

# HOUSE BILL REPORT

## SB 5621

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**As Reported by House Committee On:**  
Technology & Economic Development

**Title:** An act relating to projects of statewide significance for economic development and transportation.

**Brief Description:** Concerning projects of statewide significance for economic development and transportation.

**Sponsors:** Senators Brown, Hobbs, Rivers, Sheldon, Ericksen, Warnick, Honeyford, Becker, Braun and Wilson.

**Brief History:**

**Committee Activity:**

Technology & Economic Development: 3/21/17, 3/23/17 [DP].

**Brief Summary of Bill**

- Expands the types of projects that qualify as projects of statewide significance.
- Changes the qualifications for designating projects of statewide significance.
- Requires agreements between cities and counties and the Office of Regulatory Assistance to include the coordinated and comprehensive review of a project of statewide significance.

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### HOUSE COMMITTEE ON TECHNOLOGY & ECONOMIC DEVELOPMENT

**Majority Report:** Do pass. Signed by 11 members: Representatives Morris, Chair; Tarleton, Vice Chair; Smith, Ranking Minority Member; DeBolt, Assistant Ranking Minority Member; Doglio, Harmsworth, Manweller, McDonald, Nealey, Steele and Wylie.

**Minority Report:** Do not pass. Signed by 3 members: Representatives Kloba, Vice Chair; Hudgins and Santos.

**Minority Report:** Without recommendation. Signed by 2 members: Representatives Fey and Slatter.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

**Staff:** Kirsten Lee (786-7133).

**Background:**

Projects of Statewide Significance.

The Department of Commerce (Commerce) may designate qualifying projects as projects of statewide significance to expedite their completion. Projects of statewide significance include:

- a border crossing project that involves both private and public investments carried out in conjunction with adjacent states or provinces;
- a development project that will provide a net environmental benefit;
- a development project in furtherance of the commercialization of innovations;
- a private industrial development with private capital investment in manufacturing or research and development; or
- an aviation biofuels production facility.

Qualifications for Designation.

A project applicant must apply to Commerce for the project of statewide significance designation. Except for aviation biofuels production facilities, the project must:

- comply with population-based capital investment requirements;
- have 50 or more projected full-time employment positions after completion of construction in qualifying rural counties;
- have 100 or more projected full-time employment positions after completion of construction in non-rural counties; or
- have been qualified by the Director of Commerce as a project of statewide significance for specific reasons, including that the economic circumstances of the county merit the additional assistance the designation will bring, and that the impact on a region due to the size and complexity of the project merits the designation.

City and County Agreements.

A county or city with projects of statewide significance within its jurisdiction must enter into an agreement with the Office of Regulatory Assistance (ORA) and the project managers of projects of statewide significance for expediting the completion of qualifying projects. The agreement must require:

- expedited permit processing for the design and construction of the project;
- expedited environmental review processing;
- expedited processing of requests for street, right-of-way, or easement vacations necessary for the construction of the project;
- participation of local officials on the team assembled to help meet the planning, permitting, and development needs of the project; and
- other actions or items deemed necessary by the ORA for the design and construction of the project.

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**Summary of Bill:**

Projects of Statewide Significance.

The types of projects that qualify as projects of statewide significance are expanded to include private industrial developments with private capital investment in:

- transportation;
- development of a renewable resource; or
- environmental conservation or efficiency.

"Transportation" means a project to improve or repair a highway or road, approaches to a highway, highway ramps, and parking facilities. Transportation does not include conveyance of construction materials. "Renewable resource" means: (a) wind; (b) solar energy; (c) geothermal energy; (d) landfill gas; (e) gas from sewage treatment facilities; (f) biodiesel fuel that qualifies for a certain business and occupations tax deduction and is not derived from crops raised on land cleared from old growth or first-growth forests where the clearing occurred after December 7, 2006; or (g) biomass energy.

For projects of statewide significance that provide a net environmental benefit, the benefit may be to the state or a region of the state.

#### Qualifications for Designation.

The job creation criteria for projects other than aviation biofuels production facility projects are modified as follows:

- In qualifying rural counties, the projected full-time employment positions after completion of construction must be 30 or greater, rather than 50 or greater.
- In non-rural counties, the projected full-time employment positions after completion of construction must be 70 or greater, rather than 100 or greater.
- If the project will create jobs in both rural and non-rural counties, projected full-time employment positions after completion of construction must be 70 or greater.

The Director of Commerce may qualify a project as a project of statewide significance if:

- the economic circumstances of the county or region, rather than only the county, merit the additional assistance the designation will bring; and
- the impact on a county or region, rather than only a region, merits the designation due to the size and complexity of the project.

#### City and County Agreements.

A county or city's agreement with the Office of Regulatory Assistance and the project managers is expanded to include completing a coordinated and comprehensive review of a project of statewide significance. The expedited processing of requests for street, right-of-way, or easement vacations necessary for the construction of the project must be consolidated and include other local administrative permits. Other actions or items deemed necessary for the design and construction of the project may not alter any agency or local government permitting authority or other existing statutory requirements.

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**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.

**Staff Summary of Public Testimony:**

(In support) The bill is an attempt to codify a process that helps expedite and streamline the permitting process for projects of statewide significance, including construction and transportation projects, without changing any regulatory requirements. This process is a useful tool to create jobs in Washington, which helps rural communities where unemployment levels are high and job growth is slower than other areas of the state.

(Opposed) None.

**Persons Testifying:** Senator Brown, prime sponsor; Mike Ennis, Association of Washington Business; and Josh Swanson, International Union of Operating Engineers Local 302.

**Persons Signed In To Testify But Not Testifying:** None.