
SUBSTITUTE HOUSE BILL 1352

State of Washington

55th Legislature

1997 Regular Session

By House Committee on Transportation Policy & Budget (originally sponsored by Representatives K. Schmidt, Fisher, Buck and Mitchell; by request of Department of Transportation)

Read first time 02/26/97.

1 AN ACT Relating to environmental mitigation of transportation
2 projects; amending RCW 43.79A.040; adding new sections to chapter 47.12
3 RCW; and creating a new section.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** It is the intent of this act to provide
6 environmental mitigation in advance of the construction of programmed
7 projects where desirable and feasible, will provide a more efficient
8 and predictable environmental permit process, increased benefits to
9 environmental resources, and a key tool in using the watershed approach
10 for environmental impact mitigation. The legislative transportation
11 committee, through its adoption of the December 1994 report
12 "Environmental Cost Savings and Permit Coordination Study," encourages
13 state agencies to use a watershed approach based on a water resource
14 inventory area in an improved environmental mitigation and permitting
15 process. Establishment of an advanced transportation environmental
16 mitigation revolving account would help the state to improve permit
17 processes and environmental protection when providing transportation
18 services.

1 NEW SECTION. **Sec. 2.** A new section is added to chapter 47.12 RCW
2 to read as follows:

3 For the purpose of environmental mitigation of transportation
4 projects, the department may acquire or develop, or both acquire and
5 develop, environmental mitigation sites in advance of the construction
6 of programmed projects. The term "advanced environmental mitigation"
7 means mitigation of adverse impacts upon the environment from
8 transportation projects before their design and construction. Advanced
9 environmental mitigation consists of the acquisition of property; the
10 acquisition of property, water, or air rights; the development of
11 property for the purposes of improved environmental management;
12 engineering costs necessary for such purchase and development; and the
13 use of advanced environmental mitigation sites to fulfill project
14 environmental permit requirements. Advanced environmental mitigation
15 must be conducted in a manner that is consistent with the definition of
16 mitigation found in the council of environmental quality regulations
17 (40 C.F.R. Sec. 1508.20) and the governor's executive order on wetlands
18 (EO 90-04). Advanced environmental mitigation is for projects approved
19 by the transportation commission as part of the state's six-year plan
20 or included in the state highway system plan. Advanced environmental
21 mitigation may also be conducted in partnership with federal, state, or
22 local government agencies, tribal governments, interest groups, or
23 private parties. Partnership arrangements may include joint
24 acquisition and development of mitigation sites, purchasing and selling
25 mitigation bank credits among participants, and transfer of mitigation
26 site title from one party to another. Specific conditions of
27 partnership arrangements will be developed in written agreements for
28 each applicable environmental mitigation site.

29 NEW SECTION. **Sec. 3.** A new section is added to chapter 47.12 RCW
30 to read as follows:

31 The advanced environmental mitigation revolving account is created
32 in the custody of the treasurer, into which the department shall
33 deposit directly and may expend without appropriation:

34 (1) An initial appropriation included in the department of
35 transportation's 1997-99 budget, and deposits from other identified
36 sources;

1 (2) All moneys received by the department from internal and
2 external sources for the purposes of conducting advanced environmental
3 mitigation; and

4 (3) Interest gained from the management of the advanced
5 environmental mitigation revolving account.

6 NEW SECTION. **Sec. 4.** A new section is added to chapter 47.12 RCW
7 to read as follows:

8 (1) After advanced environmental mitigation is conducted from funds
9 in the advanced environmental mitigation revolving account, the
10 advanced environmental mitigation sites must be managed in accordance
11 with any permits, agreements, or other legal documents under which the
12 subject advanced environmental mitigation is conducted.

13 (2) When the department or any of its transportation partners
14 proceeds with the construction of a transportation project that will
15 use advanced environmental mitigation sites to meet the environmental
16 mitigation needs of a project, the advanced environmental mitigation
17 revolving account shall be reimbursed from those transportation project
18 funds appropriated for the use of the advanced environmental mitigation
19 sites. Reimbursements to the advanced environmental mitigation
20 revolving account must be paid at a rate that captures:

21 (a) Projected land acquisition costs for environmental mitigation
22 for the subject transportation project;

23 (b) Advanced environmental mitigation site development costs;

24 (c) Advanced environmental mitigation site operational costs (e.g.,
25 site monitoring);

26 (d) Administrative costs for the management of the advanced
27 environmental revolving account.

28 These costs must be adjusted based on inflation, as appropriate.

29 When only a portion of an advanced environmental mitigation site is
30 used, the reimbursement rate charged to the purchasing party will be
31 prorated for the portion used.

32 NEW SECTION. **Sec. 5.** A new section is added to chapter 47.12 RCW
33 to read as follows:

34 By January 1st of each odd-numbered year, the department shall
35 report to the legislative transportation committee and the office of
36 financial management:

37 (1) Which properties were purchased and why;

- 1 (2) Expenditures for the acquired parcels; and
2 (3) Estimated savings from these actions.

3 **Sec. 6.** RCW 43.79A.040 and 1996 c 253 s 409 are each amended to
4 read as follows:

5 (1) Money in the treasurer's trust fund may be deposited, invested,
6 and reinvested by the state treasurer in accordance with RCW 43.84.080
7 in the same manner and to the same extent as if the money were in the
8 state treasury.

9 (2) All income received from investment of the treasurer's trust
10 fund shall be set aside in an account in the treasury trust fund to be
11 known as the investment income account.

12 (3) The investment income account may be utilized for the payment
13 of purchased banking services on behalf of treasurer's trust funds
14 including, but not limited to, depository, safekeeping, and
15 disbursement functions for the state treasurer or affected state
16 agencies. The investment income account is subject in all respects to
17 chapter 43.88 RCW, but no appropriation is required for payments to
18 financial institutions. Payments shall occur prior to distribution of
19 earnings set forth in subsection (4) of this section.

20 (4)(a) Monthly, the state treasurer shall distribute the earnings
21 credited to the investment income account to the state general fund
22 except under (b) and (c) of this subsection.

23 (b) The following accounts and funds shall receive their
24 proportionate share of earnings based upon each account's or fund's
25 average daily balance for the period: The advanced environmental
26 mitigation revolving account, the agricultural local fund, the American
27 Indian scholarship endowment fund, the Washington international
28 exchange scholarship endowment fund, the energy account, the fair fund,
29 the game farm alternative account, the grain inspection revolving fund,
30 the rural rehabilitation account, and the self-insurance revolving
31 fund. However, the earnings to be distributed shall first be reduced
32 by the allocation to the state treasurer's service fund pursuant to RCW
33 43.08.190.

34 (c) The following accounts and funds shall receive eighty percent
35 of their proportionate share of earnings based upon each account's or
36 fund's average daily balance for the period: The advanced right of way
37 revolving fund, the federal narcotics asset forfeitures account, the

1 high occupancy vehicle account, and the local rail service assistance
2 account.

3 (5) In conformance with Article II, section 37 of the state
4 Constitution, no trust accounts or funds shall be allocated earnings
5 without the specific affirmative directive of this section.

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