

FINAL BILL REPORT

ESSB 6277

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Synopsis as Enacted

Brief Description: Authorizing cost-reimbursement agreements for leases and environmental permits.

Sponsors: Senate Committee on Environmental Quality & Water Resources (originally sponsored by Senators B. Sheldon, Swecker, Jacobsen, Franklin, Morton, Costa, Fraser, Eide, Spanel, Thibaudeau and Kohl-Welles).

Senate Committee on Environmental Quality & Water Resources
House Committee on Agriculture & Ecology

Background: State and local governments often lack the personnel and financial resources to conduct environmental reviews and process permit applications in a timely manner. This situation is compounded when agencies review permit applications for large and complex projects. Not only is the large project delayed, so too is the review and processing of permits for small projects.

Cost-reimbursement agreements are currently authorized for the coordination activities only as a part of the coordinated permit process of the permit assistance center. This authority expires in June, 2000.

Summary: Voluntary cost-reimbursement agreements may be negotiated between applicants for complex permits and the Departments of Ecology, Natural Resources, Health, and Fish and Wildlife, and local air pollution control authorities. The Department of Natural Resources may also use these agreements for any lease application except aquatic leases. A complex permit is a permit which requires an environmental impact statement (EIS).

Under a cost-reimbursement agreement, the applicant pays the reasonable costs incurred by the agency or local pollution control authority for permit coordination, environmental review, application review, technical studies, permit processing, and carrying out the requirements of other relevant laws.

The agency is required to contract with independent consultants to carry out the work covered by a cost-reimbursement agreement. The funds may also be used to assign current staff to review the consultants' work and to provide necessary technical assistance when an independent consultant with comparable technical skills is unavailable. The agency must make an estimate of the number of permanent staff hours needed to process permits, and is required to contract with independent consultants to replace the time and functions performed by these permanent staff which are committed to permits under the cost-reimbursement agreement. Necessary direct and indirect costs that arise from processing the permit may also be recovered from funds provided under the agreement. Final decisions involving policy matters are made by the agency rather than the consultant.

An agency may not use any funds provided under a cost-reimbursement agreement to supplant existing funding. The use of cost-reimbursement agreements may not result in reductions in the current level of staff available to work on permits not covered by these agreements.

The conflict of interest provisions provided under the Ethics in Public Service law apply to these agreements and to persons hired under these agreements. An air pollution control authority is considered to be a state agency for the sole purpose of applying this ethics law to cost-reimbursement agreements negotiated by the air pollution control authority.

No new cost-reimbursement agreement may be negotiated after July 1, 2005, but an adopted agreement on that date may be completed.

An applicant for a new water right or a change or transfer for a water right may initiate a cost-reimbursement agreement if the applicant agrees to pay for the processing of all permit applications affecting the same water source and ahead of the permit applicant, except that no EIS is required.

Votes on Final Passage:

Senate	46	0	
House	69	29	(House amended)
Senate			(Senate refused to concur)
House	91	7	(House amended)
Senate	31	16	(Senate concurred)

Effective: March 31, 2000