

Multiple Agency Fiscal Note Summary

Bill Number: 6061 E S SB	Title: Housing development/SEPA
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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 Commerce	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Archaeology and Historic Preservation	.5	131,000	131,000	131,000	1.0	252,000	252,000	252,000	1.0	252,000	252,000	252,000
Department of Transportation	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Ecology	.2	0	0	43,841	.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 \$	0.7	131,000	131,000	174,841	1.0	252,000	252,000	252,000	1.0	252,000	252,000	252,000

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 Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Department of Commerce	.0	0	0	.0	0	0	.0	0	0
Department of Archaeology and Historic Preservation	.0	0	0	.0	0	0	.0	0	0
Department of Transportation	.0	0	0	.0	0	0	.0	0	0
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 3/ 5/2024
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Individual State Agency Fiscal Note

Bill Number: 6061 E S SB	Title: Housing development/SEPA	Agency: 103-Department of Commerce
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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: Ryan Blake	Phone: 360-786-7303	Date: 02/26/2024
Agency Preparation: Buck Lucas	Phone: 360-725-3180	Date: 02/28/2024
Agency Approval: Pouth Ing	Phone: 360-725-2715	Date: 02/28/2024
OFM Review: Cheri Keller	Phone: (360) 584-2207	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.

Difference between ESSB 6061 and SB 6061:

Changes are made to Sections 1 and 2, which have no fiscal impact on the Department of Commerce (department).

Summary of ESSB 6061:

Section 1 removes existing categorical exemption language for residential housing developments under the State Environmental Policy Act (SEPA).

Section 2 adds a new section to RCW 43.21C (SEPA) that addresses a categorical exemption for local housing developments, in order to accommodate infill under comprehensive planning requirements of the Growth Management Act (Chapter 36.70A RCW).

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.

There is no fiscal impact to the department. This bill does not amend the Growth Management Act (GMA). The department will review and revise local government GMA technical guidance under this bill, which is part of the department's existing responsibilities and can be accomplished with minimal additional staff time.

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: 6061 E S SB	Title: Housing development/SEPA	Agency: 355-Department of Archaeology and Historic Preservation
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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	1.0	0.5	1.0	1.0
Account					
General Fund-State 001-1	0	131,000	131,000	252,000	252,000
Total \$	0	131,000	131,000	252,000	252,000

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: Ryan Blake	Phone: 360-786-7303	Date: 02/26/2024
Agency Preparation: Diann Lewallen	Phone: 360-407-8121	Date: 02/27/2024
Agency Approval: Diann Lewallen	Phone: 360-407-8121	Date: 02/27/2024
OFM Review: Amy Hatfield	Phone: (360) 280-7584	Date: 02/27/2024

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.

Section 2 of the bill requires an environmental analysis for exempted developments that adequately addresses analysis and protection of cultural resources and required mitigation for impacts to cultural resources.

The impact to the Department of Archaeology and Historic Preservation (DAHP) comes from an increasing number of local government environmental documents and project proposals for DAHP to review as the local governments work to increase the availability of housing and housing developments. DAHP anticipates needing one commerce specialist 3 to address the increased workload.

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 DAHP will need approximately 1 FTE for a commerce specialist 3 to review local government documents and project proposals.

On-going costs:

In GFY25 a Commerce Specialist 3 at range 58 step L will make \$84,518 per year, plus related benefits estimated at \$29,344 per year, at current benefits rates. Goods and services for 1 FTE are estimated at \$6,884 per fiscal year for communications, payroll processing, training, supplies and other staff costs. Travel costs are estimated at \$5,254 per year.

One-time costs:

An amount of \$5,557 is also needed in fiscal year 2025 for computer equipment and furniture.

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	0	131,000	131,000	252,000	252,000
Total \$			0	131,000	131,000	252,000	252,000

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years		1.0	0.5	1.0	1.0
A-Salaries and Wages		84,518	84,518	169,036	169,036
B-Employee Benefits		29,344	29,344	58,688	58,688
C-Professional Service Contracts					
E-Goods and Other Services		6,327	6,327	13,768	13,768
G-Travel		5,254	5,254	10,508	10,508
J-Capital Outlays		5,557	5,557		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	0	131,000	131,000	252,000	252,000

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
Commerce Specialist 3	82,056		1.0	0.5	1.0	1.0
Total FTEs			1.0	0.5	1.0	1.0

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.

Individual State Agency Fiscal Note

Bill Number: 6061 E S SB	Title: Housing development/SEPA	Agency: 405-Department of Transportation
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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: Ryan Blake	Phone: 360-786-7303	Date: 02/26/2024
Agency Preparation: Alon Bassok	Phone: 206-464-1271	Date: 02/28/2024
Agency Approval: Karena Houser	Phone: 360-705-7876	Date: 02/28/2024
OFM Review: Maria Thomas	Phone: (360) 229-4717	Date: 03/01/2024

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.

See attached fiscal note.

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.

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: ESSB 6061 **Title:** Housing Development/SEPA

Agency: 405-Department of Transportation

Part I: Estimates

- No Fiscal Impact (Explain required in section II. A)
- Indeterminate Cash Receipts Impact (Explain in section II. B)
- Partially Indeterminate Cash Receipts Impact (Explain in section II. B)
- Indeterminate Expenditure Impact (Explain in section II. C)
- Partially Indeterminate Expenditure Impact (Explain in section II. C)

-
- If fiscal impact is less 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 greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, **complete entire fiscal note form Parts I-V**
 - Capital budget impact, **complete Part IV**
 - Requires new rule making, **complete Part V**
 - Revised

Agency Assumptions

N/A

Agency Contacts:

Preparer: Alon Bassok	Phone: 206.356.1331	Date: 2/27/2024
Approval: Karena Houser	Phone: 360.810.1243	Date: 2/27/2024
Budget Manager: Stacey Halverstadt	Phone: 360.705.7544	Date: 2/28/2024

Part II: Narrative Explanation

II. A - Brief description of what the measure does that has fiscal impact.

This bill makes minor changes to categorical exemptions from environmental review for housing that were adopted by the 2023 Legislature. The changes include: 1) exempt housing in urban growth areas must be capable of being connected to sewer, 2) an environmental analysis must include documentation that requirements for analysis, protection of cultural resources, and mitigation of impacts to cultural resources are addressed, 3) requires cities and counties to take action to establish the categorical exemption by the date of their next required implementation progress report or five years after their next comprehensive plan update.

II. B – Cash Receipts Impact

N/A

Individual State Agency Fiscal Note

II. C - Expenditures

There are no changes to fiscal impact of the bill when compared to the prior fiscal note on SB 6061.

The department expects no fiscal impact because of this bill. The original 2023 bill (5412) has major implications for WSDOT, shifting workload from development services to planning. However, the amendments and changes in this bill should not affect current work or duties.

Part III: Expenditure Detail

III. A - Expenditures by Object or Purpose

N/A

Part IV: Capital Budget Impact

N/A

Part V: New Rule Making Required

N/A

Individual State Agency Fiscal Note

Bill Number: 6061 E S SB	Title: Housing development/SEPA	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	0.4	0.2	0.0	0.0
Account					
Model Toxics Control Operating Account-State 23P-1	0	43,841	43,841	0	0
Total \$	0	43,841	43,841	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:

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- 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: Ryan Blake	Phone: 360-786-7303	Date: 02/26/2024
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.

The changes between SB 6061 and ESSB 6061 are as follows:

Section 1 previous subsections 3 and 4 are removed from RCW 43.21C.229 and placed into a new section 2.

Section 2(2)(b) modifies the requirement in the previous version that exempt development must be connected to a sewer system to clarify in the new version that exempt development would be required to be capable of being connected to an established sewer system.

Section 2(2)(c) removes three requirements related to analysis of impacts to the state highway system from the previous version: that sufficient subarea detail identify the potential development ceiling and impacts to facilities; that impacts identified by the Department of Transportation be required to be addressed through mitigation; and that cities and counties would be permitted to address adverse impacts to state-owned transportation facilities by including them in concurrency programs and subdivision and dedication approval processes.

Section 2(2)(c)(i) would require that the environmental analysis include documentation that cultural resources are considered, mitigated, and adequately addressed.

Section 2(3)(c) of the previous version would have provided that there would be no right for a private party to seek judicial relief from compliance with the bill. This is removed in the new version.

A new section 2(2)(d) is added that would require cities and counties to take action to establish the categorical exemption by the date of the jurisdiction's next required implementation progress report or five years after the next comprehensive plan review.

A new section 2(5) is added that clarifies that "middle housing" is defined the same in this new section as in RCW 36.70A.030.

These changes do not change the fiscal impact for Ecology.

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.

Section 2 would add a new section to chapter 43.21C RCW, SEPA, to add a mandatory categorical exemption from environmental review under SEPA for residential development in cities. The exemption would be limited to housing projects that would eventually be served by city sewer.

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 one.

This bill would amend a significant new SEPA categorical exemption that was previously adopted in 2023. Ecology developed guidance on that exemption to address the many questions the exemption raised. Ecology assumes that the guidance would need to be updated to remain consistent with the categorical exemption in the statute. Based on previous experience, Ecology estimates that this work would require 0.30 FTE Environmental Planner 5 in FY 2025.

SUMMARY: The expenditure impact to Ecology under this bill is \$43,841.

FY 2025: \$43,841 and 0.35 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	43,841	43,841	0	0
Total \$			0	43,841	43,841	0	0

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years		0.4	0.2		
A-Salaries and Wages		23,543	23,543		
B-Employee Benefits		8,028	8,028		
E-Goods and Other Services		1,814	1,814		
G-Travel		662	662		
J-Capital Outlays		386	386		
9-Agency Administrative Overhead		9,408	9,408		
Total \$	0	43,841	43,841	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 5	78,476		0.3	0.2		
FISCAL ANALYST 2			0.0	0.0		
IT APP DEV-JOURNEY			0.0	0.0		
Total FTEs			0.4	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.

Individual State Agency Fiscal Note

Bill Number: 6061 E S SB	Title: Housing development/SEPA	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: Ryan Blake	Phone: 360-786-7303	Date: 02/26/2024
Agency Preparation: Dominga Soliz	Phone: 3606649173	Date: 02/28/2024
Agency Approval: Dominga Soliz	Phone: 3606649173	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.

Sec. 1: Removes the categorical housing development exemption from this section of the State Environmental Policy Act (SEPA).

Sec. 2: New Section – Defines a categorical housing development exemption from SEPA. In addition to existing requirements, a jurisdiction must determine that the proposed development is capable of being connected to an established sewer system at the time of construction. The amended version removes the provision that the environmental analysis must include sufficient subarea detail to identify the potential development ceiling and impact to facilities. Requires the environmental analysis include documentation that the requirements for analysis and protection of cultural resources, and mitigation for impacts to cultural resources, have been adequately addressed. The amended bill removes the provision providing that nothing in the subsection grants the right to seek judicial relief requiring compliance with the subsection.

This bill will likely result in the filing of some additional appeals before the Growth Management Hearings Board (GMHB), however, impacts are anticipated to be minimal and can be absorbed by the GMHB.

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: 6061 E S SB

Title: Housing development/SEPA

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

Legislation Impacts:

- Cities: Must adopt State Environmental Policy Act categorical exemption for residential development.
- Counties: Same as above.
- Special Districts:
- Specific jurisdictions only: Jurisdictions that fully plan under the Growth Management Act. City of Seattle must adopt the categorical exemption by September 30, 2025. All other fully planning counties, and the cities within them, must adopt the categorical exemption by the earlier of the jurisdiction's implementation progress report submission deadline or five years after its periodic comprehensive plan update.
- Variance occurs due to:

Part II: Estimates

- No fiscal impacts.
- Expenditures represent one-time costs: Ordinance costs to implement and adopt the State Environmental Policy Act categorical exemption for residential development.
- Legislation provides local option:
- Key variables cannot be estimated with certainty at this time: Whether review of an existing environmental impact statement would be required to implement the State Environmental Policy Act residential development categorical exemption. The scope and scale of the implementation and adoption of these exemptions at the local level.

Estimated revenue impacts to:

None

Estimated expenditure impacts to:

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

Part III: Preparation and Approval

Fiscal Note Analyst: Jordan Laramie	Phone: 360-725-5044	Date: 03/01/2024
Leg. Committee Contact: Ryan Blake	Phone: 360-786-7303	Date: 02/26/2024
Agency Approval: Allan Johnson	Phone: 360-725-5033	Date: 03/01/2024
OFM Review: Lisa Borkowski	Phone: (360) 742-2239	Date: 03/05/2024

Part IV: Analysis

A. SUMMARY OF BILL

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

This fiscal note reflects language in the engrossed substitute version of SB 6061, 2024 legislative session, and compares it to the original version of the bill.

CHANGES BETWEEN THIS VERSION AND PREVIOUS BILL VERSION:

Section 1 amends RCW 43.21C.299 such that the residential development categorical exemption in subsection 3 and 4 would be moved to a new Section 2.

Section 2 would be a new chapter added to 43.21C RCW authorizing a categorical exemption for certain types of residential development within and outside of urban growth areas. One of the components of the amended environmental assessment requires an environmental analysis for exempted developments that adequately addresses analysis and protection of cultural resources and required mitigation for impacts to cultural resources.

A city or county fully planning under the Growth Management Act must establish the categorical exemption by the submission deadline of its implementation progress report, or five years after the submission of its next periodic comprehensive plan update.

SUMMARY OF CURRENT BILL:

This engrossed substitute legislation would require jurisdictions planning under the Growth Management Act to ensure that actions taken prior to exempting a proposed housing development from the State Environmental Policy Act would be in compliance with development regulations, existing sewer utility access, environmental analysis that considers the density and intensity of use, an analysis of multimodal transit impacts, and protects or mitigates any potential impacts to cultural resources.

Cities and counties would be required to establish the housing development categorical exemption by the earlier of the jurisdiction's implementation progress report, or five years after its next completed periodic comprehensive plan update.

This act would go into 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.

CHANGES IN EXPENDITURE IMPACTS BETWEEN THIS VERSION AND PREVIOUS BILL VERSION:

The amendments to this engrossed substitute act would create indeterminate but mandatory costs to adopt the categorical exemption to the State Environmental Policy Act (SEPA) for four counties and 60 cities. These jurisdictions would incur these costs between state fiscal year (FY) 2026 and FY29

All other fully planning jurisdictions would be required to adopt the categorical exemption in Sec. 2 of this act, however these costs would fall outside of the reporting window of this local government fiscal note.

SUMMARY OF CURRENT BILL VERSION:

There would be indeterminate costs to adopt the new categorical exemption for residential infill development in Sec. 2 for four central Puget Sound counties and 60 cities within them that had more than 6,000 residents as of April 1, 2020.

According to Sec. 2(d) the City of Seattle would have costs to adopt the categorical exemption for residential development by September 25, 2025. All other jurisdictions that are required to conduct implementation progress reports in 2029 would

have costs incurred within the reporting window for this fiscal note. This includes four central Puget Sound counties and 59 cities within them that meet the population threshold in RCW 36.70A.130(9)(a)(i). All other fully planning counties, and the cities within them, would have costs that would be incurred starting in FY2030 through FY2032, which is outside of the fiscal reporting window this this fiscal note.

The Local Government Fiscal Note program estimates that the cost to adopt a complex ordinance with a hearing of the same complexity would have starting costs of approximately \$10,140 for cities and \$10,310 for counties. All project actions for residential housing construction within an urban growth area would be categorically exempt from SEPA if the proposed development is consistent with the jurisdiction's comprehensive plan; the proposed development would not exceed the density or intensity of use called for in the goals and policies of that applicable comprehensive plan; and the city or county's comprehensive plan was previously subject to an EIS, or the city or county has an EIS that considers the proposed use or density and intensity of use in the area.

COSTS TO ADOPT NEW CATEGORICAL EXEMPTION:

Indeterminate – Estimate for each jurisdiction that would adopt categorical exemption for residential infill development would start at approximately \$10,000 per jurisdiction. There may be additional costs to comply with the environmental review components of Sec. 2(2) that authorize the residential development categorical exemption provisions.

Ordinance Adoption Costs:

The Local Government Fiscal Program Unit Cost Model estimates that the cost the typical cost to adopt an ordinance per jurisdiction ranges from \$750 for a simple ordinance to \$10,400 for a complex ordinance with a hearing of the same complexity. These costs include costs for draft ordinances, advisory commission meeting and recommendation, finalized ordinance, publication of ordinance, and general public information.

Environmental Impact Statements Associated with SEPA Residential Development Categorical Exemption:

The cost to counties and individual cities that are required to adopt this categorical exemption would be indeterminate due to the size, scale, and scope of development plans. The larger the area, the more it will influence the cost of development under the GMA planning provisions. Assessment from the Department of Commerce and the Association of Washington Cities indicates that it would be difficult to estimate how many cities and jurisdictions would be involved in this planning because the needs for infill development around the state vary significantly.

Estimates from the Association of Washington Cities' 2020 city planning cost survey indicate that the cost of an EIS to be approximately \$100,000 per city that chooses to undergo the infill development within their municipality. The Department of Commerce indicate these costs may approximate to \$300,000 for larger jurisdictions, in HB 2066 (2020). These costs include EIS alternative analysis and preferred alternative selection, and increasing the SEPA exemption threshold for residential and mixed use development within the UGA as it pertained to a planned action under RCW 43.21C.440.

There may be instances where cities or counties determine that their EIS is insufficient or needs refinements; especially if such refinements will automatically trigger an exemption to building and development requirements under the GMA. Even if there are cities that do not opt into the exemption, there could be pressure to review and refine existing EIS for infill development exemptions in GMA cities.

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 IN REVENUE IMPACTS BETWEEN THIS VERSION AND PREVIOUS BILL VERSION:

The amendments made to the engrossed substitute version of this bill would not change the revenue impact of the prior bill.

SUMMARY OF CURRENT BILL VERSION:

This legislation would not impact local government revenue.

SOURCES:

Association of Washington Cities, Salary Survey (2023)

Department of Ecology, SEPA Guidebook (2018)

Department of Ecology, FN SB 6061 (2024)

Department of Commerce, FN HB 2066 (2020)

Local Government Fiscal Note Program, FN HB 2066 (2020)

Local Government Fiscal Note Program, FN HB 1293 (2023)

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

Engrossed Substitute Senate Bill Report, ESSB 6061 (2024)