

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 5649 S SB	<b>Title:</b> Floodproofing improvements
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## 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	No fiscal impact					
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 Ecology	.1	0	0	37,392	.0	0	0	0	.0	0	0	0
<b>Total \$</b>	<b>0.1</b>	<b>0</b>	<b>0</b>	<b>37,392</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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	No fiscal impact								
Local Gov. Total									

## Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Department of Ecology	.0	0	0	.0	0	0	.0	0	0
<b>Total \$</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>

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	No fiscal impact								
Local Gov. Total									

## Estimated Capital Budget Breakout

<b>Prepared by:</b> Lisa Borkowski, OFM	<b>Phone:</b> (360) 742-2239	<b>Date Published:</b> Final 2/22/2023
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# Individual State Agency Fiscal Note

<b>Bill Number:</b> 5649 S SB	<b>Title:</b> Floodproofing improvements	<b>Agency:</b> 461-Department of Ecology
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## Part I: Estimates

No Fiscal Impact

### Estimated Cash Receipts to:

NONE

### Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.3	0.0	0.2	0.0	0.0
<b>Account</b>					
Model Toxics Control Operating Account-State 23P-1	37,392	0	37,392	0	0
<b>Total \$</b>	37,392	0	37,392	0	0

### Estimated Capital Budget Impact:

NONE

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, 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: Maggie Douglas	Phone: 3607867279	Date: 02/17/2023
Agency Preparation: Jessica Moore	Phone: 360-529-7583	Date: 02/21/2023
Agency Approval: Erik Fairchild	Phone: 360-407-7005	Date: 02/21/2023
OFM Review: Lisa Borkowski	Phone: (360) 742-2239	Date: 02/22/2023

## Part II: Narrative Explanation

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

*Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.*

Compared to SB 5649, SSB 5649 has the following changes:

- Section 1 intent was amended so the bill is not limited to Chehalis Basin.
- Section 2 was amended to remove the allowance for wet and dry floodproofing projects in the floodway consistent with the Chehalis Basin plan. Section 2 also adds clarification that the waiver process that currently applies to substantially damaged residences also applies to proposals to substantially improve an existing residence for the primary purpose of reducing flood risk.

Currently, under chapter 86.16 RCW (Floodplain Management Act), local governments are required to adopt floodplain management ordinances in compliance with floodplain management regulations set by Ecology under chapter 173-158 WAC and the national flood insurance program. Floodplain management ordinances may restrict development in floodways and require flood resistant or floodproofed buildings in flood-prone areas.

Under current law, RCW 86.16.041, a homeowner is allowed to apply to a local jurisdiction and Ecology for a waiver to fix a flood-damaged home in a floodway and elevate it above flood levels. Before issuing a waiver, Ecology is required to assess the risk of harm to life and property posed by the specific conditions of the floodway, including scientific analysis of depth, velocity, and flood-related erosion. Ecology is prohibited from issuing a waiver on a project that would protect homes from a flood before it occurs, if that project is considered a substantial improvement (costs more than 50% of their home value).

Section 1 of this bill provides intent to allow substantial improvements to residential structures for the primary purpose of reducing risk of flood damage in floodways.

Section 2 would amend RCW 86.16.041 to allow Ecology to approve waivers for proposed projects that substantially improve residences for the primary purpose of reducing risk of flood damage.

### II. B - Cash receipts Impact

*Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.*

### II. C - Expenditures

*Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.*

The expenditure impact to Ecology under this bill is estimated to be less than \$50,000 in Fiscal Year (FY) 2024 to implement the requirements of section 2.

Ecology assumes that staff time would be required to review applications and approve waivers. However, Ecology has no records of waivers being issued and no basis for estimating the number of applications for waivers that would be submitted to Ecology. Therefore, the costs to Ecology for reviewing and approving waivers is indeterminate. Ecology assumes waiver requests would be rare, because in most cases improvements to existing homes to prepare for flood damage would likely cost less than 50 percent of the home's market value.

Under RCW 86.16.061, Ecology is required to adopt rules to implement chapter 86.16 RCW. Ecology assumes that rulemaking would be required to amend WAC 173-158-076 (Substantially Damaged Residential Dwellings) to authorize requests for waivers for substantial improvements for existing homes in floodways for flood-risk reduction projects. Ecology

assumes the criteria for evaluating requests would not be changed substantively. Ecology assumes that rulemaking would be minimally complex and would be accomplished in FY 2024.

Rulemaking Lead: Ecology estimates that 0.25 FTE Environmental Planner 3 would be required in FY 2024 to coordinate the rulemaking effort.

Ecology assumes 1 public hearing would be held in FY 2024 for rulemaking, with no cost for facility rental since the hearing would be held on-site. Ecology assumes rulemaking would not require economic analysis. Ecology assumes no costs for consultation with the Attorney General’s Office.

The expenditure impact to Ecology under this bill is \$37,392 and 0.29 FTEs in FY 2024.

Notes on costs by object:

Salary estimates are current biennium actual rates at Step L.

Benefits are the agency average of 36% of salaries.

Goods and Services are the agency average of \$5,224 per direct program FTE.

Travel is the agency average of \$1,563 per direct program FTE.

Equipment is the agency average of \$1,031 per direct program FTE.

Agency Administrative Overhead is calculated at the federally approved agency indirect rate of 28.75% of direct program salaries and benefits, and is shown as object 9. Agency Administrative Overhead FTEs are included at 0.15 FTE per direct program FTE, and are identified as Fiscal Analyst 2 and IT App Development - Journey.

**Part III: Expenditure Detail**

**III. A - Operating Budget Expenditures**

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
23P-1	Model Toxics Control Operating Account	State	37,392	0	37,392	0	0
<b>Total \$</b>			37,392	0	37,392	0	0

**III. B - Expenditures by Object Or Purpose**

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.3		0.2		
A-Salaries and Wages	20,238		20,238		
B-Employee Benefits	7,286		7,286		
E-Goods and Other Services	1,306		1,306		
G-Travel	391		391		
J-Capital Outlays	258		258		
9-Agency Administrative Overhead	7,913		7,913		
<b>Total \$</b>	37,392	0	37,392	0	0

**III. C - Operating FTE 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 2024	FY 2025	2023-25	2025-27	2027-29
ENVIRONMENTAL PLANNER 3	80,952	0.3		0.1		
FISCAL ANALYST 2		0.0		0.0		
IT APP DEV-JOURNEY		0.0		0.0		
<b>Total FTEs</b>		0.3		0.2		0.0

**III. D - Expenditures By Program (optional)**

NONE

## **Part IV: Capital Budget Impact**

### **IV. A - Capital Budget Expenditures**

NONE

### **IV. B - Expenditures by Object Or Purpose**

NONE

### **IV. C - Capital Budget Breakout**

*Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.*

NONE

### **IV. D - Capital FTE Detail:** *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

## **Part V: New Rule Making Required**

*Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.*

Ecology is required to adopt rules to implement chapter 86.16 RCW. Ecology assumes that rulemaking would be required to amend WAC 173-158-076 (Substantially Damaged Residential Dwellings) to authorize requests for waivers for substantial improvements for existing homes in floodways for flood-risk reduction projects consistent with section 2 of this bill.

# LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

**Bill Number:** 5649 S SB

**Title:** Floodproofing improvements

**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:  
 Key variables cannot be estimated with certainty at this time:

### Estimated revenue impacts to:

None

### Estimated expenditure impacts to:

None

## Part III: Preparation and Approval

Fiscal Note Analyst: Chelsea Mickel	Phone: 518-727-3478	Date: 02/21/2023
Leg. Committee Contact: Maggie Douglas	Phone: 3607867279	Date: 02/17/2023
Agency Approval: Alice Zillah	Phone: 360-725-5035	Date: 02/21/2023
OFM Review: Lisa Borkowski	Phone: (360) 742-2239	Date: 02/22/2023

## **Part IV: Analysis**

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

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

This bill relates to flood-proofing improvements to residential structures undertaken in accordance with the Chehalis basin strategy.

This bill provides that the Department of Ecology's (Ecology) recommendation to waive the floodway prohibition for the repair and replacement of substantially damaged residential may apply to proposed projects that substantially improve residential structures for the primary purpose of reducing risk of flood damage.

### **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.*

This bill would not have expenditure impacts on local governments.

Ecology does not anticipate costs to local governments as a result of this bill. Under current law, local governments can request that Ecology issue a waiver to allow a home to be repaired or replaced in a floodway that has been "substantially damaged" (where costs exceed 50% of the value of the home). The provisions under this bill would allow a homeowner to request a waiver for "substantial improvements" in designated floodways to prevent flood damage before it occurs. The onus is on the applicant to provide data to support the waiver, which Ecology reviews and may approve. The local government does not have an active role in the process, and the process would not be changed by the bill. For the reasons listed above, this bill would not have expenditure impacts on local governments.

### **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.*

This bill would not have revenue impacts on local governments.

#### **SOURCES**

Department of Ecology

Senate Bill Report, SSB 5649, Local Government, Land Use & Tribal Affairs Committee, (2023)

Senate Bill Report, SB 5649, Local Government, Land Use & Tribal Affairs Committee, (2023)

Bill Hearing, SB 5649, Local Government, Land Use & Tribal Affairs Committee, (February 14, 2023)