fund SEPA analysis.

ESSB 6406 does not contain Section 313 from P2SSB 6406 that would have required local governments to send the SEPA checklist for a project to the tribe affected by the project.

ESSB 6406 does not contain Section 314 from P2SSB 6406 that would have changed standing for filing appeals under the Growth Management Act.

Section 313 of ESSB 6406 would amend RCW 90.48.260 and affect the schedule for issuance of the Phase I and Phase II NPDES stormwater permits.

Changes were made to section numbering.

Parts 1 and 2 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) and National Pollutant Discharge Elimination System (NPDES) stormwater permits, which are administered by the Dept. of

Ecology.

## Forest Practices

Section 203 would amend RCW 76.09.040, Forest Practices Rules by incorporating fish protection standards. 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 primarily concerned with categorical exemptions, loans, and streamlining for SEPA, and NPDES stormwater permits.

## 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)(a)(ii) and (iii) would require Ecology to ensure that parties can receive notice of projects through alternatives to the process defined in RCW 43.21C.

Section 301 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 301(5) states that Section 301 expires on July 31, 2014.

## Added Exemptions

Section 304 is concerned with the infill exemption from SEPA. Section 304 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 304(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 304 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 304(1)(c) would allow an exemption if the local government determines that the "specific probable adverse environmental impacts" of the proposed action are addressed

by current regulations and plans (this provision was not in P2SSB 6406).

Section 307 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.

#### Loans and Fees

Sections 305 and 306 would allow cities and counties to recover costs of non-project EISs in some manner, in particular through fees collected from subsequent projects (the fee provision was not in P2SSB 6406). Section 305 contains requirements for the fees collected for an individual project in order to ensure that they bear a proportionate relation to the total cost of the non-project EIS.

Sections 309 and 310 (were Sections 308 and 309 in P2SSB 6406) 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 310 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.”

#### Housekeeping - Planned Actions

Sections 302 and 303 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 303.

Section 303 would contain the planned action provisions. Section 303(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 303(3) would add more provisions to the process for designating a planned action. Section 303(3)(b) of ESSB 6406 would require a public meeting and public notice of these actions (P2SSB 6406 did not contain this provision).

Section 303(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 311 and 312 are minor language changes to clarify RCW 43.21C.110, Content of SEPA Rules.

#### NPDES Stormwater Permits

Section 313 of ESSB 6406 was not in P2SSB 6406. It would amend RCW 90.48.260 and affect the schedule for

issuance of the Phase I and Phase II NPDES stormwater permits. The bill would require:

- Eastern Washington Phase II Reissuance. By July 31, 2012, Ecology must re-issue the current (2007) Eastern Washington Phase II permit without modification for a period of 2 years (change from 1 year under current law).
- Eastern Washington Phase II New permit issuance. By July 31, 2012, Ecology must issue a final Eastern Washington Phase II permit that would become effective on August 1, 2014, (date change from current law, which is August 1, 2013).
- Western Washington Phase II Reissuance. By July 31, 2012, Ecology must re-issue the current (2007) Western Washington Phase II permit without modification for a period of 1 year (no change from current law).
- Western Washington Phase II New permit issuance. By July 1, 2012, Ecology must publish final proposed Phase I and Western Washington Phase II permits following consideration of comments from the public and appropriate stakeholders, and provide the final proposed permits to the appropriate committees of the Senate and House for legislative review.
- The legislature may modify the final proposed Phase I and Western Washington Phase II permits through legislative enactment by the end of the 2013 regular legislative session (mid April 2013). Except as directed by the legislature, Ecology could not modify the July 2012 final proposed permits after they are published.
- On July 1, 2013, Ecology must issue the final Phase I and Western Washington Phase II permits consisting of the provisions of the final proposed permits published by July 1, 2012, and any modifications directed by the 2013 legislature.

## **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.*

### **Water Quality Program - Forest Practices Rules**

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 10% time for twelve months (0.055 FTE WMS2 FY13, 0.055 FTE WMS 2 FY14).

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 FY14).

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.

#### Water Quality Program - NPDES Stormwater Permits

Section 313 has no change in workload to Ecology. Ecology is already on the same timelines to do most of the work required by this bill. This bill would change some of the required sequencing (publish proposed final permits in July 1, 2012 and issue final permits on July 1, 2013, instead of issuing final permits by July 31, 2012). All the work has been completed to develop the proposed final permits which will not be issued until possible legislation is passed by the 2013 legislature.

Section 313 would require support from the Attorney General's Office (AGO) for NPDES appeal work of 0.1 AAG FTE in FY13 (\$18,702 for 0.2 FTE from January 1, 2013 to June 30, 2013). Additionally, 0.1 AAG FTE would be required in FY14 for assistance on issues related to federal program delegation (\$18,702 for 0.2 FTE from January 1, 2014 to June 30, 2014).

#### Shorelands Program - SEPA Rules

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 advisory committee.

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 0.15 AAG FTE in FY14 (\$28,054) for legal advice and rulemaking.

#### 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 in FY13 for 0.15 AAG FTE for Section 301 and 0.1 AAG FTE for Section 313 for a total of 0.25 FTE (\$46,756), and in FY14 for 0.15 AAG FTE for Section 301 and 0.1 AAG FTE for Section 313 for a total of 0.25 FTE (\$46,756). 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		1.6	0.8	0.6	
A-Salaries and Wages		82,866	82,866	60,776	
B-Employee Benefits		27,429	27,429	20,117	
C-Personal Service Contracts					
E-Goods and Services		53,717	53,717	51,714	
G-Travel		1,525	1,525	1,086	
J-Capital Outlays		3,706	3,706		
N-Grants, Benefits and Client Services					
P-Debt Service					
S-Interagency Reimbursements					
9-Agency Administrative Overhead		37,941	37,941	27,827	
<b>Total:</b>	\$0	\$207,184	\$207,184	\$161,520	\$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 (55-L)	58,320				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	0.2	0.1	
<b>Total FTE's</b>	349,368		1.6	0.8	0.6	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.

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 6406 E S SB	<b>Title:</b> State's natural resources	<b>Agency:</b> 468-Environmental & Land Use Hearings
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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, and alternate ranges (if appropriate), are explained in Part II.*

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: Jason Callahan	Phone: 360-786-7117	Date: 03/06/2012
Agency Preparation: Robyn Bryant	Phone: 360-664-9166	Date: 03/07/2012
Agency Approval: Kathy Mix	Phone: (360) 664-9178	Date: 03/07/2012
OFM Review: Linda Steinmann	Phone: 360-902-0573	Date: 03/07/2012



## 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.*

Sec. 313 of ESSB 6406 defines the timing and procedures by which the Department of Ecology shall reissue the NPDES permits for Western and Eastern Washington municipalities (Municipal Stormwater General Permits). Ecology is required to extend the term of existing municipal permits for one year (Western Washington), or two years (Eastern Washington) without modification. After legislative review of the final proposed permit for Western Washington municipalities, the final permit would become effective on July 1, 2013. After the reissuance of the existing permit for Eastern Washington, the new permit would become effective on August 1, 2014. No changes are made to current law related to appeals of such permits.

The Pollution Control Hearings Board does not expect any fiscal impact from this change to PSSB 6406. Appeals of NPDES General Permits, including municipal permits, are part of the ongoing workload of the Board. The review procedures and timing of issuance is not expected to result in additional appeals.

ESSB 6406 no longer contains Sec. 314, which narrowed the criteria for standing before the Growth Management Hearings Board to that specified in the APA. With the removal of this changed standing provision, there would be no changes needed to GMHB rules and procedures, and the costs associated with such changes eliminated. The assumptions underlying the fiscal impact associated with the previous bill, PSSB 6406 are no longer valid, as all rested on this changed standing requirement. Thus, there is no fiscal impact

### 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.*

## 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.*

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 6406 E S SB	<b>Title:</b> State's natural resources	<b>Agency:</b> 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		404,250	404,250	808,500	404,250
<b>Total \$</b>		404,250	404,250	808,500	404,250

### Estimated Expenditures from:

	FY 2012	FY 2013	2011-13	2013-15	2015-17
FTE Staff Years	0.0	3.0	1.5	3.0	2.3
<b>Account</b>					
General Fund-State 001-1	0	(113,328)	(113,328)	(424,506)	(226,303)
General Fund-Federal 001-2	0	1,853	1,853	3,706	1,853
Hydraulic Project Approval Account-State NEW-1	0	336,875	336,875	808,500	404,250
<b>Total \$</b>	0	225,400	225,400	387,700	179,800

### 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	10,250	10,250	10,250	10,250	500
<b>Total \$</b>	<b>\$0</b>	<b>\$10,250</b>	<b>\$10,250</b>	<b>\$10,250</b>	<b>\$10,250</b>	<b>\$500</b>

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, and alternate ranges (if appropriate), are explained in Part II.*

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:	Jason Callahan	Phone: 360-786-7117	Date: 03/06/2012
Agency Preparation:	Owen Rowe	Phone: (360) 902-2204	Date: 03/09/2012
Agency Approval:	Owen Rowe	Phone: (360) 902-2204	Date: 03/09/2012
OFM Review:	Chris Stanley	Phone: (360) 902-9810	Date: 03/09/2012

Request # 12-FN073-2

## 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.*

#### Fee Collection

Section 103 would authorize WDFW to charge fees to recover a portion of the costs associated with implementing and operating the Hydraulic Project Approval (HPA) program. The section establishes a \$150 application fee for most applications for proposed projects located at or below the ordinary high water line. It also exempts certain projects from the fee. The fee is eliminated if Section 104 requiring a study by the University of Washington on protection of fish life from projects above ordinary high water line is not enacted.

#### Permit Integration

Section 201 would eliminate WDFW's issuance of HPAs for forest practices activities provided that 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. WDFW would not have enforcement authority over any forest practice hydraulic project.

#### Rulemaking

Section 110 would require the adoption of rules to implement the sections of the bill.

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. This section 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.

#### Increased Forest Practices Application Fees

Section 209(2)(b) increases the cost of Forest Practices Applications submitted to the Department of Natural Resources (DNR) after June 30, 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.*

#### Fee Collection

Section 103 would require WDFW to charge fees for hydraulic projects located at or below ordinary high water line to recover a portion of the costs associated with the HPA program. Most applications require payment of the fee, although a few project types are exempt.

WDFW estimates receiving 2,374 new HPA applications and 321 applicant-initiated modification requests, for a total of 2,695 HPA applications per fiscal year subject to fees. Applying the \$150 application fee established in Section 103, WDFW estimates baseline annual fee revenue of \$404,250, or \$33,688/month. There is no provision for inflation adjustment, and authority to collect fees ends June 30, 2016. 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 the attached HPA Revenue Estimate worksheet. ("Receipts" tab on FN worksheet)

WDFW assumes fee collection will begin July 1, 2012. Although the permanent rulemaking required to implement this act cannot be completed by this date, WDFW could adopt emergency rules, followed later with permanent rules. This will result in estimated revenue of \$404,250 to the Hydraulic Project Approval Account during each fiscal year beginning in FY13.

A working capital reserve of \$67,375, equal to two months of operating expenditures for the account, is set aside in fiscal year 2013, so that the amount of available HPA revenue deposited into the new HPA account would be  $\$404,250 - \$67,375 = \$336,875$ .

## **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 until FY17 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 and eliminated in July 2016.

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 position would be filled in July 2012 to begin rulemaking and support the headquarters aspects of the development of the requirements for fee collection and recordkeeping, and be eliminated in July 2016 following discontinuation of fee collection.

### **Permit Integration**

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. 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.

#### 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 \$6,000 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.

#### Rulemaking

Sections 110 and 201 require WDFW to adopt rules to implement this act. This will require an initial emergency rule adoption at a cost of \$1,500 (no hearing required) to implement fee collection on July 1, 2012, followed by a single hearing and rule adoption for the Hydraulic Code rules at a cost of \$2,500 and \$1,500, respectively. Upon expiration of Section 103 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.

#### 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 22 are paid out of state or federal general funds, and 65 out of capital project funds (see section IV, Capital Budget Impact). Fee collection will be eliminated in July 2016, following the discontinuation of fee collection.

Fish program applies for an estimated 10 HPAs per year. This would result in a cost of \$1,500/year to the federal general fund.

Habitat Program applies for an estimated 12 HPAs per year that would cost \$1,800 per year to the state general fund.

#### Forest Practices Applications

WDFW's Capital Asset Management Program (CAMP) 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 Capital Budget, starting in FY13 and continuing into the future (see section IV, Capital Budget Impact).

#### Object G (Travel):

Travel for existing staff is estimated at \$1,000/FY for conducting and attending 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		3.0	1.5	3.0	2.3
A-Salaries and Wages		166,600	166,600	333,200	249,900
B-Employee Benefits		62,400	62,400	124,800	93,600
C-Personal Service Contracts		49,600	49,600	47,000	10,000
E-Goods and Services		95,800	95,800	180,700	125,300
G-Travel		1,000	1,000	2,000	1,000
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-					
<b>Total:</b>	\$0	\$225,400	\$225,400	\$387,700	\$179,800

**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
Fiscal Analyst 1	40,260		0.5	0.3	0.5	0.3
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
<b>Total FTE's</b>	158,976		3.0	1.5	3.0	2.3

## 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		10,250	10,250	20,500	10,750
<b>Total \$</b>		10,250	10,250	20,500	10,750

HPA/FPA costs

CAMP anticipates needing approximately 65 HPAs per year for work at wildlife management areas and at access sites for a total cost of \$9,750 per year.

Forest Practices Applications: WDFW's Capital Asset Management Program (CAMP) 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 Capital Budget, starting in FY13 and continuing into the future.

## 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 110 would require the adoption of rules to implement the sections of the bill.

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. This section 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.

Request # 12-FN073-2

Public hearings needed: 2 @ \$2,500

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



# Table 1 - Hydraulic Project Approval Revenue Estimate

Annual HPA Fee Revenue Under ESSB 6406

Type and Number of HPA Issued, 2007-2011	
HPA Type	# Permits/FY
Total New HPAs	3123
New Forest Practices HPAs	507
New Mineral Prospecting HPAs	147
Contract-Funded New HPAs	20
Total Modifications	993
Forest Practices Modifications	112

Estimated Annual Number of Permits Issued and Revenue Collected			
Permits Subject to Fees	# Permits/FY	Application Fee	Application Fee Revenue/FY
New HPAs	2374	\$150	\$356,100
Modified HPAs	321	\$150	\$48,150
Total Annual HPA Application Fee Revenue			\$404,250

Revenue with July 1, 2012 start date	\$404,250
Working Capital Reserve	\$67,375
HPA Fee revenue available to program in FY13	\$336,875
HPA Fee revenue available to program each FY through FY16	\$404,250
No HPA Fees collected after FY16	\$0

Assumptions for HPAs in Each Category (based on data from 2007-2011)	
New HPAs	Issued an average of 3,123 new HPAs per year to all applicants. Includes an estimated 75 HPAs issued to projects above ordinary high water line (OHWL) that are not subject to fees.
New Forest Practices HPAs	Issued an average of 507 new HPAs per year to all forest practices applicants. No HPA or fee required for these.
Mineral prospecting HPA	Issued an estimated 57 HPAs per year for freshwater mineral prospecting; 90 HPAs per year for marine beach prospecting. No charge for any prospecting HPAs.
Contract-funded New HPAs	Issued an average of 20 HPAs per year under contract with WSDOT.
Total Modifications	Issued an average of 993 modified HPAs per year to all applicants (~25% of all HPAs issued per year). Assume that 25% of these are WDFW-initiated and not subject to fees, 25 are for projects above OHWL that are not subject to fees, and that 50% are modifications to HPAs issued prior to effective date of authority to collect fees, and therefore not subject to fees.
Forest Practices Modifications	Issued an average of 112 modifications to forest practices applicants. No HPA or fee required for these.
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 modifications for FPAs (single-site & multi-site).

# Individual State Agency Fiscal Note

Revised

<b>Bill Number:</b> 6406 E S SB	<b>Title:</b> State's natural resources	<b>Agency:</b> 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
<b>Total \$</b>		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	5.0	2.5	10.6	10.3
<b>Account</b>					
General Fund-State 001-1	0	0	0	296,700	258,000
Forest Development Account-State 014-1	0	17,900	17,900	31,500	26,700
Resources Management Cost Account-State 041-1	0	22,500	22,500	37,100	28,000
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	34,000
Forest Practices Application Account-State NEW-1	0	780,100	780,100	1,819,800	1,819,800
<b>Total \$</b>	0	840,000	840,000	2,222,500	2,167,100

### 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, and alternate ranges (if appropriate), are explained in Part II.*

Check applicable boxes and follow corresponding instructions:

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- ☐ Capital budget impact, complete Part IV.
- ☒ Requires new rule making, complete Part V.

Legislative Contact:	Jason Callahan	Phone: 360-786-7117	Date: 03/06/2012
Agency Preparation:	Robert Brauer	Phone: 360) 902-1244	Date: 03/09/2012
Agency Approval:	Lisa Largent	Phone: 360-902-1093	Date: 03/09/2012
OFM Review:	Chris Stanley	Phone: (360) 902-9810	Date: 03/09/2012

## 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.*

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)(a) and (c) by December 31, 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.

Sections 301 and 304: Forest Practices Board (FPB) rulemaking to harmonize the differences in 76.09 and Ecology required rule making.

## **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.*

For purposes of this fiscal note, expenditures to the FPA account do not exceed revenues to the FPA account. If costs for any one year exceed the expected revenue to the FPA account then GF-S is used.

### 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 .41 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 ESSB 6406:

Job Class	FY13	FY14	FY15	FY16	FY17
Div Mgr.	.16	.03	.02	.02	.02
WMS-2	.55	.25	.23	.15	.16
WMS-1	.50	.25	.21	.15	.15
NR Spec 4	.86	.23	.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 103 that it would apply for 3 modifications each year and 4 HPAs (\$150 per application/modification) each year at a cost of \$1,000 per year (stream work maintenance/placement of large woody debris or bank armoring). Cost applied to ARRF fund. HPA cost would terminate at the end of FY16.

#### 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 \$150 per submittal (per section 103) for a total of \$900 per year ending in FY16.

#### 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 (approximately 1 FTE in FY13 and 2.2 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		5.0	2.5	10.6	10.3
A-Salaries and Wages		242,000	242,000	899,200	867,000
B-Employee Benefits		83,500	83,500	333,700	322,800
C-Personal Service Contracts					
E-Goods and Services		96,800	96,800	221,300	216,600
G-Travel		22,400	22,400	100,200	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		93,500	93,500	368,100	361,900
<b>Total:</b>	\$0	\$840,000	\$840,000	\$2,222,500	\$2,167,100

### 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		0.9	0.4	0.4	0.5
NR Tech 3	40,524				0.1	0.1
WMS 1	64,464		0.5	0.3	0.2	0.2
WMS 2	76,602		0.7	0.4	0.3	0.2
<b>Total FTE's</b>	639,318		5.0	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

<b>Bill Number:</b> 6406 E S SB	<b>Title:</b> 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:

<b>Indeterminate Impact</b>
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### Estimated expenditure impacts to:

<b>Indeterminate Impact</b>
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## Part III: Preparation and Approval

Fiscal Note Analyst: Jaime Kaszynski	Phone: 360-725-2717	Date: 03/12/2012
Leg. Committee Contact: Jason Callahan	Phone: 360-786-7117	Date: 03/06/2012
Agency Approval: Steve Salmi	Phone: (360) 725 5034	Date: 03/12/2012
OFM Review: Chris Stanley	Phone: (360) 902-9810	Date: 03/13/2012

## 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 PREVIOUS BILL VERSION:

The current bill version, ESSB 6406, provides extended timelines for implementation of updated national pollutant discharge elimination system (NPDES) permits by Ecology, includes provisions authorizing cost recovery for certain SEPA reviews and discards provisions which would have:

- required 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,
- amended 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, and
- restricted certain parties from appealing local decisions to the Growth Management Hearings Board.

#### SUMMARY OF CURRENT BILL VERSION:

Part I modifies provisions governing construction projects in state waters under RCW 77.55. This part establishes a \$150 application fee for hydraulic project approval (HPA) permits from the Department of Fish and Wildlife (DFW) for projects located at or above the ordinary high water line, with specified exceptions including that the fee may only be charged after June 30, 2012 if Section 104 is has been enacted by that date.

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:
  - 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),
  - class IV-conversion applications would be charged \$1,500 (up from \$500), and
  - 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 increase 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 and 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,
- 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 assessing reasonable and proportionate fees upon subsequent development activity that benefits from the nonproject SEPA review,
- provides SEPA categorical exemptions for specified amendments to local development regulations and technical codes,
- authorizes 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, and
- 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.

In addition, Section 313 amends RCW 90.48.260 to provide extended timelines for implementation of updated national pollutant discharge elimination system (NPDES) permits by Ecology.

#### BACKGROUND ON SEPA:

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 ORIGINAL BILL VERSION:**

The current bill version, ESSB 6406, provides extended timelines for implementation of updated national pollutant discharge elimination system (NPDES) permits by Ecology, includes provisions authorizing cost recovery for certain SEPA reviews, and deletes provisions that would have required a lead SEPA agency to provide specified notices. Expenditure impacts remain indeterminate.

### **EXPENDITURE IMPACTS OF CURRENT BILL VERSION:**

#### **PART I**

The proposed legislation would establish HPA application fees. DFW estimates that the fee would be paid on 2,695 HPA applications annually which would generate about \$404,250 in revenue. Local governments comprise about 23 percent of HPA applicants historically. Therefore, this bill would result in anticipated local expenditure increases of about \$93,000 per year, for 620 local government HPA applicants statewide. (2,695 X 23 percent = 620 local applicants. 620 X \$150 = \$93,000.)

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.

#### **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 X \$100 fee increase) + (4 X \$1,000 fee increase) = \$6,200

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

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

#### **PART III**

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. In addition, certain local expenditures related to NPDES permits would be delayed by one or two years.

### **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 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.

#### NPDES PERMITS

Local government expenditures to comply with some NPDES permit requirements would be delayed by one or two years, depending on the jurisdiction.

### 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 PREVIOUS BILL VERSION:

The current bill version, ESSB 6406, restores provisions which would authorize 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 increase the frequency of such reviews, and local government revenue impacts, compared to the previous bill version. Overall impacts remain indeterminate.

#### REVENUE IMPACTS 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 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 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](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

<b>Bill Number</b>	<b>Title</b>
6406 E 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
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
University of Washington	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	404,250	404,250	404,250	404,250	0	0	0	0	0	1,617,000
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
<b>Total</b>	<b>0</b>	<b>1,010,850</b>	<b>1,010,850</b>	<b>1,010,850</b>	<b>1,010,850</b>	<b>606,600</b>	<b>606,600</b>	<b>606,600</b>	<b>606,600</b>	<b>606,600</b>	<b>7,076,400</b>



# Ten-Year Analysis

<b>Bill Number</b> 6406 E S SB	<b>Title</b> State's natural resources	<b>Agency</b> 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: 3/7/2012 10:35:23 am
Agency Approval: Dan Mason	Phone: 360-902-9090	Date: 3/7/2012 10:35:23 am
OFM Review: Chris Stanley	Phone: (360) 902-9810	Date: 3/9/2012 4:18:24 pm



# Ten-Year Analysis

<b>Bill Number</b> 6406 E S SB	<b>Title</b> State's natural resources	<b>Agency</b> 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: 3/8/2012 5:11:09 pm
Agency Approval: Sarian Scott	Phone: (360) 586-2104	Date: 3/8/2012 5:11:09 pm
OFM Review: Chris Stanley	Phone: (360) 902-9810	Date: 3/9/2012 4:18:24 pm



# Ten-Year Analysis

<b>Bill Number</b> 6406 E S SB	<b>Title</b> State's natural resources	<b>Agency</b> 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 presently 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: 3/7/2012 9:04:03 am
Agency Approval: Karen Larkin	Phone: 360-725-3003	Date: 3/7/2012 9:04:03 am
OFM Review: Chris Stanley	Phone: (360) 902-9810	Date: 3/9/2012 4:18:24 pm



# Ten-Year Analysis

<b>Bill Number</b> 6406 E S SB	<b>Title</b> State's natural resources	<b>Agency</b> 360 University of Washington
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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: Kateri Schlessman	Phone: 206-543-3542	Date: 3/6/2012 3:54:58 pm
Agency Approval: Kateri Schlessman	Phone: 206-543-3542	Date: 3/6/2012 3:54:58 pm
OFM Review: Chris Stanley	Phone: (360) 902-9810	Date: 3/9/2012 4:18:24 pm



# Ten-Year Analysis

<b>Bill Number</b> 6406 E S SB	<b>Title</b> State's natural resources	<b>Agency</b> 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: 3/9/2012 9:03:20 am
Agency Approval: Jerry Lenzi	Phone: 360-705-7032	Date: 3/9/2012 9:03:20 am
OFM Review: Chris Stanley	Phone: (360) 902-9810	Date: 3/9/2012 4:18:24 pm



# Ten-Year Analysis

<b>Bill Number</b> 6406 E S SB	<b>Title</b> State's natural resources	<b>Agency</b> 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: 3/9/2012 2:09:14 pm
Agency Approval: Erik Fairchild	Phone: 360-407-7005	Date: 3/9/2012 2:09:14 pm
OFM Review: Chris Stanley	Phone: (360) 902-9810	Date: 3/9/2012 4:18:24 pm



# Ten-Year Analysis

<b>Bill Number</b> 6406 E S SB	<b>Title</b> State's natural resources	<b>Agency</b> 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: 3/7/2012 3:56:41 pm
Agency Approval: Kathy Mix	Phone: (360) 664-9178	Date: 3/7/2012 3:56:41 pm
OFM Review: Chris Stanley	Phone: (360) 902-9810	Date: 3/9/2012 4:18:24 pm





# Ten-Year Analysis

<b>Bill Number</b> 6406 E S SB	<b>Title</b> State's natural resources	<b>Agency</b> 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 Fee	NEW		404,250	404,250	404,250	404,250						1,617,000
<b>Total</b>			404,250	404,250	404,250	404,250						1,617,000

<b>Biennial Totals</b>	<b>404,250</b>	<b>808,500</b>	<b>404,250</b>	<b>1,617,000</b>
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## Narrative Explanation (Required for Indeterminate Cash Receipts)

Section 103 would authorize WDFW to charge fees to recover a portion of the costs associated with implementing and operating the Hydraulic Project Approval (HPA) program. The section establishes a \$150 application fee for most applications for proposed projects located at or below the ordinary high water line.

Agency Preparation: Owen Rowe	Phone: (360) 902-2204	Date: 3/9/2012 4:16:57 pm
Agency Approval: Owen Rowe	Phone: (360) 902-2204	Date: 3/9/2012 4:16:57 pm
OFM Review: Chris Stanley	Phone: (360) 902-9810	Date: 3/9/2012 4:18:24 pm



# Ten-Year Analysis

<b>Bill Number</b> 6406 E S SB	<b>Title</b> State's natural resources	<b>Agency</b> 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
<b>Total</b>			606,600	606,600	606,600	606,600	606,600	606,600	606,600	606,600	606,600	5,459,400
<b>Biennial Totals</b>			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: 3/9/2012 3:12:10 pm
Agency Approval: Lisa Largent	Phone: 360-902-1093	Date: 3/9/2012 3:12:10 pm
OFM Review: Chris Stanley	Phone: (360) 902-9810	Date: 3/9/2012 4:18:24 pm