

# HOUSE BILL REPORT

## EHB 2897

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**As Passed House:**

February 13, 1998

**Title:** An act relating to categorical exemptions from the state environmental policy act for certain activities.

**Brief Description:** Exempting certain activities from the state environmental policy act.

**Sponsors:** Representatives Reams, Grant, Schoesler, Sheahan, Doumit, Pennington, Hatfield, Mulliken, Sherstad, Thompson, Cairnes, Sullivan, Benson, Koster, McMorris, Bush, Dunn, Mielke, Crouse, Chandler and Zellinsky.

**Brief History:**

**Committee Activity:**

Government Reform & Land Use: 1/26/98, 1/28/98 [DP].

**Floor Activity:**

Passed House: 2/13/98, 59-37.

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### HOUSE COMMITTEE ON GOVERNMENT REFORM & LAND USE

**Majority Report:** Do pass. Signed by 6 members: Representatives Cairnes, Vice Chairman; Sherstad, Vice Chairman; Bush; Mielke; Mulliken and Thompson.

**Minority Report:** Do not pass. Signed by 4 members: Representatives Romero, Ranking Minority Member; Lantz, Assistant Ranking Minority Member; Fisher and Gardner.

**Staff:** Caroleen Dineen (786-7156).

**Background:** The Growth Management Act (GMA) requires certain counties, and cities located in those counties, to plan according to the statutory requirements. The legislative authority of any county not required to plan under the GMA may adopt a resolution making the county and the cities located in that county plan under all of the GMA requirements. One of these requirements is designation of urban growth areas, within which urban growth shall be encouraged and outside of which growth may occur only if it is not urban in nature.

The State Environmental Policy Act (SEPA) requires local governments and state agencies to prepare an environmental impact statement if proposed legislation or other

major action has a probable significant adverse impact on the environment. The lead agency's responsible official makes the threshold determination whether an environmental impact statement must be prepared.

If it appears that a probable significant adverse environmental impact may result, the proposal may be altered or its probable significant adverse impact mitigated. If this cannot be accomplished, an environmental impact statement must be prepared. The environmental impact statement is limited, or scoped, to address only the matters determined to have a probable significant adverse environmental impact.

Any action may be conditioned or denied pursuant to SEPA to mitigate specific adverse environmental impacts identified in the environmental documents prepared according to SEPA requirements. Any such conditions or denials must be based on policies identified and designated by the agency or local government as possible bases for the exercise of SEPA authority.

The Department of Ecology (DOE) is required to adopt rules to implement SEPA. Among other rules, DOE must define "categorical exemptions," which are categories of actions not considered major actions significantly affecting the quality of the environment. Actions determined to be categorically exempt are not subject to the environmental review or environmental impact statement requirements of SEPA. According to the DOE rules, categorical exemptions include certain actions classified as minor new construction or minor land use decisions. Counties and cities are permitted to raise the exemption level for certain actions classified as minor new construction to specified levels. Only cities are permitted to raise the exemption level for certain minor land use decisions.

Watershed plans are locally developed plans implemented to address water quality issues and to prevent and control water pollution. Among other duties, the Puget Sound Action Team coordinates permitting requirements for watershed plans in the Puget Sound region. DOE has established by rule criteria and procedures for developing and implementing watershed plans for watersheds in the Puget Sound region.

**Summary of Bill:** Two new sections are added to SEPA identifying categories of actions which are categorically exempt from SEPA requirements.

A statutory exemption is created for certain activities classified as categorical exemptions in the DOE's SEPA rules. Minimum categorical exemption levels for several actions, including certain minor new construction, landfill, excavation, and minor land use decisions, are increased and codified in statute. These exemptions apply only within urban growth areas designated under the GMA. The legislative authority of a county or city planning under the GMA may by ordinance or resolution raise certain of the statutory exemption levels to specified maximum levels.

A statutory exemption is also created for counties' and conservation district's preparation and adoption of watershed plans for watersheds outside the Puget Sound region. Specific participation and public hearing requirements must be satisfied to qualify for the exemption.

Statutory categorical exemptions are exempt from all SEPA requirements.

**Appropriation:** None.

**Fiscal Note:** Not requested.

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

**Testimony For:** (Original bill) This bill is consistent with the Governor's philosophies on regulatory reform, economic development and affordable housing. The SEPA process must be simplified without undermining environmental protections. Impacts are already addressed in comprehensive plans and development regulations. The goal is to expedite permitting but allow application of development regulations. On-site mitigation rather than mitigation fees will be provided. Limiting exemptions to urban growth areas is consistent with urban growth planning. All parties will be benefitted.

**Testimony Against:** (Original bill) This bill creates a "one size fits all" approach to SEPA. Even with GMA implementation, SEPA is needed to address unanticipated development issues and cumulative impacts. This bill does not address incompatible land uses, which may increase the Department of Natural Resources' administrative costs in managing its lands. It is valuable for cities to have the range available in the current regulations to increase exempt levels. Taking away SEPA's role does not serve the public interest.

**Testified:** Jodi Walker, Building Industry Association of Washington (pro); Craig Steepy, SCA Engineering (pro); Gordon White, Washington Department of Ecology (concerns); Tom Bjorgen and Josh Baldi, Washington Environmental Council (con); Peter Birch, Washington Department of Fish & Wildlife (con); Virginia Gunby, 1000 Friends of Washington (con); Stan Biles, Washington Department of Natural Resources (con); Scott Hazelgrove, Association of Washington Business (pro); Dave Williams, Association of Washington Cities (pro); Paul Parker, Washington State Association of Counties (pro); and Ron Shultz, National Audubon Society (con).