

Multiple Agency Fiscal Note Summary

Bill Number: 6061 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 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 \$	0.2	0	0	43,841	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 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 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 1/29/2024
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Individual State Agency Fiscal Note

Bill Number: 6061 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: Karen Epps	Phone: 360-786-7424	Date: 01/22/2024
Agency Preparation: Buck Lucas	Phone: 360-725-3180	Date: 01/23/2024
Agency Approval: Pouth Ing	Phone: 360-725-2715	Date: 01/23/2024
OFM Review: Cheri Keller	Phone: (360) 584-2207	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.

Section 1 amends RCW 43.21C.229, adding new impact and mitigation language to the criteria list for receiving a categorical exemption, under the State Environmental Policy Act (SEPA), for infill and housing development.

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 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 Local Government Division'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 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: Karen Epps	Phone: 360-786-7424	Date: 01/22/2024
Agency Preparation: Alon Bassok	Phone: 206-464-1271	Date: 01/24/2024
Agency Approval: Karena Houser	Phone: 360-705-7876	Date: 01/24/2024
OFM Review: Maria Thomas	Phone: (360) 229-4717	Date: 01/25/2024

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 WSDOT 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: SB 6061 **Title:** Housing Development/SEPA **Agency:** 405-Department of Transportation

Part I: Estimates

Check applicable boxes and follow corresponding instructions, use the fiscal template table provided to show fiscal impact by account, object, and program (if necessary), **add rows if needed**. If no fiscal impact, check the box below, skip fiscal template table, and go to Part II to explain briefly, why the program believes there will be no fiscal impact to the department.

- 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)

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- 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: 1/23/2024
Approval: Karena Houser	Phone: 360.810.1243	Date: 1/23/2024
Budget Manager: Stacey Halverstadt	Phone: 360.705.7544	Date: 1/24/2024

Individual State Agency Fiscal Note

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 connected to sewer, 2) environmental analysis must be done on the comprehensive plan rather than the proposed areas of exemption and must have sufficient subarea detail to identify development ceilings and impacts to facilities, 3) impacts identified by WSDOT in the consultation process must be addressed through mitigation, and 4) impacts to state transportation facilities may be included in concurrency programs and subdivision and dedication approval processes.

II. B – Cash Receipts Impact

N/A

II. C - Expenditures

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 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:

- 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: Karen Epps	Phone: 360-786-7424	Date: 01/22/2024
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.

Section 1 would amend chapter 43.31C RCW, SEPA, to add a categorical exemption from environmental review under SEPA for residential development in cities, provided the city has conducted certain analytical steps as outlined in the bill. The exemption would be limited to housing projects 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 1.

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 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: Karen Epps	Phone: 360-786-7424	Date: 01/22/2024
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: Defines when certain property is categorically exempt from the State Environmental Policy Act (SEPA). Requires cities or counties to prepare an environmental analysis that considers the maximum density and intensity of the impacts in the jurisdiction's comprehensive plan. The jurisdiction must document consultation with the Department of Transportation regarding impacts on state-owned infrastructure and how the impacts are addressed through mitigation, or through concurrency programs, subdivisions, or dedications approval processes. This does not provide a private party the right to seek judicial review requiring compliance.

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 SB

Title: Housing development/SEPA

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

Legislation Impacts:

- Cities: May adopt or amend local code to include the State Environmental Policy Act categorical exemption for infill development.
- Counties: Same as above.
- Special Districts:
- Specific jurisdictions only: Jurisdictions that plan under the Growth Management Act.
- Variance occurs due to:

Part II: Estimates

- No fiscal impacts.
- Expenditures represent one-time costs: Ordinances to amend existing local code, or ordinance costs to implement and adopt the State Environmental Policy Act categorical exemption for infill development.
- Legislation provides local option: Adopting the categorical exemption is a local option.
- Key variables cannot be estimated with certainty at this time: Number of jurisdictions with State Environmental Policy Act categorical exemption for infill development, 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: 01/29/2024
Leg. Committee Contact: Karen Epps	Phone: 360-786-7424	Date: 01/22/2024
Agency Approval: Allan Johnson	Phone: 360-725-5033	Date: 01/29/2024
OFM Review: Lisa Borkowski	Phone: (360) 742-2239	Date: 01/29/2024

Part IV: Analysis

A. SUMMARY OF BILL

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

This legislation would categorically exempt housing projects served by city sewer from review under the State Environmental Policy Act (SEPA) so long as the development meets certain requirements for planning and development regulations.

Section 1 would amend chapter 43.31C RCW to add a categorical exemption from environmental review under SEPA for residential development in cities. The exemption would be limited to housing projects served by city sewer. In order to qualify for the categorical exemption, the act requires cities or counties to prepare an environmental analysis that considers the maximum density and intensity of the impacts in the jurisdiction's comprehensive plan.

Additionally, the jurisdiction must document consultation with the Department of Transportation regarding impacts on state-owned infrastructure and how the impacts are addressed through mitigation, or through concurrency programs, subdivisions, or dedications approval processes

The act would prohibit a private party from seeking judicial review that would require compliance.

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.

This legislation would be a local option for cities and counties that fully plan under the Growth Management Act (GMA).

Although this is a local option, there would be indeterminate expenditure impacts to cities and counties, as the total number of these jurisdictions that have adopted categorical exemption for residential infill development into their local code is not known. In certain jurisdictions, there would be costs to update local code. Costs for these types of amendments may start at \$3,200, per city or county. For cities and counties that have not adopted categorical exemptions for infill development and chose the local option, there would be significant costs to adopt these provisions into their local code as well as have the supporting environmental review under the State Environmental Policy Act (SEPA). The costs associated with this could be significant.

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 subjected to an environmental impact statement (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 AMEND CODE FOR SEPA CATEGORICAL EXEMPTION:

Indeterminate – There are 28 counties and 218 cities that plan under the GMA with urban growth areas that may have costs starting at \$3,200 to adopt amended categorical infill exemptions for residential development.

If every jurisdiction that planned under the GMA with an UGA adopted the provisions of Sec. 1(3) the costs may be approximately \$787,000.

Many jurisdictions have adopted SEPA categorical exemptions regulations through the WAC by reference, and incorporating the rules for this act may carry minimal costs for these jurisdictions. However, other jurisdictions may need to amend other development and zoning regulations to incorporate the changes to existing infill development exemptions, which would have more significant costs. The number of cities and counties that would choose one option or the other cannot be determined in advance.

The Local Government Fiscal Program Unit Cost Model estimates that the cost the typical cost per jurisdiction to adopt an ordinance with a hearing of the same complexity from \$3,200 for a simple ordinance to \$10,280 for a complex ordinance. These estimates include costs for draft ordinances, advisory commission meeting and recommendation, finalized ordinance, publication of ordinance, and general public information. Assuming these ordinances are complex, with a hearing of the same complexity the following ordinance adoption costs can be estimated:

\$3,200 per city or county that chooses to adopt the categorical exemption in this act by reference. Costs would start at \$10,280

Illustrative Example of Amended Local Code for SEPA Residential Infill Development:

If all planning jurisdictions would have to amend their existing code to conform to the new SEPA categorical exemptions, as described in this legislation, the total estimated costs would be:

Cities: 218 x \$3,200 = \$679,600

Counties: 28 x \$3,200 = \$89,600

Illustrative Estimate Total: \$787,200

However, not all jurisdictions that plan under the Growth Management Act have categorical exemptions for infill development in their local code.

COSTS TO ADOPT NEW CATEGORICAL EXEMPTIONS:

Indeterminate – Estimate for each jurisdiction that would adopt categorical exemption for residential infill development would start at approximately \$10,280 per jurisdiction that does not currently have these provisions in their in their municipal code. Additional costs may be necessary to comply with the environmental review components of Sec. 1(3)(a) and Sec. 1(3)(b) that authorize the infill development 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 \$642 for a simple ordinance to \$10,280 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 Infill Development Categorical Exemptions:

Indeterminate - The number of jurisdictions that lack an infill development categorical exemption is unknown, but in these jurisdictions, an Environmental Impact Statement (EIS) would be a requirement per Sec. 3. The costs for the EIS may start \$100,000 per city and \$300,000 per county.

The cost to counties and individual cities that would pursue infill development through 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.

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)

Senate Bill Report, SB 6061 (2024)