

# FINAL BILL REPORT

## SHB 1154

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Synopsis as Enacted

**Brief Description:** Concerning the financing of Chehalis basin flood damage reduction and habitat restoration projects.

**Sponsors:** House Committee on Capital Budget (originally sponsored by Representative DeBolt).

**House Committee on Capital Budget**  
**Senate Committee on Ways & Means**

### **Background:**

In 2016 the Legislature established the Office of the Chehalis Basin (OCB) in the Department of Ecology (Ecology). Its purpose is to aggressively pursue implementation of an integrated strategy and to administer funding for long-term flood damage reduction and aquatic species restoration in the Chehalis River Basin (Basin). The OCB must be funded from specific appropriations for basin-related flood hazard reduction and habitat recovery activities.

The Chehalis Basin Account (Account) is an appropriated account in the State Treasury (Treasury). Money in the Account may only be used for the purposes of the OCB and for expenses related to tax-exempt bond issuance and sales. Receipts from legislative appropriations or money directed from other sources must be deposited into the Account. Interest earnings must be retained in the Account.

The Chehalis Board (Board) was also created in 2016. Its responsibilities include oversight of strategy implementation and development of budget recommendations to the Governor. The strategy must include a detailed set of actions, an implementation schedule, and quantified measures to evaluate success. The Board includes seven voting members: four appointed by the Governor, subject to Senate confirmation, including one member representing the Quinault Indian Nation and one member representing the Chehalis Indian Tribe; and three selected by the Chehalis Basin Flood Authority. The Board also includes five nonvoting ex officio members: the Department of Fish and Wildlife director, the State Conservation Commission executive director, the Ecology director, the Commissioner of Public Lands, and the Department of Transportation Secretary. Staffing is provided by Ecology.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

**Summary:**

The Chehalis Basin Taxable Account (Taxable Account) is created in the Treasury. Proceeds from the sale of the taxable bonds for the OCB, as well as other moneys directed to the account, must be deposited into the Taxable Account. Money in the Taxable Account may only be used after appropriation and for the purposes of the OCB and for expenses related to authorized bond issuance and sales. Interest earnings must be retained in the Taxable Account.

The OCB is directed to submit a specific list of future projects with their 2021-23 Capital Budget decision package. The list must contain the following information:

- project costs and suggested fund sources;
- location information; and
- a time frame, including initiation and completion.

The total cost for all submitted projects is expected to be consistent with biennial amounts of prior requests, which were \$50 million in state bonds in 2017-2019 and \$73.2 million in state bonds in 2019-2021.

The OCB is required to submit a finalized strategic plan to the Legislature by January 1, 2021. The plan will include quantified measures for evaluating the success of implementation. Within 120 days of receiving the plan, the appropriate policy and fiscal committees of the Legislature will conduct a joint hearing to consider potential funding strategies to achieve the implementation schedule.

**Votes on Final Passage:**

House	95	1	
Senate	48	0	(Senate amended)
House			(House refused to concur)
Senate	49	0	(Senate receded/amended)
House	95	1	(House concurred)

**Effective:** June 11, 2020