

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 5651 S SB	<b>Title:</b> GMA/equity and env. justice
-------------------------------	---

## Estimated Cash Receipts

NONE

Agency Name	2023-25		2025-27		2027-29	
	GF- State	Total	GF- State	Total	GF- State	Total
Local Gov. Courts						
Loc School dist-SPI						
Local Gov. Other	Non-zero but indeterminate cost and/or savings. Please see discussion.					
Local Gov. Total						

## Estimated Operating Expenditures

Agency Name	2023-25				2025-27				2027-29			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Department of Commerce	Fiscal note not available											
Environmental and Land Use Hearings Office	Fiscal note not available											
<b>Total \$</b>	0.0	0	0	0	0.0	0	0	0	0.0	0	0	0

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI									
Local Gov. Other			2,749,188			5,754,376			10,413,594
Local Gov. Other	In addition to the estimate above, there are additional indeterminate costs and/or savings. Please see individual fiscal note.								
Local Gov. Total			2,749,188			5,754,376			10,413,594

## Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Department of Commerce	Fiscal note not available								
Environmental and Land Use Hearings Office	Fiscal note not available								
<b>Total \$</b>	0.0	0	0	0.0	0	0	0.0	0	0

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI									
Local Gov. Other	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Local Gov. Total									

# Estimated Capital Budget Breakout

NONE

<b>Prepared by:</b> Gwen Stamey, OFM	<b>Phone:</b> (360) 790-1166	<b>Date Published:</b> Preliminary 2/21/2023
--------------------------------------	---------------------------------	---

# LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

Bill Number: 5651 S SB

Title: GMA/equity and env. justice

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

### Legislation Impacts:

- Cities: Cities fully planning under the Growth Management Act would have increased costs to adopt an Environmental Justice element into their comprehensive plans.
- Counties: Same as above.
- Special Districts:
- Specific jurisdictions only: Jurisdictions with revised comprehensive plans due on or before December 31, 2024, and June 30, 2025, must incorporate the Environmental Justice element by June 30, 2029, and June 30, 2030, respectively.
- Variance occurs due to:

## Part II: Estimates

- No fiscal impacts.
- Expenditures represent one-time costs:
- Legislation provides local option:
- Key variables cannot be estimated with certainty at this time: Litigation costs related to new public participation requirements.

### Estimated revenue impacts to:

Non-zero but indeterminate cost and/or savings. Please see discussion.

### Estimated expenditure impacts to:

Jurisdiction	FY 2024	FY 2025	2023-25	2025-27	2027-29
City		1,938,250	1,938,250	3,998,938	8,358,969
County		810,938	810,938	1,755,438	2,054,625
<b>TOTAL \$</b>		2,749,188	2,749,188	5,754,376	10,413,594
<b>GRAND TOTAL \$</b>					<b>18,917,158</b>

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

## Part III: Preparation and Approval

Fiscal Note Analyst: Jordan Laramie	Phone: 360-725-5044	Date: 02/20/2023
Leg. Committee Contact: Maggie Douglas	Phone: 3607867279	Date: 02/17/2023
Agency Approval: Alice Zillah	Phone: 360-725-5035	Date: 02/20/2023
OFM Review: Gwen Stamey	Phone: (360) 790-1166	Date: 02/21/2023

## **Part IV: Analysis**

### **A. SUMMARY OF BILL**

*Description of the bill with an emphasis on how it impacts local government.*

#### **CHANGES FROM PRIOR VERSION OF BILL:**

Sec. 2 amends the definitions of environmental justice, overburdened communities, and vulnerable populations.

Sec. 4 amends the implementation of the environmental justice element for jurisdictions with jurisdictions with periodic comprehensive plan updates due December 31, 2024, and June 30, 2025. For these jurisdictions the environmental justice element would be due on June 30, 2029, and June 30, 2030, respectively.

Sec. 5 amends the implementation date of public participation best practices by fully planning jurisdictions from June 30, 2024, to June 30, 2025.

#### **SUMMARY OF CURRENT BILL:**

This legislation would establish environmental justice as a listed goal of the Growth Management Act (GMA) and adds an environmental justice element to the list of mandatory elements included in in fully planning jurisdiction's comprehensive plans.

The bill would also amend the citizen participation goals to include participation from vulnerable populations and overburdened communities. This act requires fully planning jurisdictions to use best practices established by the Department of Commerce to support the participation of overburdened communities and vulnerable populations in the formation of public policy.

Sec. 1 would amend 36.70A.020 RCW

Includes environmental justice and involving and collaborating with vulnerable populations and overburdened communities to the goals of the GMA.

Sec. 2 would amend 36.70A.030 RCW

Establishes definitions for environmental justice, overburdened communities, and vulnerable populations and the environmental benefit found in 70A.02.010 RCW within the definitions of GMA statute.

Sec. 3 would amend 36.70A.070 RCW

(9) Would create a new environmental justice mandatory element of the GMA for all fully planning jurisdictions. This element must include goals, objectives, timelines, policies, and measures, and their application in appropriate elements that reduce environmental harms, creates environmental benefits, work towards eliminating environmental health disparities, and promote public participation in decisions by vulnerable populations and overburdened communities.

This element must identify these populations and communities using guidance from state agencies.

The element must address how the entire comprehensive plan collectively addresses cumulative environmental health impacts faced by these communities and populations and how the overall plan advances the equitable distribution of environmental benefits.

(10) Comprehensive plans are to be adopted concurrent with the scheduled updates provided by 36.70A.130, unless another time of adoption is specified by subsection 10 of that section. Requirements to incorporate new or amended elements within this act are null and void until sufficient funds are appropriated and distributed by the state at least two years before the local government is required to update its comprehensive plan, or at least two years prior to the time for adoption of a new or amended elements specified by 36.70A.130(10).

Sec. 3 would amend 36.70A.130 RCW

(10) A county or city that is required to include Sec. 3(9) of this act and is also required to complete an implementation

progress report on or before December 31, 2024, or June 30, 2025, must incorporate the environmental justice element into its comprehensive plan by June 30, 2029, or June 30, 2030, respectively.

Sec. 4 would amend 36.70A.140 RCW

(2) The Department of Commerce must prepare best practices to achieve equitable and inclusive public participation of population that historically been underserved to meet the goals, objectives, and policies of this act, to cities and counties that are required to fully plan under the GMA. Fully planning jurisdictions must determine which practices to incorporate into their updated public participation programs by June 30, 2025.

## **B. SUMMARY OF EXPENDITURE IMPACTS**

*Expenditure impacts of the legislation on local governments with the expenditure provisions identified by section number and when appropriate, the detail of expenditures. Delineated between city, county and special district impacts.*

### **CHANGES FROM PRIOR VERSION OF BILL:**

This fiscal note includes revised estimates from the prior fiscal note from the Washington State Association of Counties (WSAC) for the new Environmental Justice element. Within this new element, WSAC identified that a jurisdiction must address how each other element works to implement the policies, goals, and objectives included in the new Environmental Justice element. The public participation best practices that the Department of Commerce (Commerce) develops per Sec. 5 would be incorporated into the local government's practices. This work would require updating city and county public participation process documents at an estimated cost of \$5,000 to \$10,000 per jurisdiction. Overall, the estimated costs of the substitute version of this bill are approximately \$5 million higher over five fiscal years, compared to the prior bill.

There may be significant legal challenges as a result of the public engagement component of Sec. 5. Litigation would likely be expensive for any fully planning jurisdiction that meets legal challenge, but these costs cannot be determined in advance and are therefore indeterminate.

### **EXPENDITURE IMPACT OF CURRENT BILL:**

The proposed legislation would have both determinate and indeterminate impacts on cities, towns and counties that fully plan under the provisions of the Growth Management Act (GMA).

The new Environmental Justice element must address how the entire comprehensive plan collectively addresses cumulative environmental health impacts faced by these communities and populations and how the overall plan advances the equitable distribution of environmental benefits. This new comprehensive plan element must considering how a fully planning jurisdiction must address how each other element works to implement policies, goals, and objectives of environmental justice, which includes collaborating with overburdened communities and vulnerable populations. WSAC and the Association of Washington Cities (AWC) both indicate that this work would involve extensive analysis and potentially updating existing elements to comply with the requirements of the new element. Additionally, it would take time to develop all the strategies, incorporate them throughout the plan, and then cross-reference them within the requirements of the new element.

For expenses that can be estimated at this time, there would new comprehensive plan element costs of \$18.9 million over six fiscal years, from FY24 to FY29. Fully planning jurisdictions with comprehensive plans due on or before June 30, 2026, and June 30, 2027, would be required to implement this new element with their next periodic comprehensive plan update. Fully planning jurisdictions with review and revision deadlines on or before December 31, 2024, or June 30, 2025, would have these elements due on or before June 30, 2029, or June 30, 2030. For jurisdictions with Environmental Justice elements due June 30, 2030, only half of the spending is accounted for in this fiscal note, as the remaining half is outside the six fiscal year reporting timeline.

Each fully planning jurisdiction would have expenses for the new Environmental Justice element that would be similar to the new comprehensive plan element estimates from E2S HB 1099 (2022) and HB 1181 (2023) or between \$108,250 to \$250,000 for counties, and \$54,125 to \$108,250 for cities, depending on population size of the jurisdiction. WSAC identified the complexities of this element as being greater than adopting a new complex element, as it requires integrating policies, goals, and objectives throughout existing mandatory comprehensive plan elements as well as adopting the new element.

The leading cost factors of individual planning activities include: The length of time to complete the planning activity, the types of technical tasks required, the number of consultant contracts issued, the number meetings to gather input from the public, the number of stakeholder workgroups, and the types and frequency of public engagement used. The costs for city and county staff time are typically the largest cost component of any long-range planning work, which may require more than 50 percent of total costs for all planning activities. Local governments tend to rely on consultants more heavily for complex planning efforts, which include new comprehensive plan elements, complex comprehensive plan updates, updates to critical areas ordinances, and Shoreline Master Programs. Community outreach, stakeholder workgroups, and data analysis are used most frequently across all planning activities when compared to modeling and other technical methods.

There would be costs associated with the updated public engagement process to involve vulnerable populations and overburdened communities in growth management planning. It is likely that new public participation processes and procedures would have to be incorporated into existing documents at a cost of \$5,000 to \$10,000 per jurisdiction. Best practices would be developed by the Department of Commerce per Sec. 5. Both AWC and WSAC indicate that public engagement with the communities described in the bill may be more extensive than what a planning jurisdiction currently engage in with their public participation programs, and would increase costs over those experienced in current public participation programs. It is currently unknown if there would be more public participation, as jurisdictions have reported that it is hard to gauge what and when issues will bring out the most public engagement. However, it is likely there will be more requirements for outreach, which may include analysis of populations within the jurisdiction with whom to conduct outreach to, and these strategies are likely to include additional costs. However, the costs to implement these objectives would likely not be known until Commerce has developed its best practice policies.

There may also be increased incidents of litigation related to the public participation component of this legislation. The costs related to legal challenges cannot be known in advance and are indeterminate at this time. WSAC noted that litigation would be very expensive for both counties and cities as it relates to this legislation.

#### PLANNING COSTS ASSUMPTIONS:

Due to the submission deadline statute in RCW 36.70A.130, the funding window has closed for jurisdictions with comprehensive plans due December 31, 2024. The amendments in this bill would not be a requirement for jurisdictions with comprehensive plans due in 2024 and 2025 until funding is provided by the legislature for the specific purposes of this act.

If the legislature appropriates funding for the purposes of this act, the jurisdictions with comprehensive plans due in 2026 would be the first cohort of planning jurisdictions that receive funding. Based on assessments by AWC, WSAC, and the Department of Commerce, work on GMA comprehensive plans usually begins two years prior to the periodic comprehensive plan submission deadline. For example, jurisdictions with comprehensive plans due June 30, 2026, may start in June 30, 2024. Sec. 4(10) specifies that counties and cities required to plan and implement an Environmental Justice element into their comprehensive plan must incorporate the element into its comprehensive plan on or before June 30, 2029, for jurisdictions with comprehensive plans due December 31, 2024, and June 30, 2030, for jurisdictions with comprehensive plans due June 30, 2025. The figures below assume all jurisdictions start two years in advance of the comprehensive plan submission deadline and encompass two years' worth of expenditures per planning jurisdiction. For jurisdictions that are required to adopt the Environmental Justice element on or before June 30, 2030, only half of the spending is accounted for, as the remaining half is outside the six fiscal year reporting timeline of this fiscal note.

#### STATE FISCAL YEAR PLANNING COST ESTIMATES:

These estimates assume work on comprehensive plans start two years before the jurisdiction's periodic comprehensive plan update is due to the Department of Commerce. These figures also assume that 50 percent of the planning costs are incurred from July 1 of the year a periodic comprehensive plan update begins, to June 30 of the following year, and 50

percent of costs are July 1 until the June 30 submission deadline the following year.

Combined

FY2024: \$0

FY2025: \$2,749,188

FY2026: \$4,251,781

FY2027: \$1,502,594

FY2028: \$3,812,906

FY2029: \$6,600,688

Total: \$18,917,156

City

FY2024: \$0

FY2025: \$1,938,250

FY2026: \$2,968,594

FY2027: \$1,030,344

FY2028: \$3,297,906

FY2029: \$5,061,063

Total: \$14,296,156

County

FY2024: \$0

FY2025: \$810,938

FY2026: \$1,283,188

FY2027: \$472,250

FY2028: \$515,000

FY2029: \$1,539,625

Total: \$4,621,000

### C. SUMMARY OF REVENUE IMPACTS

*Revenue impacts of the legislation on local governments, with the revenue provisions identified by section number, and when appropriate, the detail of revenue sources. Delineated between city, county and special district impacts.*

#### CHANGES FROM PRIOR VERSION OF BILL:

The amendments to this bill do not change the revenue impact of the prior bill.

#### REVENUE IMPACT OF CURRENT BILL:

There would be indeterminate revenue impacts associated with this bill that would depend on whether the legislature appropriate funding for the specific purposes of this act. The revenue impact of this legislation is indeterminate.

#### SOURCES:

Association of Washington Cities

Local Government Fiscal Note Program, FN S HB 1099 (2022)

Local Government Fiscal Note Program, FN S HB 1181 (2023)

Office of Financial Management, April 1, 2022, Intercensal Population Estimates

Senate Bill Report, SB 5651 (2023)