

# HOUSE BILL REPORT

## HB 1526

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### As Passed Legislature

**Title:** An act relating to cost-reimbursement agreements between state agencies and permit applicants.

**Brief Description:** Revising provisions relating to cost-reimbursement agreements between state agencies and permit applicants.

**Sponsors:** By Representatives Linville, Armstrong, Haigh, Morris, Cooper, Mastin, Gombosky, Delvin, Grant, Schoesler, Sullivan, Chandler and Schual-Berke.

### Brief History:

#### Committee Activity:

Fisheries, Ecology & Parks: 2/14/03, 2/25/03 [DP].

#### Floor Activity:

Passed House: 3/15/03, 94-0.

Passed Senate: 4/10/03, 49-0.

Passed Legislature.

### Brief Summary of Bill

- Extends the deadline for entering into a cost-reimbursement agreement from July 1, 2005 to July 1, 2007.
- Removes the provision that only complex projects which require an environmental impact statement qualify for cost-reimbursement agreements.

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### HOUSE COMMITTEE ON FISHERIES, ECOLOGY & PARKS

**Majority Report:** Do pass. Signed by 9 members: Representatives Cooper, Chair; Berkey, Vice Chair; Sump, Ranking Minority Member; Hinkle, Assistant Ranking Minority Member; Buck, Hatfield, O'Brien, Pearson and Upthegrove.

**Staff:** Jeff Olsen (786-7157).

### Background:

Cost-reimbursement agreements are a mechanism by which an applicant for a state or local government permit or lease can provide funds for the staff necessary to process the

required application in a timely manner. Voluntary cost-reimbursement agreements may be negotiated between applicants for complex permits and the departments of Ecology, Natural Resources, Health, 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 defined as a permit which requires an environmental impact statement.

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 agreement must identify the specific tasks, costs, and schedule for work to be conducted. Funds under a cost-reimbursement agreement are used by the agency to contract with independent consultants to carry out the work covered by the 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.

No new cost-reimbursement agreement may be negotiated after July 1, 2005. An agency may continue to administer any cost-reimbursement agreement which was entered into before July 1, 2005 until the project is completed.

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**Summary of Bill:**

The deadline for entering into voluntary cost-reimbursement agreements between applicants for permits and the departments of Ecology, Natural Resources, Health, Fish and Wildlife, and local air pollution control authorities is extended from July 1, 2005 to July 1, 2007.

Provisions that only complex projects requiring an environmental impact statement qualify for cost-reimbursement agreements are repealed.

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**Appropriation:** None.

**Fiscal Note:** Not Requested.

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

**Testimony For:** With the current budget deficit, cost-reimbursement agreements provide citizens with a tool to access quality permit processing. Expanding cost-reimbursements to smaller projects provides the same opportunity that is currently available only for complex projects. The Department of Ecology has been successfully using this process to

reduce permit backlogs. Removing the complex project requirements is a technical change consistent with changes made to the Permit Assistance Center last year.

(In support with comments) Cost-reimbursement agreements are a valuable tool, but changes could be made to make them more efficient and effective. The program is expensive and cumbersome and requires an applicant to hire consultants and agency staff to process records and provide technical information.

**Testimony Against:** None.

**Testified:** Representative Linville, prime sponsor; Sue Mauermann, Department of Ecology; Jerry Smedes, Northwest Environmental Business Council; and Randy Lewis, City of Westport.