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## SUBSTITUTE SENATE BILL 6093

State of Washington 62nd Legislature 2012 Regular Session

By Senate Transportation (originally sponsored by Senators Haugen, King, Sheldon, Eide, Swecker, Hatfield, and Morton)

READ FIRST TIME 02/07/12.

AN ACT Relating to pairing required investments in compensatory environmental mitigation, including the mitigation of transportation projects, with existing programs currently referenced in Title 76 RCW that enhance natural environmental functions; amending RCW 47.01.300, 90.74.005, 90.74.010, 90.74.020, and 90.74.030; adding a new section to chapter 90.74 RCW; adding a new section to chapter 76.09 RCW; creating a new section; and providing an expiration date.

- 8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 9 **Sec. 1.** RCW 47.01.300 and 1994 c 258 s 4 are each amended to read 10 as follows:
- 11 The department shall, in cooperation with environmental regulatory 12 authorities:
- 13 (1) Identify and document environmental resources in the development of the statewide multimodal plan under RCW 47.06.040;
- 15 (2) Allow for public comment regarding changes to the criteria used 16 for prioritizing projects under chapter 47.05 RCW before final adoption 17 of the changes by the commission;
- 18 (3) Use an environmental review as part of the project prospectus 19 identifying potential environmental impacts, mitigation, <u>the</u>

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- utilization of the mitigation option available in section 5 of this act, and costs during the early project identification and selection phase, submit the prospectus to the relevant environmental regulatory authorities, and maintain a record of comments and proposed revisions received from the authorities;
  - (4) Actively work with the relevant environmental regulatory authorities during the design alternative analysis process and seek written concurrence from the authorities that they agree with the preferred design alternative selected;
  - (5) Develop a uniform methodology, in consultation with relevant environmental regulatory authorities, for submitting plans and specifications detailing project elements that impact environmental resources, and proposed mitigation measures <u>including the mitigation option available in section 5 of this act</u>, to the relevant environmental regulatory authorities during the preliminary specifications and engineering phase of project development;
  - (6) Screen construction projects to determine which projects will require complex or multiple permits. The permitting authorities shall develop methods for initiating review of the permit applications for the projects before the final design of the projects;
- (7) Conduct special prebid meetings for those projects that are environmentally complex; and
- 23 (8) Review environmental considerations related to particular 24 projects during the preconstruction meeting held with the contractor 25 who is awarded the bid.
- 26 **Sec. 2.** RCW 90.74.005 and 1997 c 424 s 1 are each amended to read 27 as follows:
  - (1) The legislature finds that:

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- 29 (a) The state lacks a clear policy relating to the mitigation of 30 wetlands and aquatic habitat for infrastructure development;
- 31 (b) Regulatory agencies have generally required project proponents 32 to use compensatory mitigation only at the site of the project's 33 impacts and to mitigate narrowly for the habitat or biological 34 functions impacted by a project;
- 35 (c) This practice of considering traditional on-site, in-kind 36 mitigation may provide fewer environmental benefits when compared to

innovative mitigation proposals that provide benefits in advance of a project's planned impacts and that restore functions or habitat other than those impacted at a project site; ((and))

- (d) Regulatory decisions on development proposals that attempt to incorporate innovative mitigation measures take an unreasonably long period of time and are subject to a great deal of uncertainty and additional expenses; and
- (e) Greater environmental benefits may be achievable through compensatory environmental mitigation when the collective mitigation investments of project proponents is paired with the structure of successful state programs that are referenced in statute and are designed to enhance and preserve aquatic and riparian functions when there is a clear linkage between the environmental impacts and the goals of the state program. Programs such as the forestry riparian easement program, the family forest fish passage program, and the riparian open space program created pursuant to RCW 76.09.040 may have a logical and physical nexus with many underlying projects, especially road projects, and are proven to create a sustained benefit in the aquatic environment.
- (2) The legislature therefore declares that it is the policy of the state to authorize innovative mitigation measures by requiring state regulatory agencies to consider mitigation proposals for ((infrastructure)) projects that are timed, designed, and located in a manner to provide equal or better biological functions and values compared to traditional on-site, in-kind mitigation proposals.
- (3) It is the intent of the legislature to authorize local governments to accommodate the goals of this chapter. It is not the intent of the legislature to: (a) Restrict the ability of a project proponent to pursue project specific mitigation; or (b) create any new authority for regulating wetlands or aquatic habitat beyond what is specifically provided for in this chapter.
- **Sec. 3.** RCW 90.74.010 and 1997 c 424 s 2 are each amended to read 33 as follows:
- The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.
- 36 (1) "Mitigation" means sequentially avoiding impacts, minimizing 37 impacts, or compensating for remaining unavoidable impacts.

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(2) "Compensatory mitigation" means the restoration, creation, enhancement, or preservation of uplands, wetlands, or other aquatic resources for the purposes of compensating for unavoidable adverse impacts that remain after all appropriate and practicable avoidance and minimization has been achieved. "Compensatory mitigation" includes mitigation that:

- (a) Occurs at the same time as, or in advance of, a project's planned environmental impacts;
- (b) Is located in a site either on, near, or distant from the project's impacts; and
- (c) Provides either the same or different biological functions and values as the functions and values impacted by the project.
- (3) "Infrastructure development" means an action that is critical for the maintenance or expansion of an existing infrastructure feature such as a highway, rail line, airport, marine terminal, utility corridor, harbor area, or hydroelectric facility and is consistent with an approved land use planning process. This planning process may include the growth management act, chapter 36.70A RCW, or the shoreline management act, chapter 90.58 RCW, in areas covered by those chapters.
- (4) "Mitigation plan" means a document or set of documents developed through joint discussions between a project proponent and environmental regulatory agencies that describe the unavoidable wetland or aquatic resource impacts of ((the)) a proposed infrastructure development or noninfrastructure development and the proposed compensatory mitigation for those impacts.
- (5) "Project proponent" means a public or private entity responsible for preparing a mitigation plan.
- (6) "Watershed" means an area identified as a state of Washington water resource inventory area under WAC 173-500-040 as it exists on ((July 27, 1997)) the effective date of this section.
- 31 (7) "Family forest fish passage program" means the program
  32 administered by the recreation and conservation office created pursuant
  33 to RCW 76.09.410 that provides public cost assistance to small forest
  34 landowners associated with the road maintenance and abandonment
  35 processes.
- 36 (8) "Forestry riparian easement program" means the program
  37 established in RCW 76.13.120.

(9) "Noninfrastructure development" means a development project that requires the completion of compensatory mitigation that does not meet the definition of "infrastructure development" and is consistent with an approved land use planning process. This planning process may include the growth management act, chapter 36.70A RCW, or the shoreline management act, chapter 90.58 RCW, in areas covered by those chapters.

- 7 (10) "Riparian open space program" means the program created 8 pursuant to RCW 76.09.040.
  - Sec. 4. RCW 90.74.020 and 1997 c 424 s 3 are each amended to read as follows:
    - (1) Project proponents may use a mitigation plan to propose compensatory mitigation within a watershed. A mitigation plan shall:
    - (a) Contain provisions that guarantee the long-term viability of the created, restored, enhanced, or preserved habitat, including assurances for protecting any essential biological functions and values defined in the mitigation plan;
    - (b) Contain provisions for long-term monitoring of any created, restored, or enhanced mitigation site; and
    - (c) Be consistent with the local comprehensive land use plan and any other applicable planning process in effect for the development area, such as an adopted subbasin or watershed plan.
    - (2)(a) The departments of ecology and fish and wildlife may not limit the scope of options in a mitigation plan to areas on or near the project site, or to habitat types of the same type as contained on the project site. The departments of ecology and fish and wildlife shall fully review and give due consideration to compensatory mitigation proposals that improve the overall biological functions and values of the watershed or bay and accommodate the mitigation needs of the infrastructure development or noninfrastructure development, including proposals or portions of proposals that are explored or developed in section 5 of this act.
    - (b) The departments of ecology and fish and wildlife are not required to grant approval to a mitigation plan that the departments find does not provide equal or better biological functions and values within the watershed or bay.
  - (3) When making a permit or other regulatory decision under the guidance of this chapter, the departments of ecology and fish and

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wildlife shall consider whether the mitigation plan provides equal or better biological functions and values, compared to the existing conditions, for the target resources or species identified in the mitigation plan. This consideration shall be based upon the following factors:

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- (a) The relative value of the mitigation for the target resources, in terms of the quality and quantity of biological functions and values provided;
- (b) The compatibility of the proposal with the intent of broader resource management and habitat management objectives and plans, such as existing resource management plans, watershed plans, critical areas ordinances, the forestry riparian easement program, the riparian open space program, the family forest fish passage program, and shoreline master programs;
- 15 (c) The ability of the mitigation to address scarce functions or values within a watershed;
  - (d) The benefits of the proposal to broader watershed landscape, including the benefits of connecting various habitat units or providing population-limiting habitats or functions for target species;
  - (e) The benefits of early implementation of habitat mitigation for projects that provide compensatory mitigation in advance of the project's planned impacts; and
- 23 (f) The significance of any negative impacts to nontarget species 24 or resources.
- 25 (4) A mitigation plan may be approved through a memorandum of 26 agreement between the project proponent and either the department of 27 ecology or the department of fish and wildlife, or both.
- NEW SECTION. Sec. 5. A new section is added to chapter 90.74 RCW to read as follows:
  - (1)(a) To the degree that resources are deemed available by the affected departments, the department of ecology and the department of fish and wildlife shall allow, when appropriate, programs that are related to environmental mitigation, or explore the potential of developing new programs, to utilize the forestry riparian easement program, the riparian open space program, or the family forest fish passage program to mitigate for environmental impacts from projects

conducted in the state where compatible with existing regulations. The use of these programs may not be additive to existing compensatory mitigation requirements.

- (b) In implementing this subsection, the department of natural resources may be used as a resource, consistent with section 8 of this act, to assist in identifying potential projects that can be used for the mitigation of infrastructure and noninfrastructure development.
- (2) The department of ecology and the department of fish and wildlife are authorized to seek federal or private funds and in-kind contributions to implement this section. The scope of effort in implementing this section may be defined by the success of the department of ecology and the department of fish and wildlife in securing specific funding.
- NEW SECTION. Sec. 6. (1) The department of ecology and the department of fish and wildlife must provide a report to the legislature, consistent with RCW 43.01.036, by December 31, 2012, on:
  - (a) Any successes in using existing programs to mitigate impacts for infrastructure and noninfrastructure development, as those terms are defined in RCW 90.74.010, as provided in section 5 of this act; and
  - (b) Any constraints discovered that limits the applicability of section 5 of this act.
  - (2) The department of ecology and the department of fish and wildlife must provide a report to the legislature, consistent with RCW 43.01.036, by December 31, 2013, on:
  - (a) The identification of any additional programs that may be appropriate for inclusion in an environmental mitigation plan;
  - (b) The feasibility of developing new programs that may be appropriate for inclusion in an environmental mitigation plan, including the identification of:
    - (i) How often a program would be suitable for inclusion;
    - (ii) When and where a new program would be suitable for inclusion;
    - (iii) Constraints on the suitability of any new program; and
- 33 (iv) Timelines, implementation costs, agency resource needs, and 34 requests for new legal authority.
  - (3) The report required in subsection (2) of this section should, if deemed appropriate and funding allows, be developed in consultation with the department of commerce, the department of transportation, the

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- department of natural resources, and other stakeholders such as counties, cities, affected tribes, forest landowners, environmental interests, and the development community.
  - (4) The authority provided in section 5(2) of this act relating to the acceptance of nonstate money may be utilized to fund the implementation of this section. The scope of effort in implementing this section may be defined by the success of the department of ecology and the department of fish and wildlife in securing specific funding.
    - (5) This section expires July 30, 2014.

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- 10 **Sec. 7.** RCW 90.74.030 and 1997 c 424 s 4 are each amended to read 11 as follows:
- 12 (1) In making regulatory decisions relating to wetland or aquatic 13 resource mitigation, the departments of ecology and fish and wildlife 14 shall, at the request of the project proponent, follow the guidance of 15 ((RCW 90.74.005 through 90.74.020)) this chapter.
- 16 (2) If the department of ecology or the department of fish and 17 wildlife receives multiple requests for review of mitigation plans, 18 each department may schedule its review of these proposals to conform 19 to available budgetary resources.
- NEW SECTION. Sec. 8. A new section is added to chapter 76.09 RCW to read as follows:
  - The department and, when appropriate, the small forest landowner office established in RCW 76.13.110 must assist in identifying potential projects that can be used for the mitigation of infrastructure and noninfrastructure development, as those terms are defined in RCW 90.74.010, as provided in section 5 of this act.

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