

Multiple Agency Fiscal Note Summary

Bill Number: 1378 S HB	Title: Derelict aquatic structures
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Estimated Cash Receipts

Agency Name	2023-25			2025-27			2027-29		
	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total
Office of State Treasurer	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Total \$	0	0	0	0	0	0	0	0	0

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
Office of State Treasurer	.0	0	0	0	.0	0	0	0	.0	0	0	0
Environmental and Land Use Hearings Office	.0	0	0	0	.0	0	0	0	.0	0	0	0
Puget Sound Partnership	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Natural Resources	5.0	1,143,500	1,143,500	1,143,500	5.0	1,104,200	1,104,200	1,104,200	5.0	1,104,200	1,104,200	1,104,200
Total \$	5.0	1,143,500	1,143,500	1,143,500	5.0	1,104,200	1,104,200	1,104,200	5.0	1,104,200	1,104,200	1,104,200

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
Office of State Treasurer	.0	0	0	.0	0	0	.0	0	0
Environmental and Land Use Hearings Office	.0	0	0	.0	0	0	.0	0	0
Puget Sound Partnership	.0	0	0	.0	0	0	.0	0	0
Department of Natural Resources	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Total \$	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	No fiscal impact								
Local Gov. Total									

Estimated Capital Budget Breakout

Department of Natural Resources	Non-zero but indeterminate cost and/or savings. Please see discussion.
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Prepared by: Lisa Borkowski, OFM	Phone: (360) 742-2239	Date Published: Final 2/23/2023
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Individual State Agency Fiscal Note

Bill Number: 1378 S HB	Title: Derelict aquatic structures	Agency: 090-Office of State Treasurer
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

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

Estimated Operating Expenditures from:

NONE

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: Robert Hatfield	Phone: 360-786-7117	Date: 02/15/2023
Agency Preparation: Dan Mason	Phone: (360) 902-8990	Date: 02/15/2023
Agency Approval: Dan Mason	Phone: (360) 902-8990	Date: 02/15/2023
OFM Review: Amy Hatfield	Phone: (360) 280-7584	Date: 02/16/2023

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.

SHB 1378 creates the derelict structure removal account, coupled with the general fund as the recipient of the earnings from investments under RCW 43.84.092(4).

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.

Projected cash flows are currently unavailable; therefore, estimated earnings from investments are indeterminable.

There may be an impact on the debt service limitation calculation. Changes to the earnings credited to the general fund impacts, by an equal amount, general state revenues.

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.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

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.

Individual State Agency Fiscal Note

Bill Number: 1378 S HB	Title: Derelict aquatic structures	Agency: 468-Environmental and Land Use Hearings Office
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

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: Robert Hatfield	Phone: 360-786-7117	Date: 02/15/2023
Agency Preparation: Dominga Soliz	Phone: 3606649173	Date: 02/20/2023
Agency Approval: Dominga Soliz	Phone: 3606649173	Date: 02/20/2023
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.

This bill authorizes the removal and disposal of derelict aquatic structures and creates a related account and grant program. Derelict aquatic structures must be removed and disposed of in accordance with environmental laws, including RCW 70A.205 regarding solid waste management.

The substitute bill removes the jurisdiction of the Pollution Control Hearings Board to hear appeals to decisions regarding removal and disposal of derelict aquatic structures.

The Pollution Control Hearings Board is unlikely to be impacted by this bill.

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.

None

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.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

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

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.

Individual State Agency Fiscal Note

Bill Number: 1378 S HB	Title: Derelict aquatic structures	Agency: 478-Puget Sound Partnership
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

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: Robert Hatfield	Phone: 360-786-7117	Date: 02/15/2023
Agency Preparation: Sheridan Tabor	Phone: 360-706-4955	Date: 02/21/2023
Agency Approval: Sheridan Tabor	Phone: 360-706-4955	Date: 02/21/2023
OFM Review: Matthew Hunter	Phone: (360) 529-7078	Date: 02/21/2023

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.

The proposed bill would improve the state's ability to address derelict aquatic structures.

Section 3 would authorize the Department of Natural Resources (DNR) to remove, salvage, or scrap derelict aquatic structures within their jurisdiction.

Section 4 would require DNR to dispose of structures in cost effective and environmentally responsible ways.

Section 5 would require DNR to submit derelict structure removal projects to the Puget Sound Partnership's nearshore credits program.

Section 6 would create a new derelict structure removal account that would receive any funds from the sale of mitigation credits.

Section 7 would enable DNR to contract with other entities for the removal of derelict structures.

Section 8 would require DNR to establish a grant program for private parties to conduct removal of derelict structures on leased state owned aquatic lands.

The Partnership assumes this bill is effective 90 days after Sine Die.

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.

No expenditures.

The Partnership has staff time dedicated to administering the Puget Sound nearshore credits program. This staff time is supported by a percentage of credit sales. Staff administration of the program is driven by demand for credits and supported by the sale of credits. DNR's ability to receive reimbursement from Partnership credit sales would merely represent a change in timing (reimbursement with credit sales for completed work rather than advanced deposit of credit sales for work to be completed), but no actual change in Partnership expenditures of state monies. Thus enabling the DNR to receive proceeds from credits sales does not increase PSP workload.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

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.

Individual State Agency Fiscal Note

Bill Number: 1378 S HB	Title: Derelict aquatic structures	Agency: 490-Department of Natural Resources
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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	5.0	5.0	5.0	5.0	5.0
Account					
General Fund-State 001-1	591,400	552,100	1,143,500	1,104,200	1,104,200
Total \$	591,400	552,100	1,143,500	1,104,200	1,104,200

Estimated Capital Budget Impact:

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

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: Robert Hatfield	Phone: 360-786-7117	Date: 02/15/2023
Agency Preparation: Nicole Dixon	Phone: 360-902-1155	Date: 02/23/2023
Agency Approval: Nicole Dixon	Phone: 360-902-1155	Date: 02/23/2023
OFM Review: Lisa Borkowski	Phone: (360) 742-2239	Date: 02/23/2023

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.

The substitute removes several sections that were originally written re: authorized public entities and Department of Natural Resources' (DNR) ability to take custody of structures, since that was removed in Section 3.

Section 3: Modified so that DNR may purchase, or acquire through gift, exchange, or other transfer, lands and facilities to carry out the purposes of this title. The bill is no longer applicable to authorized public entities, and DNR may no longer take custody of structures. Following purchase or acquisition, DNR has the authority to remove, salvage, scrap, dispose, refurbish, or repurpose derelict aquatic structures.

Section 4: Derelict structures that are removed will be disposed of in any appropriate manner, with preference given to the least costly, environmentally sound, reasonable disposal option. Disposals will be accomplished by DNR through a contractor or through a contract with another entity as allowed in Section 7.

Section 5: All qualifying derelict aquatic structure removal projects or project elements on aquatic lands not managed by a port district to the Puget Sound partnership nearshore credits program or other similar mitigation credit programs to generate conservation credits.

Section 6: The department must develop criteria, in the form of informal guidelines, to prioritize removal projects associated but may not consider whether the applicant is a state or local entity when prioritizing by January 1, 2024.

Section 7: DNR may contract with a private company/individual to carry out authority granted. Substitute adds tribal nations and other governments to the list of entities with which DNR may contract.

Section 8: The department shall establish a grant program for lessees of state-owned aquatic land who need financial assistance to comply with the department's habitat stewardship measures for the protection of nearshore habitat and shall establish grant eligibility criteria and amounts by July 1, 2024.

Section 9: The department may also acquire aquatic structures and facilities that do not meet the definition of derelict aquatic structures, but which could provide habitat benefits or amenities for the local community if either refurbished or repurposed, or both.

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.

Sections 3 through 9 require staff work by DNR. These positions include work for:

- Environmental Planner 4 (1.0 FTE) – this position will be the program lead and would be responsible for the overall management of the program. This would include creation and oversight of removal contracts, as well as program budgeting, reporting and monitoring, managing policy changes, working with PSP on credit projects, developing grant criteria, overseeing grant administration, and contracts with other entities performing removals.
- Environmental Planner 3 (1.0 FTE) – this position will assist the EP4 in the day-to-day operations of the program. This would include assisting in drafting contracts, contract management, permitting, contractor interfacing, and grant program

administration.

- Natural resource technician 3 (1.0 FTE) – this position will provide technical support to the program by processing and generating invoices and payments to contractors and other external entities, processing documents and contracts electronically for signatures, and ensuring financial data systems are current and contain accurate.
- Natural Resources Specialist 3 (0.75 FTE) – this work will be split among 3 existing positions that already focus on project management. The 0.75 FTE reflects the portion of their time that would now be directed at these derelict structure removal projects.

Total FTE Costs per FY Ongoing: \$376,600 One-time workstation costs (FY24): 39,300

Goods and services and travel are calculated on actual program averages per person. Total Costs FY24: \$591,400

Total Costs FY25 and ongoing: \$522,100

Administrative costs are calculated at 31% of staff salary and benefits and staff-related goods and services and travel. For fiscal note purposes, this cost is represented as a Fiscal Analyst 2 position (1.2 FTE).

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	591,400	552,100	1,143,500	1,104,200	1,104,200
Total \$			591,400	552,100	1,143,500	1,104,200	1,104,200

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	5.0	5.0	5.0	5.0	5.0
A-Salaries and Wages	273,300	273,300	546,600	546,600	546,600
B-Employee Benefits	103,300	103,300	206,600	206,600	206,600
C-Professional Service Contracts					
E-Goods and Other Services	69,700	48,700	118,400	97,400	97,400
G-Travel	2,800	2,800	5,600	5,600	5,600
J-Capital Outlays	18,300		18,300		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements	124,000	124,000	248,000	248,000	248,000
9-					
Total \$	591,400	552,100	1,143,500	1,104,200	1,104,200

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	1.0	1.0	1.0	1.0	1.0
Environmental Planner 4	89,292	1.0	1.0	1.0	1.0	1.0
Fiscal Analyst 2	55,872	1.2	1.2	1.2	1.2	1.2
Natural Resource Specialist 3	7,150	0.8	0.8	0.8	0.8	0.8
Natural Resource Technician 3	49,404	1.0	1.0	1.0	1.0	1.0
Total FTEs		5.0	5.0	5.0	5.0	5.0

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

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

IV. B - Expenditures by Object Or Purpose

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

IV. C - Capital Budget Breakout

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

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

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

NONE

The department submitted a capital budget request during the 23-25 budget submittal. The capital budget investment is estimated to be about \$19.75million to fund:

- \$11 million - Removal of the four highest priority derelict structures and incorporate nearshore and riparian habitat restoration in those projects
- \$2 million - Removal of tire reefs (that have been found to leach a chemical particularly toxic to salmon)
- \$4.5 million - Acceleration of nearshore restoration and aquatic debris removal
- \$2 million - The establishment of the grant program to incentivize and help small businesses implement measures to maintain or improve aquatic structures

Part V: New Rule Making Required

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

LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

Bill Number: 1378 S HB

Title: Derelict aquatic structures

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: Jurisdictions with derelict aquatic structures on or above aquatic lands may enter into contract with the Department of Natural Resources to remediate these structures. Local government lessees of state-owned aquatic land may apply for grants from the Department of Natural Resources if they require financial assistance to comply with habitat stewardship measures.
- 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: Jordan Laramie	Phone: 360-725-5044	Date: 02/21/2023
Leg. Committee Contact: Robert Hatfield	Phone: 360-786-7117	Date: 02/15/2023
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 proposed legislation would establish an Aquatic Derelict Structures Program meant to remove broken-down and hazardous structures and debris out of state- and privately-owned aquatic lands. The bill would authorize the Department of Natural Resources (DNR) to remove, salvage, scrap, dispose of, refurbish, or repurpose a derelict aquatic structure on or above aquatic lands, within the department's jurisdiction or through purchase or acquisition of lands or facilities. DNR may enter into contract with local governments to carry out this authority.

The primary responsibility to remove a derelict aquatic structure belongs to the owner or lessee of the structure, and secondarily to DNR when it has jurisdiction over the aquatic lands on which the structure lies.

Sec. 3 would authorize DNR to purchase or acquire lands and facilities to where derelict aquatic structures are located to remove, salvage, scrap, dispose of, refurbish, or repurpose these structures, on or above aquatic lands. The primary responsibility to remove a derelict structure belongs to the owner or lessee of the structure, and secondarily to DNR when the department has jurisdiction over the aquatic lands where the structure is located.

Sec. 4 would establish the disposal requirements of derelict aquatic structures by DNR.

Sec. 5 would establish that qualifying derelict aquatic structure removal projects or project elements on aquatic lands not owned by a port district must be submitted to the Puget Sound Partnership Nearshore Credits Program.

Sec. 6 would establish the Derelict Structure Removal Account within the State Treasury.

Sec. 7 would authorize DNR to enter into contract with a local government to carry out the provisions of this act.

Sec. 8 would establish a grant program for lessees of state-owned aquatic land who require financial assistance to comply with the habitat stewardship measures meant to protect nearshore habitat.

Sec. 9 would authorize DNR to partner with a local government to acquire aquatic structures for purposes of refurbishing or repurposing these structures in the interest of habitat benefits or the creation of amenities for the local community.

Sec. 11 would establish that Sec. 1 through Sec. 10 of this act constitute a new chapter in Title 79 RCW.

This bill would go into effect ninety days after adjournment of session in which bill is passed.

BACKGROUND:

The Department of Natural Resources manages more than 4,000 aquatic leases statewide. Lessees of state-owned aquatic lands include marinas, restaurants, piers, docks, ports, and state parks that offer commercial and recreational opportunities for businesses, transportation, and public access.

Derelict structures are overwater and in-water structures that have been damaged, neglected, abandoned, and may be at risk of full or partial collapse into the waters of the state.

These structures often contain chemicals that are harmful to aquatic organisms that can leach into water and sediment for many years, which often have a negative impact on the environment and human health and safety.

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 legislation would have no expenditure impact for local governments because it does not require them to take action.

As a local option, jurisdictions with derelict aquatic structures may enter into contract with the Department of Natural Resources (DNR) to remove, salvage, scrap, dispose of, refurbish, or repurpose these structures on or above aquatic lands. For jurisdictions that enter into contract with DNR, there would be a potential cost savings as they would be reimbursed for derelict structure removal, disposal, or refurbishment costs if they contracted with DNR.

A local government may also partner with DNR, as a local option, to acquire aquatic structures for purposes of refurbishing or repurposing these structures in the interest of habitat benefits or the creation of amenities for the local community.

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 legislation would have no fiscal impact for local governments because it does not require them to take action.

Section 8 of this act would establish a grant program for lessees of state-owned aquatic land who require financial assistance to comply with environmental stewardship measures meant to protect nearshore habitat. The number of local governments that would apply to this program and the amount of funding allocated for these purposes are not currently known.

SOURCES:

Department of Natural Resources

Department of Natural Resources, Removal of Aquatic Structures (2023)

House Bill Analysis, HB 1378 (2023)

Senate Bill Report, SB 5433 (2023)