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**Agriculture and Natural Resources  
Committee**

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**HB 2193**

**Brief Description:** Concerning the new environmental restoration accelerator for salmon recovery.

**Sponsors:** Representatives Sandlin, Graham, Klicker, Dent and Low.

**Brief Summary of Bill**

- Creates the Environmental Restoration Accelerator (Accelerator) within the Department of Commerce (Commerce) as a means to provide regulatory relief for certain salmon recovery projects.
- Requires Commerce to annually report to the Legislature on the activities of the Accelerator with recommendations for amending state law or rules to provide permanent regulatory relief.
- Directs the Joint Legislative Audit and Review Committee to evaluate the implementation of the Accelerator and report to the Legislature by December 1, 2029.

**Hearing Date:** 1/17/24

**Staff:** Rebecca Lewis (786-7339).

**Background:**

Salmon Recovery.

Several species of salmon, as well as Puget Sound steelhead trout, are listed as either threatened or endangered under the federal Endangered Species Act. The Department of Fish and Wildlife (DFW) is responsible for managing the state's fish and wildlife resources. Several other state

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agencies, including the Departments of Ecology and Natural Resources, the State Conservation Commission, and the Recreation and Conservation Office, either have regulatory authority with respect to various aspects of natural resource and land management related to salmon recovery, administering grant funding for salmon recovery projects, or both.

### Climate Commitment Act.

#### *Climate Commitment Act— Generally.*

Under the Climate Commitment Act (CCA) enacted in 2021, the Department of Ecology (Ecology) must implement a cap on greenhouse gas emissions from covered entities and a program to track, verify, and enforce compliance through the use of compliance instruments (Program), with the Program commencing by January 1, 2023. The Program must consist of, among other things, annual allowance budgets that limit emissions from covered entities, and the creation of a Climate Investment Account for the deposit of receipts from the distribution of emission allowances.

#### *Auctions of Allowances and Climate Commitment Act Accounts.*

Except for directly distributed, no-cost allowances allocated to certain entities, allowances under the Program must be distributed through auctions. Ecology must hold a maximum of four auctions each year, plus any necessary reserve auctions. An auction may include allowances from the annual allowance budget of the current year and allowances from the annual allowances budgets of prior years that remain to be distributed.

Upon completion and verification of auction results, the auction proceeds must be transferred to the State Treasurer for deposit each fiscal year into accounts created in the CCA, including:

- the Carbon Emissions Reduction Account, used for specified types of transportation uses. Deposits into this account must not exceed \$5.2 billion over the first 16 years of the Program;
- the Climate Investment Account, which distributes money into the Climate Commitment Account and the Natural Climate Solutions Account;
- the Natural Climate Solutions Account, used for certain types of climate resiliency expenditures including clean water investments, certain fish habitat restoration and protection, and carbon sequestration storage benefits;
- the Climate Commitment Account, used for certain types of emission reduction and other uses, including fertilizer and soil management; and
- the Air Quality and Health Disparities Account, used for certain types of environmental justice and air quality monitoring expenditures.

### **Summary of Bill:**

#### Environmental Restoration Accelerator.

An environmental restoration accelerator (Accelerator) is established within the Department of Commerce (Commerce). The Director of Commerce must appoint an Administrator and assign staff to run the Accelerator. Legislative intent is expressed that the Accelerator be funded by CCA auction revenue.

The stated goal of the Accelerator is to provide regulatory flexibility for salmon recovery projects and programs funded with Climate Commitment Act (CCA) revenue. Any entity receiving funding for the primary purpose of salmon recovery from any of the following accounts is automatically enrolled in the Accelerator:

- the Climate Investment Account;
- the Climate Commitment Account;
- the Natural Climate Solutions Account; and
- the Air Quality and Health Disparities Improvement Account.

Entities enrolled in the Accelerator have the right to request regulatory relief on a form prescribed by the administrator and have the request considered and responded to in 60 days.

The Administrator must assist every entity in the Accelerator to:

- identify regulatory barriers to successfully and efficiently implementing the project or program for which the entity received funding;
- work with the relevant regulatory agency or agencies to identify what regulatory relief, if any, may be granted to the entity; and
- provide notice to all entities in the Accelerator when regulatory relief is granted to an entity.

Commerce must maintain a registry of entities enrolled in the Accelerator so that those who wish to be notified for request of relief by other entities may update their contact information. The Administrator or the relevant regulatory agency or agencies may rescind regulatory relief if the relief is no longer in the public interest or the program, project, or grant is terminated. In these cases, the relevant agency must provide a detailed explanation of the reason for the rescission to the entity.

#### Reporting.

##### *Department of Commerce.*

Commerce must provide an annual report to the Legislature by January 1, that includes descriptions of the entities requesting relief, summary of regulatory relief requested and granted, and recommendations for amending state law or rules to provide permanent regulatory relief.

##### *Joint Legislative Audit and Review Committee.*

The Joint Legislative Audit and Review Committee (JLARC) must evaluate the implementation of the Accelerator for salmon recovery and report to the Legislature by December 1, 2029. The JLARC must provide recommendations in the report on whether to continue the Accelerator and any changes that may be needed to improve the Accelerator, including a comparison of entities that received regulatory relief to similar entities that either did not request or did not receive relief.

**Appropriation:** None.

**Fiscal Note:** Requested on January 11, 2024.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.