

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 5649 S SB AMH LG H3367.1	<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	40,120	.0	0	0	0	.0	0	0	0
<b>Total \$</b>	<b>0.1</b>	<b>0</b>	<b>0</b>	<b>40,120</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 2/28/2024
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# Individual State Agency Fiscal Note

<b>Bill Number:</b> 5649 S SB AMH LG H3367.1	<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	0.0	0.3	0.2	0.0	0.0
<b>Account</b>					
Model Toxics Control Operating Account-State 23P-1	0	40,120	40,120	0	0
<b>Total \$</b>	0	40,120	40,120	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:	Phone:	Date: 02/27/2024
Agency Preparation: Jessica Moore	Phone: 360-529-7583	Date: 02/28/2024
Agency Approval: Erik Fairchild	Phone: 360-407-7005	Date: 02/28/2024
OFM Review: Lisa Borkowski	Phone: (360) 742-2239	Date: 02/28/2024

## 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.*

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) 2025 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 2025.

Rulemaking Lead: Ecology estimates that 0.25 FTE Environmental Planner 3 would be required in FY 2025 to coordinate the rulemaking effort.

Ecology assumes 1 public hearing would be held in FY 2025 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 \$40,120 and 0.29 FTEs in FY 2025.

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	40,120	40,120	0	0
<b>Total \$</b>			0	40,120	40,120	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		21,679	21,679		
B-Employee Benefits		7,393	7,393		
E-Goods and Other Services		1,512	1,512		
G-Travel		551	551		
J-Capital Outlays		322	322		
9-Agency Administrative Overhead		8,663	8,663		
<b>Total \$</b>	0	40,120	40,120	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		0.3	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

<b>Bill Number:</b> 5649 S SB AMH LG H3367.1	<b>Title:</b> Floodproofing improvements
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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:
- 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: Kristine Williams	Phone: (564) 669-3002	Date: 02/27/2024
Leg. Committee Contact:	Phone:	Date: 02/27/2024
Agency Approval: Alice Zillah	Phone: 360-725-5035	Date: 02/27/2024
OFM Review: Lisa Borkowski	Phone: (360) 742-2239	Date: 02/27/2024

## **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 have no expenditure impact on local governments.

Ecology does not anticipate any cost 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 have no revenue impact on local governments.

#### **SOURCES**

Department of Ecology

Local Government fiscal note S SB 5649 (2023)