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## Ecology & Parks Committee

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### HB 1718

**Brief Description:** Reducing greenhouse gases in Washington.

**Sponsors:** Representatives Upthegrove, Williams, Hudgins, McCoy, Dickerson, Hunt, Dunshee and Nelson.

#### Brief Summary of Bill

- Authorizes strategies to reduce energy consumption.
- Authorizes strategies for compact and transit oriented developments.
- Authorizes strategies to expand multimodal infrastructure and complete streets.
- Authorizes various funding mechanisms intended to lower greenhouse gas emissions and reduce energy consumption.
- Sets a statewide goal of achieving an 80 percent recycling rate by 2020.
- Creates objectives for the comprehensive solid waste management plan.
- Creates a product stewardship program at the Department of Ecology.
- Amends the Growth Management Act to achieve and support greenhouse gas emissions reductions.

**Hearing Date:** 1/30/09

**Staff:** Jaclyn Ford (786-7339)

#### **Background:**

##### Governor Gregoire's Executive Order Setting Greenhouse Gas Emissions Goals

On February 7, 2007, the Governor issued an executive order establishing goals for greenhouse gas (GHG) emissions reductions, for increasing clean energy sector jobs, and for reducing expenditures on imported fuel. The executive order also directed the Department of Ecology

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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.*

(DOE) and the Department of Community, Trade & Economic Development (DCTED) to lead stakeholders in a process that will consider a full range of policies and strategies to achieve the emissions goals.

### Climate Action Team

The Climate Action Team (CAT), a broad-based group of Washington business, academic, tribal, state and local government, labor, religious, and environmental leaders, worked throughout 2007 and 2008 to develop a comprehensive set of state-level policy recommendations that are intended to help meet the state's mandatory requirements for reducing GHG emissions to 1990 levels by 2020 and 50 percent below 1990 levels by 2050.

The CAT focused its efforts in four areas through Implementation Work Groups (IWGs): the built environment, transportation, reducing the waste stream, and the role of the State Environmental Policy Act (SEPA).

The Beyond Waste IWG's goal was to significantly expand source reduction, reuse, recycling and composting, and build on what is best and most successful in the current waste management system by developing an environmentally and economically sustainable implementation plan targeting products and organic materials with the largest GHG reduction potential.

The Energy Efficiency and Green Buildings IWG's goal was to identify actions that can result in significant emission reductions in Washington's built environment, both directly through reduced use of fossil fuel based energy as well as indirectly by reducing the use of GHG-intensive products.

The Transportation IWG's goal was to identify actions that can result in significant reductions in transportation-related GHG emissions in Washington State.

The SEPA IWG's goal was to develop recommendations to ensure that consideration of climate change is included in the SEPA.

### **Summary of Bill:**

#### **Part 1 - Energy Efficiency and Green Buildings**

The DCTED must develop and implement a strategic plan for enhancing energy efficiency and reducing GHG emissions from homes, buildings, districts, and neighborhoods. This plan must be used to direct the future energy code. The plan must identify barriers to achieving net zero energy use in homes and buildings and identify how to overcome those barriers in updated energy codes and complimentary policies. The State Building Code Council (Council) and the DCTED must convene a work group to inform the initial development of the strategic plan. The plan must be complete by December 31, 2010.

#### *Washington State Energy Code Requirements*

The state energy code for residential and nonresidential buildings must be the 2006 edition of the Washington State Energy Code, as amended by the Council. Homes and buildings constructed from 2016 through 2031 must meet certain energy efficiency targets, culminating in a requirement that new homes and buildings built by 2031 must be designed and constructed to achieve a 70 percent reduction in energy use for that building type.

Beginning January 1, 2010, qualifying utilities must maintain records of the energy consumption of all nonresidential and qualifying public agency buildings for which they provide service. Upon the authorization of the nonresidential building owner or operator, the qualifying utility must upload all of the energy consumption data to the portfolio manager. Nonpublic nonresidential building performance data must be uploaded either in 2011 or 2012, based on the size of the building. This data must be disclosed to a prospective buyer, lessee, or lender.

By December 31, 2009, the DCTED must recommend to the Legislature a methodology to determine an energy performance score for residential buildings and an implementation strategy to ensure disclosure of that score at the time of sale.

#### *Portfolio Management*

By January 1, 2010, the Department of General Administration must establish a state portfolio manager master account.

By July 1, 2010, each qualifying public agency must create an energy benchmark using a portfolio manager, report the rating for each reporting public facility, and link all portfolio manager accounts to the state portfolio manager master account.

Every reporting public facility with a national energy performance rating score below 50 must undertake a preliminary energy audit by July 1, 2011. If potential cost-effective energy savings are identified, an investment grade energy audit must be completed by July 1, 2012, with implementation of the cost-effective energy conservation measures by July 1, 2015. The state may not renew leases with buildings that have a portfolio manager score below 50.

If a building is not covered by the national energy performance rating, a preliminary energy audit must be undertaken by July 1, 2012. If cost-effective energy savings are identified, an investment grade energy audit must be completed by July 1, 2013.

#### *Conservation Improvements and Loans*

A municipality may construct, purchase, acquire, add to, extend, maintain, or operate a system of conservation facilities for the purpose of providing to its inhabitants and other people services that lead to the more efficient consumption of energy resources.

A county, city, town, or district may make assistance available in the form of grants for conservation improvements to existing structures owned or occupied by people qualifying as poor or infirm. The county, city, town, or district and the property owner must enter into a loan agreement, where the county, city, town, or district has a statutory lien on the property.

Loans may be used to secure and repay general obligation or revenue bonds, notes, or other forms of indebtedness issued by or on behalf of the county, city, town, or district. For the purpose of securing the payment of the principal and interest on any bonds or notes, the county, city, town, or district may create a reserve fund.

## **Part 2 - Transportation**

The transportation element of the local comprehensive plan must include transit oriented development and other compact development strategies. The DCTED must clarify land aggregation tools and concurrency options for use in compact and transit oriented developments.

Ad valorem property tax is exempt for 12 years if the applicant of a property commits to building a compact and transit-oriented development.

#### *Preference Requirements*

The Department of Transportation (DOT) must give preference to projects that forward the criteria of compact and transit-oriented development when funding projects out of the Regional Mobility Grant Program, or any other grant program.

The Washington State Housing Finance Commission must give preference to applicants with proposals that forward the criteria of compact and transit-oriented development when adopting guidelines to administer the Affordable Housing Land Acquisition Revolving Loan Fund Program and the Affordable Housing and Community Facilities Rapid Response Loan Program.

The DCTED must give preferences in awards to applicants with proposals that forward the criteria of compact and transit-oriented development when choosing grant projects that will provide housing for persons and families with special housing needs and with incomes at or below 50 percent of the median family income for the county or standard metropolitan statistical area.

#### *Fees and Ordinances*

An additional transportation impact fee must be assessed on any development that does not satisfy the criteria of compact and transit-oriented development. Those fees must then be used by local governments on programs that support the development and enhancement of compact and transit-oriented developments and multimodal transportation improvements.

By January 31, 2010, the DCTED must coordinate with applicable local governments to develop model ordinances that outline housing choices that address both the demands of housing consumers and that satisfies the density objectives in multiple settings. By June 30, 2010, the DCTED must coordinate with applicable local governments to develop educational and technical tools and models demonstrating how to market developable properties.

When possible, property disposals and intergovernmental transfers should be prioritized to further future land uses that advance increased housing densities, mixed land uses, and the criteria of compact and transit-oriented development.

#### *Department of Transportation Coordination*

The DOT should work with local transit agencies in an effort to coordinate increased housing density around park and ride lots, including the utilization of airspace over park and ride lots for commercial and residential uses.

The DOT must coordinate with regional transportation planning organizations in the development of measures that reduce the per capita vehicle miles traveled (VMT). The measures must be considered in the updating of regional transportation plans.

The DOT, in collaboration with the DCTED and economic associations representing the interest of counties, must develop educational programs and assistance relating to parking assistance, incentives, and management.

### *Regional Transportation Planning*

The regional transportation plan must also include maximum regional parking levels designed to address parking thresholds at the state and regional level, and work towards prohibiting the construction of principle-use long-term parking in favor of shared parking. It must also include provisions that provide regional transportation funding for transit and multimodal infrastructure facilities in return for commitments from developers to maximize development densities and minimize project parking.

Regional transportation planning organizations with a county of 100,000 or more residents must ensure that the regional transportation plan for those counties implements the goals to reduce annual per capita VMT.

With support from the DCTED, biennial appropriations to the DOT to carry out the regional transportation planning program must also include an amount that can be distributed for focused trip reduction programs in compact and transit-oriented developments. When possible, these amounts should be modeled after the Growth and Transportation Efficiency Centers.

Transportation decisions made by state, regional, and local entities must give recognition, consideration, and prioritization to the complete street principles. Complete streets are roads that are designed and operated to enable safe access for all users, including pedestrians, bicyclists, motorists, and bus riders of all ages and abilities. The complete streets principles must be prioritized and implemented according to a designated schedule set out in statute. Compliance with the complete streets principles does not apply when:

- conformance to the complete streets principles would represent more than 20 percent of an overall project's cost;
- there is no identified need for compliance with complete streets principles; or
- the Secretary of the DOT expressly exempts a project from compliance.

By September 1, 2010, the DCTED, together with the DOE, must prepare for the Legislature a report recommending funding sources for the encouragement of the redevelopment of brownfields. In addition, the report must outline the mechanisms of a grants component that augments the state's brownfields revolving loan. Recommendations must advance opportunities for land aggregation, promoting town centers, and promoting compact development.

### *Vehicle Miles Traveled and Tolling*

By December 31, 2010, the DOT must identify options for aligning state, regional, and local transportation investments with the VMT benchmarks. This process must include the reexamination of existing investments to ensure that GHG emissions and VMT reduction goals, as well as the traditional goals of transportation spending, are reflected in the state's transportation spending.

When tolling, strategies should be incorporated to reduce per capita VMT and GHG emissions by developing toll rate policies that encourage drivers to make shorter and fewer trips, use less polluting vehicles, and consider alternative modes other than single-occupancy use driving.

Revenue from an eligible toll facility must also be used to support sustainable travel options, such as transit and ridesharing, or to increase freight mobility.

By December 31, 2010, the DOT must assemble a task force of interested and appropriate stakeholders to review state and local transportation funding and to propose tolls and other pricing mechanisms that could fund transportation and transit needs and create price incentives to reduce per capita VMT and GHG emissions in the transportation sector. Pricing mechanisms considered by the task force should give priority to transit and freight operations and be fair and consistent.

The task force must also review the state's tolling authority and explore how a move towards a system-wide application of tolling, rather than a project-by-project approach, can reduce per capita VMT and GHG emissions in the transportation sector.

The DOT may seek authorization from the Legislature to collect tolls on the existing bridge or on a replacement bridge for State Route 520 or Interstate 90. Any tolls established for Interstate 90 must be designed to implement a system-wide application of tolling that has the potential to reduce per capita VMT and GHG emissions in the transportation sector.

#### *Electric and Hybrid Transportation*

By December 31, 2010, the DOT must deliver to the Legislature a report that estimates the costs of investments in rail improvements that are necessary to reduce the usage of trucks and passenger vehicles, and thus lower GHG emissions.

By December 31, 2010, the Department of Licensing, together with the Department of Revenue, must develop options that would decrease the up-front cost of purchasing plug-in electric vehicles and other high mileage vehicles relative to the cost of purchasing less efficient vehicles.

The retail sales tax does not apply to sales of new heavy duty trucks which utilize hybrid technology and have a United States Environmental Protection Agency (EPA) estimated highway gasoline mileage rating of at least 40 miles per gallon.

By December 31, 2009, the DOT must deliver a report to the Legislature that reviews the relevancy of the current exclusions of higher weight battery electric vehicles and studies possible financial incentives that may stimulate the production of six-plus-passenger vans for vanship or shuttle programs and the initiation of electric vehicle demonstration projects.

By December 31, 2011, the Washington State Department of Agriculture, the DOE, the DOT, and the DCTED must evaluate and implement low-carbon fuel standard requirements that are appropriate for Washington.

### **Part 3 - Beyond Waste Recommendations**

Priorities for solid waste collection, handling, and management should occur in this order:

1. waste reduction;
2. recycling, with source separation of recyclable materials as the preferred method;
3. energy recovery, incineration, or landfill of separated waste; and
4. energy recovery, incineration, or landfill of mixed municipal solid wastes.

### *Recycling Goals*

It is the state's goal to achieve an 80 percent recycling rate by 2020. To accomplish this goal, there are thirteen separate goals the state should aspire to achieve:

1. Source separation of recyclable materials and products, organic material, and wastes should be practiced by all persons and collection services, and should be provided to all residents to eliminate disposal of recyclable, compostable, and disgestable materials and ensure their reutilization.
2. Programs should be established to eliminate residential or commercial yard debris in landfills by 2012 in those areas where alternatives to disposal are readily available and effective.
3. Steps should be taken to make recycling at least as affordable and convenient to the ratepayer as mixed waste disposal.
4. Adequate data on the types and quantities of solid waste that are being generated should be compiled and maintained and the effectiveness of these goals and strategies should be monitored.
5. Vehicle batteries must be recycled, and the disposal of vehicle batteries into landfills or incinerators must be discontinued.
6. Excessive and nonrecyclable packaging of products should be avoided.
7. Comprehensive education must be conducted throughout the state so that people are informed of the requirements to reduce, source separate, and recycle solid waste.
8. Governmental entities in the state must participate in source reduction, source separation, and recycling programs in the various communities where they are located, unless governmental entities have already established waste reduction and recycling programs that achieve equal or greater rates of material diversion.
9. All governmental entities must purchase products that are made from recycled materials and are recyclable.
10. Operators and regulators of landfills and incinerators must receive training and certification.
11. Adequate funding to all levels of government should be provided so that successful waste reduction and recycling programs can be implemented.
12. The state must assume primary responsibility for the development of a multifaceted market development program.
13. The state must anticipate and plan for, as well as accomplish, effective storage, control, recovery, and recycling of discarded tires and other problem wastes with the subsequent conservation of resources and energy.

### *Comprehensive Solid Waste Management Plan*

In the comprehensive solid waste management plan, each county within the state must plan for solid waste and materials reduction, collection, handling and management services. The objective of local comprehensive plans is to ensure the following required handling methods or services occur:

- source separation of recyclable materials and products, organic materials, and wastes by generators;
- collection of source separated materials;
- handling and proper preparation of materials for reuse or recycling;
- handling and proper preparation of organic materials for composting or anaerobic digestion; and

- handling and proper disposal of nonrecyclable wastes.

In addition, each plan must identify methods used to address:

- construction and demolition waste for recycling or reuse;
- organic material, including yard debris, food waste, and food contaminated paper products, for composting or anaerobic digestion;
- recoverable paper products for recycling;
- container metals, container glass, and plastics for recycling; and
- waste reduction strategies.

The DOE must provide model ordinances to local governments to address construction and demolition waste and recyclable materials.

Each local comprehensive solid waste management plan must be reviewed and revised within five years of July 1, 2010, and reviewed every subsequent five years. In addition, the local comprehensive solid waste management plan must include a description of collection services for all contiguous incorporated and unincorporated areas with a population density of 333 persons per square mile.

Participation in source separation and collection services is optional for:

- the counties of Adams, Asotin, Douglas, Ferry, Garfield, Jefferson, Kittitas, Klickitat, Whitman, Lincoln, Pacific, Pend Oreille, Okanogan, Columbia, San Juan, Skamania, Stevens, and Wahkiakum, although this does not exempt these planning jurisdictions from reviewing and updating as necessary their plans at least every five years; and
- any city with a population of 1,500 or less that is only bordered by an unincorporated area of a county within the counties required to write plan updates.

The comprehensive statewide solid waste stream analysis, prepared by the DOE, must also include GHG reductions potentially available and GHG reductions realized through reduction, reuse, and recycling of solid wastes. The data required by the analysis must be updated at least every four years and must be available to local governments and the waste management industry.

### *Product Stewardship*

Convenient and environmentally sound product stewardship programs that include collecting, transporting, and recycling of unwanted products are intended to encourage producers to design products that have a lower carbon footprint, are less toxic and energy and material intensive, and are more reusable or recyclable than other products.

Covered product categories designated as initial priority products include:

- carpet;
- mercury-containing lights;
- out-of-service mercury-added thermostats;
- paint, including the plastic and metal containers containing the paint that is collected; and
- rechargeable batteries.

At least every two years, the DOE must consider and evaluate products and product categories to designate as "covered products" or "covered product categories." The public, including

producers, may petition the DOE to consider products and product categories to designate as "covered products" or "covered product categories."

The DOE must appoint a Product Stewardship Advisory Committee (Advisory Committee) consisting of up to 15 members that includes representatives of local governments, consumer advocacy groups, environmental groups, businesses, and four legislative members. The DOE must consult the Advisory Committee regarding designation of new covered products and covered product categories, covered entities, implementation dates, reusability or recyclability of the product, management requirements, labeling requirements, and other matters requested by the DOE. The Advisory Committee must review and provide comments on the DOE's recommendations regarding designation of new covered products and covered product categories.

Every producer of a qualifying product sold in or into Washington state must participate in a product stewardship program for that product. Every producer must:

- operate, either individually or collectively with other producers, a product stewardship program approved by the DOE; or
- enter into an agreement with a stewardship organization to operate, on the producer's behalf, a product stewardship program approved by the DOE.

A producer, group of producers, or stewardship organization operating a product stewardship program must:

- comply with a product stewardship plan approved by the DOE, any rules adopted by the DOE, and all other applicable laws and rules; and
- pay all administrative and operational costs associated with their program.

Product stewardship programs must collect, free of charge, unwanted products from qualifying entities for reuse or final disposition.

No product stewardship program may use federal or state prison labor for processing unwanted products.

The DOE must determine whether qualifying products are reusable or recyclable. In either case, if the DOE determines that an unwanted product is not reusable or recyclable, the product stewardship program must include a waste reduction strategy pertaining to that product. If reuse or recycling options for an unwanted product thereafter change, the DOE must adopt rules requiring reuse or recycling of the unwanted product. Unwanted products that cannot be reused or recycled and residuals must be disposed of or managed in permitted facilities, including disposal or management of hazardous substances and hazardous materials in permitted hazardous waste facilities.

A producer, group of producers, or stewardship organization and its officers, members, employees, and agents that organize a product stewardship program are authorized to engage in anticompetitive conduct to the extent necessary to plan and implement a program, and are immune from liability under state laws regarding antitrust, restraint of trade, unfair trade practices, and other regulation of trade and commerce.

A producer of a covered product, a group of producers, or a stewardship organization must submit a proposed product stewardship plan to the DOE at least one year prior to a covered product's implementation date.

A producer, group of producers, or stewardship organization operating or intending to operate a product stewardship program must, at least 60 days prior to submitting a product stewardship plan to the DOE, provide public notice of the plan it is considering for submittal. The producer, group of producers, or stewardship organization must consult with stakeholders during development of the plan, solicit stakeholder comments, and attempt to address any stakeholder concerns regarding the plan prior to submittal. All plans submitted to the DOE must be made available to the public on the DOE's web site.

Within 90 days after receiving a proposed product stewardship plan, the DOE must determine whether the plan is compliant with all applicable laws and rules. If it approves a plan, the DOE must notify the applicant of its approval. If it rejects a plan, the DOE must notify the applicant of its decision and its reasons for rejecting the plan. An applicant whose plan has been rejected by the DOE may submit a revised plan within 60 days after receiving notice of the rejection.

At least once every four years, a producer, group of producers, or stewardship organization operating a product stewardship program must update its product stewardship plan and submit the updated plan to the DOE for review. The DOE must determine the status of an updated plan within 90 days of its submittal. If the DOE rejects an updated plan, the producer of a covered product participating in the product stewardship program described in the plan will be deemed to be out of compliance.

If the DOE determines that a product stewardship program is not being operated in compliance or if the DOE determines that there is an imminent danger to the public, the DOE may either amend its approval of the program's product stewardship plan by clarifying terms or conditions to ensure full implementation of the plan, or suspend or cancel its approval of the plan. At least 30 days prior to amending, suspending, or canceling its approval of a product stewardship plan, the DOE must inform the producer, group of producers, or stewardship organization operating the product stewardship program of its intended action and provide them an opportunity to respond. The DOE may extend this period for good cause.

The DOE must provide on its web site a list of all producers participating in product stewardship programs it has approved and a list of all producers it has identified as noncompliant.

A producer not participating in a product stewardship program whose covered product continues to be sold in or into the state 60 days after receiving a written warning from the DOE, or a wholesaler, retailer, or other person who continues to sell a covered product from a producer not participating in an approved product stewardship program 60 days after receiving a written warning from the DOE, may be assessed a \$10,000 penalty. Each calendar day of a violation is a separate and distinct offense.

By June of the third program year for each product or product category, the DOE must establish required recovery rates for the fourth and subsequent program operating years, and must establish a system of penalties for producers and product stewardship programs that do not attain

the required recovery rates.

The DOE may inspect, audit, or review audits of processing and disposal facilities used to fulfill the requirements of a product stewardship program.

The DOE must annually invite comments from local governments, communities, and citizens to report their satisfaction with services provided by product stewardship programs. This information must be used by the DOE in reviewing proposed updates or changes to product stewardship plans.

The DOE may establish fees for administering the product stewardship program. Fees may be charged to the producers and must be paid annually by January 1st of each year. Fees may be established in amounts to fully recover and not to exceed expenses incurred by the DOE.

The Product Stewardship Programs Account (Account) is created in the custody of the state treasurer. All receipts from fees and penalties collected must be deposited in the Account, and expenditures from the Account may be used only for administering the product stewardship program. Only the Director of the DOE may authorize expenditures from the Account. An appropriation is not required for expenditures.

The federal product standards, implemented in Washington, must also include compost products made from recovered organic materials and fertilizers made from recovered organic materials.

#### *Mercury Stewardship Program*

Product stewardship programs for mercury-containing lights must be fully implemented by January 1, 2011. Mercury-containing lights that have been collected by product stewardship programs must be recycled. Mercury and mercury-bearing residuals from recycling of mercury-containing lights must be retorted in properly permitted facilities. Mercury recovered from retorting must be recycled or placed in a properly permitted, monitored hazardous waste landfill, storage repository, or disposal repository to avoid reintroduction into the marketplace. When available, mercury recovered from retorting must be placed in a properly permitted, monitored permanent mercury repository to avoid reintroduction into the marketplace. The mercury may not be recycled.

The DOE must participate in national and global mercury forums to advocate reduction of global emissions and permanent isolation of elemental mercury. By July 1, 2011, the DOE, in consultation with the EPA, must study the feasibility of the development of a national permanent repository for mercury. The DOE must develop recommendations and provide its findings to the Legislature by December 1, 2011.

#### **Part 4 - Comprehensive Land Use Requirements**

The Growth Management Act (GMA) is amended to include numerous provisions pertaining to reducing GHG emissions.

#### *Planning Goals*

The environment goal of the GMA is amended to specify that part of the goal is to establish land use and transportation patterns that, at a minimum, achieve and support state and federal GHG emissions reductions requirements.

### *Comprehensive Plans - Housing and Transportation Elements*

Locally adopted housing elements of counties and cities must include incentives and requirements to provide housing required by the housing element of the GMA. Locally adopted housing elements must also designate sufficient land for and encourage housing within walking, bicycling, or transit distance of employment concentrations that is affordable to persons employed within such concentrations. This land must be designated at densities that support transit services.

The level of service (LOS) standards that are included within locally-adopted transportation elements for locally owned arterials and transit routes must, in meeting regional transportation demands, consider all transportation modes. In adopting LOS standards, jurisdictions must also consider adopting such standards for bicycle and pedestrian routes.

Concurrency provisions for locally-adopted transportation elements are modified. Ordinances prohibiting development approval, if the proposed development will cause the LOS on a locally-owned transportation facility to decline below adopted standards, must consider multimodal improvements or strategies. Additionally, the list of multimodal transportation improvements or strategies that may be made concurrent with the development is expanded to include transit oriented development or other compact development strategies.

### *Comprehensive Plans and Development Regulations - Transit Oriented Development*

Numerous comprehensive plan and development regulations pertaining to transit oriented development are established. With some exceptions, comprehensive plans and development regulations must authorize transit oriented development within one-half mile of a major transit station. The allowed net density for these transit oriented development areas must be 50 dwelling units per acre.

The adopted plans and regulations also must satisfy other requirements. Examples include:

- incorporating standards for streets, sidewalks, and buildings that encourage walking and bicycling, and a process to ensure that these standards are met;
- providing for a net gain in housing units that are affordable to low and moderate-income households;
- requiring one-for-one replacement of demolished or converted housing units that meet specified criteria;
- requiring affordability and location requirements for new housing or mixed-use developments;
- authorizing the waiving of minimum parking space requirements for any land use; and
- requiring developers to provide notice and relocation assistance to qualifying renters who will be displaced by development.

Counties and cities must report the number of affordable housing units created in accordance with comprehensive plan and development regulations pertaining to transit oriented development to the DCTED and the Legislature by January 1, 2015. Subsequent reports to the DCTED and the Legislature must be completed according to a specified recurring schedule.

### *Comprehensive Plans - Consistency with Regional Transportation Plans*

Comprehensive plan consistency requirements are modified. Comprehensive plans of cities and counties must be consistent with the regional transportation plans adopted by regional transportation planning organizations for the region within which the county or city is located.

#### *County-wide Planning Policies*

New requirements for county-wide planning policies (CPPs) are specified. Adopted CPPs must include the following:

- policies for reducing GHG emissions that, at a minimum, support and achieve state GHG emissions limitations, per capita VMT reductions specified in state benchmarks, and applicable federal emission reduction requirements; and
- policies for reducing dependence on foreign oil.

#### *Growth Management Planning and Environmental Review Fund*

Monies from the Growth Management Planning and Environmental Review Fund (PERF) may be used for grants and loans. New criteria for the administration of the fund is specified. In awarding grants and loans from the fund, the DCTED must, in addition to other criteria, give preference to proposals that include furtherance of GHG emissions reduction requirements.

#### *State Environmental Policy Act*

New provisions in the SEPA are established. A project action that is consistent with the applicable comprehensive plan and development regulations may not be challenged for noncompliance under SEPA with GHG emissions requirements if:

- the county, city, or town in which the project action is located has prepared an Environmental Impact Statement (EIS) for the area covered by the comprehensive plan or subarea plan that includes a GHG emissions analysis;
- the county, city, or town in which the project action is located has adopted a comprehensive plan or subarea plan and development regulations that meet certain requirements;
- the comprehensive plan and development regulations will reduce GHG emissions and per capita VMT;
- the project action complies with the definition of compact development; and
- the project action is located in an urban growth area and a center designated by the county, city, or town comprehensive plan.

New environmental fee provisions in the SEPA are established. Cities and towns authorizing compact development in designated centers or participating in a qualifying regional transfer of development rights program may impose environmental fees on development activity as part of the financing for environmental review under the SEPA. These environmental fees:

- may only be for a subarea plan for which the impacts of compact development have been addressed by the applicable city or town, or a regional transfer of development rights program receiving area for which the impacts of development within the receiving area have been addressed by the applicable city or town;
- may only be for environmental review costs that have been identified as reasonably related to the new development;
- may not exceed a proportionate share of the environmental review costs financed under the PERF, if any, or the costs of environmental review and holding costs that would have been borne by the development if no environmental review had occurred; and
- must be used to repay a loan authorized under the PERF, if applicable.

*Regional Transit Authorities*

A regional transit authority that owns surplus land located within one-half mile of a major transit station must provide qualifying public or nonprofit entities an opportunity of first offer to develop the land. For purposes of this requirement, a "qualifying public or nonprofit entity" is an entity that is eligible for assistance from the housing trust fund, will seek assistance from the housing trust fund for development of the land, and meets other financial and development requirements.

*Transportation Benefit Districts*

Sales and use tax provisions for transportation benefit districts are modified. The sales and use tax may be imposed for more than 10 years without voter approval.

*Transportation - High Capacity Transportation Systems*

The definition of high capacity transportation system in provisions governing high capacity transportation systems is amended to specify that the supporting services and facilities necessary to implement such a system include regional transit systems.

**Appropriation:** None.

**Fiscal Note:** Requested on January 26, 2009.

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