

# HOUSE BILL REPORT

## HB 2403

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### As Reported By House Committee On:

Government Operations

**Title:** An act relating to economic impact analysis of proposed actions by government.

**Brief Description:** Analyzing the economic impact of government actions.

**Sponsors:** Representatives Reams, Cairnes, Elliot, Thompson, Mulliken and McMahan.

### Brief History:

#### Committee Activity:

Government Operations: 1/16/96, 1/17/96, 1/23/96 [DPS].

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## HOUSE COMMITTEE ON GOVERNMENT OPERATIONS

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 8 members: Representatives Reams, Chairman; Cairnes, Vice Chairman; Goldsmith, Vice Chairman; Hargrove; Honeyford; Hymes; Mulliken and D. Schmidt.

**Minority Report:** Without recommendation. Signed by 5 members: Representatives Rust, Ranking Minority Member; Scott, Assistant Ranking Minority Member; Conway; R. Fisher and Wolfe.

**Staff:** Steve Lundin (786-7127).

### Background:

#### 1. State Environmental Policy Act.

The State Environmental Policy Act (SEPA) was enacted in 1971. SEPA requires local governments and state agencies to prepare a detailed statement, or environmental impact statement (EIS), if proposed legislation or other major action may have a probable significant, adverse impact on the environment. The determination whether a detailed statement must be prepared involves a threshold determination and use of an environmental checklist. Some matters are categorically exempted from a threshold determination, as provided in rules adopted by the Department of Ecology.

If it appears that a probable significant adverse environmental impact may result, the proposal may be altered, or its probable significant adverse impact mitigated, to remove the probable significant adverse impact. If the probable significant adverse environmental impact remains, then an environmental impact statement is prepared. The environmental impact statement is limited, or scoped, to address only the matter or matters that are determined under the threshold determination process to have a probable significant adverse environmental impact.

## 2. Growth Management Act

The Growth Management Act (GMA) was enacted in 1990 and 1991 and established some requirements for all counties and cities and a larger number of requirements for counties and cities planning under all GMA requirements. Among other requirements, counties and cities planning under all GMA requirements must adopt (1) comprehensive plans, addressing a number of elements and consistent with statutorily established goals; and (2) development regulations implementing their comprehensive plans.

Legislation was enacted in 1995, as a part of the recommendations from the Governor's Task Force on Regulatory Reform, to establish a number of additional requirements for counties and cities planning under the GMA. Such counties and cities are encouraged to adopt broad detailed statements, or enhanced environmental impact statements, on comprehensive plans and development regulations adopted under the GMA that have environmental impact. Such statements should be consistent with the comprehensive plan on development regulations.

**Summary of Substitute Bill:** Whenever a county or city prepares a detailed statement or environmental impact statement of a comprehensive plan or subarea plan adopted under the GMA, it shall also analyze the potential economic effects arising from the proposal, including economic effects on property owners.

**Substitute Bill Compared to Original Bill:** The bill is narrowed. Economic analyses are required to be prepared only when an EIS is prepared on a comprehensive plan or subarea plan adopted under the GMA, instead of whenever an ordinance or rule is adopted or project approved.

**Appropriation:** None.

**Fiscal Note:** Requested on January 14, 1996.

**Effective Date of Substitute Bill:** Ninety days after adjournment of session in which bill is passed.

**Testimony For:** This is part of our package of proposals. We favor this bill.

**Testimony Against:** This should not apply to permits. Procedural difficulties could arise.

**Testified:** Representative Reams, prime sponsor; Dave Williams, Association of Washington Cities; and Ken Johnson, Association of Washington Business.