(SUBSTITUTED FOR - SEE 2ND SUB)

Modernizes the functionality of the state environmental policy act.

Requires the department of ecology to: (1) Update the rule-based categorical exemptions to the state environmental policy act and update the environmental checklist;

- (2) Update the thresholds for all other project actions;
- (3) Convene an advisory committee to assist in updating the environmental checklist and the thresholds for other project actions; and
- (4) Accept electronic submittal of all required filings from lead agencies.

Exempts from the state environmental policy act, certain projects designed exclusively to restore natural wildlife or fishery habitats or certain projects that serve as environmental mitigation for other projects.

Allows counties, cities, and towns to recover reasonable expenses incurred by the preparation of a nonproject environmental impact statement.

Allows money in the growth management planning and environmental review fund to be used to make loans to local governments for certain purposes.