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HOUSE BILL 1352

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State of Washington

55th Legislature

1997 Regular Session

By Representatives K. Schmidt, Fisher, Buck and Mitchell; by request of Department of Transportation

Read first time 01/23/97. Referred to Committee on Transportation Policy & Budget.

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 the  
6 department of transportation with a fiscal mechanism by which the  
7 process of mitigating adverse environmental impacts from transportation  
8 projects can be improved. Current transportation funding provides  
9 limited flexibility for the department to actively participate in cost-  
10 effective, multi-jurisdictional, and watershed techniques of  
11 transportation project impact mitigation. The watershed approach to  
12 environmental management is generally agreed upon by state and federal  
13 environmental resource agencies to be more effective, in many cases,  
14 than the traditional approach of managing environmental issues on a  
15 media and location-specific basis. Providing environmental mitigation  
16 in advance at select locations will provide a more efficient and  
17 predictable environmental permit process, increase benefit to  
18 environmental resources, and serve as a key tool in using the watershed  
19 approach for environmental impact mitigation. The legislative

1 transportation committee, through its adoption of the December 1994  
2 report "Environmental Cost Savings and Permit Coordination Study,"  
3 directs state agencies to use the watershed approach in an improved  
4 environmental mitigation and permitting process. Establishment of an  
5 advanced transportation environmental mitigation revolving account  
6 would help the state to improve permit processes and environmental  
7 protection as related to providing transportation services.

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

10 For the purpose of environmental mitigation of transportation  
11 projects, the department may acquire and develop environmental  
12 mitigation in advance of the construction of programmed projects. The  
13 term "advanced environmental mitigation" means mitigation of adverse  
14 impacts upon the environment from the design and construction of  
15 transportation projects, generally not more than ten years in advance  
16 of programmed transportation projects. Advanced environmental  
17 mitigation consists of the acquisition of property; the acquisition of  
18 property, water, or air rights (i.e. air pollution credits); the  
19 development of property for the purposes of improved environmental  
20 management; engineering costs necessary for such purchase and  
21 development; and the use of advanced environmental mitigation sites to  
22 fulfill project environmental permit requirements. Advanced  
23 environmental mitigation is for projects approved by the transportation  
24 commission as part of the state's six-year plan or included in the  
25 state's route development planning effort. Advanced environmental  
26 mitigation may also be conducted in partnership with federal, state, or  
27 local government agencies, tribal governments, interest groups, or  
28 private parties.

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) All 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 was 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 environmental  
16 mitigation needs of the project, the department shall reimburse the  
17 advanced environmental mitigation revolving account from those  
18 transportation project funds for the use of the advanced environmental  
19 mitigation sites. The department shall pay all reimbursements to the  
20 advanced environmental mitigation revolving account at the rate of the  
21 original acquisition and development cost of the advanced mitigation  
22 site plus an annual rate adjustment based on inflation and a five  
23 percent fee to cover administrative costs. When only a portion of an  
24 advanced environmental mitigation site is used, the reimbursement rate  
25 charged to the purchasing party will be prorated for the portion used.

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

28 At the end of each biennium, the department shall report to the  
29 legislative transportation committee and the office of financial  
30 management:

- 31 (1) Which properties were purchased and why;  
32 (2) Expenditures for the acquired parcels; and  
33 (3) Estimated savings from these actions.

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

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

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

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

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

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

30 (c) The following accounts and funds shall receive eighty percent  
31 of their proportionate share of earnings based upon each account's or  
32 fund's average daily balance for the period: The advanced right of way  
33 revolving fund, the federal narcotics asset forfeitures account, the  
34 high occupancy vehicle account, and the local rail service assistance  
35 account.

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

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