

Multiple Agency Fiscal Note Summary

Bill Number: 2394 HB	Title: SEPA/trails and paths
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Estimated Cash Receipts

NONE

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	.3	0	0	80,239	.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
Total \$	0.3	0	0	80,239	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			205,000						
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			205,000						

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
Environmental and Land Use Hearings Office	.0	0	0	.0	0	0	.0	0	0
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	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Local Gov. Total									

Estimated Capital Budget Breakout

Prepared by: Lisa Borkowski, OFM	Phone: (360) 742-2239	Date Published: Final 1/23/2024
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Individual State Agency Fiscal Note

Bill Number: 2394 HB	Title: SEPA/trails and paths	Agency: 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	0.0	0.6	0.3	0.0	0.0
Account					
Model Toxics Control Operating Account-State 23P-1	0	80,239	80,239	0	0
Total \$	0	80,239	80,239	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: Elizabeth Allison	Phone: 360-786-7129	Date: 01/21/2024
Agency Preparation: Jessica Moore	Phone: 360-529-7583	Date: 01/23/2024
Agency Approval: Erik Fairchild	Phone: 360-407-7005	Date: 01/23/2024
OFM Review: Lisa Borkowski	Phone: (360) 742-2239	Date: 01/23/2024

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.

Under current law, the State Environmental Policy Act (SEPA), chapter 43.21C RCW, provides a way to identify possible environmental impacts that may result from governmental decisions. Ecology is responsible for SEPA Rules (Chapter 197-11 WAC). Ecology rules include default “categorical exemptions” for certain actions that do not have to undergo environmental review. The RCW includes a variety of other kinds of exemptions from SEPA, and optional exemptions, that allow for further exemptions beyond those contained in Ecology rules.

This bill would create a new SEPA categorical exemption for "rails-to-trails" projects.

Section 1 would add a new section to chapter 43.21C RCW (SEPA) to create a categorical exemption for new or extended trails and paths, as defined in RCW 47.30.005, provided the trail or path:

- does not exceed 10 acres in size.
- is in whole or in part on an inactive railroad right-of-way designated for interim trail use under federal code (U.S.C. Sec. 1247).
- is not located in critical areas and buffers.

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 more than \$50,000 in Fiscal Year (FY) 2025 to implement the requirements of section 1.

Section 1 would create a new categorical exemption in SEPA statute. The new exemption would overlap with and provide more definition to an existing exemption in SEPA rules for pedestrian and bicycle paths. Ecology assumes that rulemaking would be necessary to harmonize the existing rule-based exemption with the statutory exemption.

Ecology estimates that rulemaking would be minimally complex and require six months in FY 2025. Ecology estimates that 0.50 FTE Environmental Planner 3 would be required to coordinate the rulemaking effort and develop the Environmental Justice Assessment. Ecology assumes that 1 public hearing would be held to accept comments on the rule proposal. Ecology assumes that the hearing would be held onsite or virtually. Therefore, Ecology estimates no costs for facility rental

SUMMARY: The expenditure impact to Ecology under this bill is \$80,239 for rulemaking.

FY 2025: \$80,239 and 0.58 FTEs

Notes on costs by object:

Salary estimates are current biennium actual rates at Step L.

Benefits are the agency average of 34.1% of salaries.

Goods and Services are the agency average of \$6,048 per direct program FTE.

Travel is the agency average of \$2,205 per direct program FTE.

Equipment is the agency average of \$1,286 per direct program FTE.

Agency Administrative Overhead is calculated at the federally approved agency indirect rate of 29.8% 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	0	80,239	80,239	0	0
Total \$			0	80,239	80,239	0	0

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years		0.6	0.3		
A-Salaries and Wages		43,358	43,358		
B-Employee Benefits		14,785	14,785		
E-Goods and Other Services		3,024	3,024		
G-Travel		1,103	1,103		
J-Capital Outlays		643	643		
9-Agency Administrative Overhead		17,326	17,326		
Total \$	0	80,239	80,239	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	86,716		0.5	0.3		
FISCAL ANALYST 2			0.1	0.0		
IT APP DEV-JOURNEY			0.0	0.0		
Total FTEs			0.6	0.3		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.

Section 1 would create a new categorical exemption in SEPA statute. The new exemption would overlap with and provide more definition to an existing exemption in SEPA rules for pedestrian and bicycle paths. Ecology assumes that rulemaking would be necessary to chapter 197-11 WAC to harmonize the existing rule-based exemption with the statutory exemption.

Individual State Agency Fiscal Note

Bill Number: 2394 HB	Title: SEPA/trails and paths	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: Elizabeth Allison	Phone: 360-786-7129	Date: 01/21/2024
Agency Preparation: Dominga Soliz	Phone: 3606649173	Date: 01/23/2024
Agency Approval: Dominga Soliz	Phone: 3606649173	Date: 01/23/2024
OFM Review: Lisa Borkowski	Phone: (360) 742-2239	Date: 01/23/2024

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.

Sec. 1: Exempts certain small (less than 10 acre) extensions of trails and paths from State Environmental Policy Act (SEPA) review. As a result, the Pollution Control Hearings Board (PCHB) or the Shorelines Hearings Board (SHB), may receive additional appeals challenging application of the exemption to a project. However, approximately one low complexity appeal per year is anticipated and, therefore, the Environmental and Land Use Hearings Office (ELUHO) expects the PCHB and SHB can absorb any impacts.

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.

None

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.

LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

Bill Number: 2394 HB

Title: SEPA/trails and paths

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

Legislation Impacts:

Cities: Adopting State Environmental Policy Act categorical exemption for trails and paths.

Counties: Same as above for counties.

Special Districts:

Specific jurisdictions only:

Variance occurs due to:

Part II: Estimates

No fiscal impacts.

Expenditures represent one-time costs: Ordinance adoption costs.

Legislation provides local option:

Key variables cannot be estimated with certainty at this time: Additional costs to adopt the categorical exemption through public hearings, workshops, council meetings, etc., and the number of jurisdictions with additional costs.

Estimated revenue impacts to:

None

Estimated expenditure impacts to:

Jurisdiction	FY 2024	FY 2025	2023-25	2025-27	2027-29
City		180,000	180,000		
County		25,000	25,000		
TOTAL \$		205,000	205,000		
GRAND TOTAL \$					205,000

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: 01/23/2024
Leg. Committee Contact: Elizabeth Allison	Phone: 360-786-7129	Date: 01/21/2024
Agency Approval: Allan Johnson	Phone: 360-725-5033	Date: 01/23/2024
OFM Review: Lisa Borkowski	Phone: (360) 742-2239	Date: 01/23/2024

Part IV: Analysis

A. SUMMARY OF BILL

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

This legislation would add a new statutory categorical exemption to the State Environmental Policy Act (SEPA) for the development or extension of a path or trail, given certain conditions are met.

Sec. 1 would add a new chapter to 43.21C authorizing that decisions related to the development or extension of a trail or path would be categorically exempt from SEPA review if the surface area of the trail is not located in a critical area, it is less than 10 acres, and it is located in whole or in part on an inactive railroad right of way.

This bill would take effect 90 days after the adjournment of the session in which it is passed.

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 act would add a new chapter to the State Environmental Policy Act (SEPA) statute that creates a categorical exemption from SEPA review when creating or extending a trail on an unused railway. The number of cities and counties that would adopt the new categorical exemption in a manner that is more expensive than adopting the new exemption by reference cannot be known in advance, and the impact of this legislation is indeterminate.

Discussion:

This impacts all jurisdictions in Washington State as there would be a new statutory categorical exemption, and there would be costs to incorporate this new exemption into existing local code. These costs would likely occur in FY25 as the effective date of the bill is 90 days after the adjournment of the session in which the bill is passed.

Ordinance Adoption Costs for Cities and Counties:

Most jurisdictions adopt the SEPA enabling rules WAC 197-11 by reference into their municipal code. As such, there would at least be minor costs to add the provisions of Sec. 1 into local code when the Department of Ecology (Ecology) develops the WAC. Accordingly, adopting the new statutory categorical exemption may have cost starting at approximately \$638 per city, and \$647 per county.

These costs reflect the adoption of a simple ordinance according to the Local Government Fiscal Note program Unit Cost Model which takes into consideration: local planning department staff would draft the ordinance, public notice written by the council clerk, at least one staff report would be written, and passage of the ordinance by the local legislative authority. Please note, these costs do not take into account advisory commission hearings (such as with the planning commission) or workshops with public involvement. If these costs were included, the expenses to pass the new SEPA categorical exemption would start at \$2,364 per city, and \$2,170 per county.

Cities: 281 cities x \$638 = \$179,278, or approximately \$180,000

Counties: 39 counties x \$25,233, or approximately \$25,000

There may be additional expenses for local government staff to develop internal policies around the use of the categorical exemption, such as forms, training, and outreach. However, the scope and scale of these measures would have indeterminate costs for cities and counties.

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 not impact local government revenues.

SOURCES:

Department of Ecology, State Environmental Policy Act

House Bill Analysis, HB 2394 (2024)

Local Government Fiscal Note Program, Unit Cost Model (2024)

Municipal Research and Services Center, State Environmental Policy Act

Municipal Research and Services Center, Local Ordinances for Washington Cities and Counties (Sept. 2015)