# Washington State House of Representatives Office of Program Research

BILL ANALYSIS

## Fisheries, Ecology & Parks Committee

### **HB 2335**

**Brief Description:** Changing the method for designating the lead agency for public proposals under the State Environmental Policy Act.

**Sponsors:** Representatives Schual-Berke and Upthegrove.

#### **Brief Summary of Bill**

• Prohibits state agencies that are the primary sponsor or proponent of a project or proposal that would require review under State Environmental Policy Act from serving as the lead agency responsible for conducting the required environmental review.

**Hearing Date:** 1/20/04

Staff: Jason Callahan (786-7117).

#### **Background:**

The State Environmental Policy Act (SEPA) requires local governments and state agencies to prepare an environmental impact statement (EIS) if proposed legislation or other major action may have a probable significant adverse impact on the environment. If it appears a probable significant adverse environmental impact may result, the proposal may be altered or its probable significant adverse impact mitigated. If this cannot be accomplished, an EIS is prepared. The responsible agency official has authority to make the threshold determination whether an EIS must be prepared.

Except for development projects that are exempt from SEPA requirements by statute or rule, the SEPA statutes generally require a project applicant to submit an environmental checklist. An environmental checklist includes questions about the potential impacts of the project on the environment and the natural environment. The checklist is reviewed by the SEPA lead agency (one of the agencies with permitting authority for the project) to determine whether the project is likely to have a significant adverse environmental impact. The lead agency also will review the checklist to determine if the applicant has identified mitigation sufficient to reduce environmental impacts.

After the checklist is reviewed, the lead agency issues its threshold determination. If a lead agency determines that a project is not likely to have a significant adverse environmental impact,

or if mitigation sufficient to reduce these impacts has been identified, the lead agency issues a determination of nonsignificance (DNS) or a mitigated DNS (MDNS), which includes mitigation conditions for the project. The local government must then provide notice of its threshold determination to issue the DNS or MDNS to provide an opportunity for public and agency comments on its decision.

Alternatively, a lead agency issues a determination of significance (DS) if it determines that a project is likely to have a significant adverse environmental impact or mitigation cannot be identified to reduce these impacts. The DS triggers the requirement to prepare an EIS. The EIS is limited, or scoped, to address only the matters determined to have a probable significant adverse environmental impact. The local government provides notice of the threshold determination to issue a DS, which will be issued with a scoping notice. The scoping notice is used to solicit comments on identifying the key issues to be evaluated in an EIS.

#### **Summary of Bill:**

Agencies that are the primary sponsor or proponent of a project or proposal that would require review under SEPA are prohibited from serving as the lead agency responsible for conducting the required environmental review. Ecology is required to amend its rules interpreting SEPA and adopt criteria and procedures for designating a different lead agency. These procedures must allow for the lead agency to be agreed on by those agencies with the authority to approve, veto, or finance parts of the project, and those agencies with special expertise on the environmental impacts of the proposal.

**Appropriation:** None.

**Fiscal Note:** Requested on 1/15/2004.

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