

Multiple Agency Fiscal Note Summary

Bill Number: 1078 2S HB	Title: Urban forest management
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Estimated Cash Receipts

NONE

Agency Name	2023-25		2025-27		2027-29	
	GF- State	Total	GF- State	Total	GF- State	Total
Local Gov. Courts						
Loc School dist-SPI						
Local Gov. Other	Non-zero but indeterminate cost and/or savings. Please see discussion.					
Local Gov. Total						

Estimated Operating Expenditures

Agency Name	2023-25				2025-27				2027-29			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Department of Commerce	.1	35,108	35,108	35,108	.1	35,108	35,108	35,108	.0	0	0	0
Department of Natural Resources	1.5	858,200	858,200	858,200	6.6	1,934,200	1,934,200	1,934,200	6.6	1,660,200	1,660,200	1,660,200
Total \$	1.6	893,308	893,308	893,308	6.7	1,969,308	1,969,308	1,969,308	6.6	1,660,200	1,660,200	1,660,200

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI									
Local Gov. Other	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Local Gov. Total									

Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Department of Commerce	.0	0	0	.0	0	0	.0	0	0
Department of Natural Resources	.0	0	0	.0	0	0	.0	0	0
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI									
Local Gov. Other	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Local Gov. Total									

Estimated Capital Budget Breakout

NONE

Prepared by: Lisa Borkowski, OFM	Phone: (360) 742-2239	Date Published: Final 2/22/2024
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Individual State Agency Fiscal Note

Bill Number: 1078 2S HB	Title: Urban forest management	Agency: 103-Department of Commerce
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.0	0.2	0.1	0.1	0.0
Account					
General Fund-State 001-1	0	35,108	35,108	35,108	0
Total \$	0	35,108	35,108	35,108	0

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Dan Jones	Phone: 360-786-7118	Date: 02/12/2024
Agency Preparation: Buck Lucas	Phone: 360-725-3180	Date: 02/22/2024
Agency Approval: Pouth Ing	Phone: 360-725-2715	Date: 02/22/2024
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 02/22/2024

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

Differences between the original bill and the second substitute bill:

- Removes requirements that cities, code cities, and towns with ordinances promoting or regulating urban forestry management or for the care of trees include an option allowing for the requirements of the ordinance to be satisfied through the use of a tree bank.
- Adds a definition of tree bank that includes programs providing for the payment of a fee-in-lieu of physically planting trees.
- Removes requirement that the Department of Natural Resources (DNR) establish guidelines for the incorporation of tree banks within communities' urban forestry ordinances and instead requires that DNR establish optional model urban forestry ordinances and recommendations.
- Requires DNR to deliver technical assistance and planning support to local jurisdictions that decide to utilize the model ordinances and recommendations.
- Authorizes DNR to administer a grant program to award grants to cities and counties that adopt the model urban forestry ordinances produced by DNR or that have, prior to the effective date of the act, adopted similar ordinances.
- Requires that the model ordinances and recommendations establish criteria for including tree bank programs in urban forestry ordinances, provide a tree selection and siting tool for use by local jurisdictions, and provide best practices for maintaining and growing newly planted trees within a tree bank.
- Adds areas suffering from adverse environmental factors including, but not limited to, erosion, flooding, and air or water pollution to areas in which tree banks must be located under the model ordinances and recommendations.
- Removes the requirement that DNR's model ordinance and recommendations include how to effectively support management plan outcomes.

Second Substitute does not change the fiscal impact to the Department of Commerce (department).

Summary of 2SHB 1078:

Section 3 amends RCW 76.15.110, requiring the Department of Natural Resources (DNR) to establish guidelines for the incorporation and use of tree banks within communities' urban forestry ordinance. The law currently permits DNR to consult with the department in the process of providing technical assistance, on issues including, but not limited to, intersections between urban forestry programs and growth management act planning.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Agency assumptions:

- The department assumes that work related to support the development of more housing of greater types is aligned with the purpose statement of the bill and therefore the department staff will play a role in assisting the Department of Natural Resources (DNR) and providing technical assistance to fully planning cities and counties if they choose to implement a tree banking program.

- The department assumes it will provide technical assistance to cities and counties in support of the new DNR guidelines for urban and community forestry ordinances to include tree banks.

0.2 FTE Commerce Specialist 3 (418 hours) in FY25 and FY26 to provide technical assistance to cities and counties in support of the new DNR guidelines.

Salaries and Benefits:

FY25-FY26: \$23,112 per fiscal year

Goods and Services:

FY25-FY26: \$1,917 per fiscal year

Travel Costs:

The department assumes outreach to communities across the state to provide technical assistance for the updated guidance. Annual travel will consist of 10 days of outreach and engagement, with half of them requiring lodging due to outreach and engagement to Eastern Washington, which includes additional travel in support of community technical assistance

FY25-FY26: \$2,475 per fiscal year

Intra-Agency Reimbursements:

FY25-FY26: \$7,604 per fiscal year

Note: Standard goods and services costs include supplies and materials, employee development and training, Attorney General costs, central services charges and agency administration. Intra-agency-administration costs (e.g., payroll, HR, IT) are funded under a federally approved cost allocation plan.

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Total Costs:

FY25-FY26: \$35,108 per fiscal year

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	0	35,108	35,108	35,108	0
Total \$			0	35,108	35,108	35,108	0

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years		0.2	0.1	0.1	
A-Salaries and Wages		16,904	16,904	16,904	
B-Employee Benefits		6,208	6,208	6,208	
C-Professional Service Contracts					
E-Goods and Other Services		1,917	1,917	1,917	
G-Travel		2,475	2,475	2,475	
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements		7,604	7,604	7,604	
9-					
Total \$	0	35,108	35,108	35,108	0

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

Job Classification	Salary	FY 2024	FY 2025	2023-25	2025-27	2027-29
Administrative Services - Indirect	111,168		0.0	0.0	0.0	
Commerce Specialist 3	84,518		0.2	0.1	0.1	
Total FTEs			0.2	0.1	0.1	0.0

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 1078 2S HB	Title: Urban forest management	Agency: 490-Department of Natural Resources
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.0	3.0	1.5	6.6	6.6
Account					
General Fund-State 001-1	0	858,200	858,200	1,934,200	1,660,200
Total \$	0	858,200	858,200	1,934,200	1,660,200

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Dan Jones	Phone: 360-786-7118	Date: 02/12/2024
Agency Preparation: Andrew Hills	Phone: /	Date: 02/19/2024
Agency Approval: Brian Considine	Phone: 3604863469	Date: 02/19/2024
OFM Review: Lisa Borkowski	Phone: (360) 742-2239	Date: 02/22/2024

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

Section 3. Amends RCW 76.15.110 and requires the Department of Natural Resources (DNR) to establish optional model urban forestry ordinances and recommendations. DNR must also provide technical assistance and planning support to local jurisdictions utilizing the model ordinances and recommendations. Criteria must be established for including tree bank programs into urban forestry ordinances. Criteria must be established for designating areas for use as tree banks within priority regions and areas suffering from adverse environmental factors. DNR must, using Best Available Science (BAS), determine ratios for trees planted to trees removed and appropriate species of tree to be used in tree banks. DNR must provide a tree selection and siting tool for use by local jurisdictions and provide best practices for maintaining and growing newly planted trees within tree banks.

Section 3(7) Directs the department to develop and administer a grant program, subject to the availability of specifically appropriated funds, directed to cities and counties that adopt the model urban forestry ordinances developed by the department, for the purpose of implementing those ordinances. This grant program also extends to those cities and counties that have adopted, prior to the effective date of this section, ordinances that are deemed by the urban forestry department as substantially similar to those produced by the department.

Changes from P2SHB 1078:

- 1) Section 3(6)(e) now includes additional information regarding the cost estimates that must be included in the model:
 - (i) providing estimates of the cost to maintain and nurture newly planted trees to ensure their survival; and
 - (ii) providing alternative methods for covering those costs, including through imposition of an appropriate fee related to the use of the tree bank, to ensure that sufficient funds will be available cover the costs of maintaining and nurturing the newly planted trees.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

To accomplish the work required in this bill, DNR must address issues of insufficient capacity and the availability of affiliated tools to inform tree bank parameters. If assumptions regarding expectations around BAS hold true, additional needs associated with the establishment of best available science are required.

Insufficient capacity: Current DNR staffing for Urban Community Forestry (UCF) does not provide the necessary capacity and expertise to develop model urban forestry ordinances, develop recommendations, establish criteria for including tree bank programs in urban forestry ordinances, or provide technical assistance and planning support to local jurisdictions.

Lack of site-specific guidance tools: To establish criteria for designating areas as tree banks, local jurisdictions will need to apply site-specific and location-informed data. The suitability of planting trees on a site is dependent on compatibility between tree species and site conditions. Determining appropriateness of tree species based on site conditions requires technical and professional expertise possessed by trained urban foresters. Most jurisdictions do not currently employ urban foresters and lack the expertise to effectively implement tree banks. To address this, DNR will provide an interactive tool allowing jurisdictions to identify siting and placement as well as explore appropriate tree species. No tool presently exists for

Washington so DNR will need to develop an online site-specific tree selection tool for use by local jurisdictions.

Inadequate science: Current or adequate science regarding appropriate ratios of tree planting to tree removal does not exist. Ratios would be driven by multiple, localized factors such as species, size, and location of trees to be both removed and planted as well as the social and monetary values placed on those trees. Values placed on trees to be removed or planted are affected by conditions that vary according to geography and socio-economic factors and these need to be considered before recommendations on tree bank value settings can be communicated to local jurisdictions. Developing guidance based on Best Available Science first requires the establishment of Best Available Science as described in RCW 36.70A.

Due to the lack of aggregated data and gaps in BAS to inform development, DNR will need to conduct a robust science synthesis on tree bank economic and biological feasibility as well as a scientific evaluation of the associated management implications which may include, at the least, a scientifically rigorous literature review and, at most, modeling and extrapolation of necessary elements. Additionally, to meet the standards of Best Available Science, the final product is recommended to undergo scientific review by the Washington Academy of Sciences (WAS). DNR current lacks capacity to accomplish this objective and must contract this study.

Published Guidance: Completion of finalized model ordinance documents will require layout, design, and publication support. While some of this work may be accomplished in-house by DNR's Communications, additional professional services contracts are needed due to current staff capacity limitations.

Section 3. Amending RCW 76.15.100

Establishing Planning Capacity:

To address capacity issues, DNR's Urban & Community Forestry Program requires a Lead Environmental Planner (EP4) to lead and accomplish the development of model urban forestry ordinances and recommendations and establish criteria for including tree bank programs in urban forestry ordinances. Further, technical assistance and planning support to local jurisdictions is highly localized and requires robust and timely interactions with local city and county planners and staff. To address the required technical assistance, an additional two (2) Environmental Planners (EP3) are needed who have the flexibility to focus where work arises.

FTE

Environmental Planner 4 – 0.75 in FY 25 and 1.0 FTE beginning in FY 26 and ongoing. Serves as Lead Urban Forestry Planner and is responsible for the facilitation, development, outreach, and final publication of the model urban forestry ordinances as well as management of any contracts and products. The reduced FTE in FY 25 accounts for normal delays in hiring and recruitment.

Environmental Planner 3 – 2.0 beginning in FY 26 and ongoing - Two positions to serve as Urban Forestry Planning Specialists with responsibility for working at the local level with jurisdictions to provide technical assistance and planning support. One position will serve eastern WA, the other western. Delay in establishment of FTE takes into account the development of model ordinances and positions for these staff to support jurisdictions.

FY2025

Salary: \$67,000

Benefits: \$22,600

Goods & Services: \$10,000 (includes 1 workstation)

Travel: \$4,550

Capital Outlays: \$172,566 (laptops and supplies, vehicles and supplies)

FY2026

Salary: \$251,200

Benefits: \$87,400
Professional Service Contracts: \$10,000 for publication
Goods & Services: \$26,000 (includes 2 workstations)
Travel: \$18,300

FY2027 and Ongoing
Salary: \$251,200
Benefits: \$87,400
Goods & Services: \$12,000
Travel: \$18,300

Tree Bank Siting and Tree Selection Tool:

Due to the site-specific nature and lack of urban forestry expertise in most local jurisdictions, to achieve the objectives in the bill, DNR must develop tools to identify siting and placement as well as explore appropriate tree species. DNR will develop an online guidance tool enabling local jurisdictions to make appropriate decisions. IT capacity does not presently exist at DNR to accomplish this task and will require a professional services contract for development and ongoing hosting and maintenance.

The Environmental Planner 4 will be responsible for oversight of contracts and associated products within this section.

FY2025
Professional Services Contract: \$200,000 for tree bank tool.

FY2026
Professional Services Contract: \$200,000 for tree bank tool.

FY2027 and Ongoing
Professional Services Contract: \$25,000 for ongoing maintenance of tree bank tool.

Best Available Science (BAS):

Insufficient scientific information exists to inform. To fulfill the expectations of the bill, DNR will need to conduct a scientifically rigorous literature review and likely need to conduct modeling and evaluation to serve as the scientific foundation. Sufficient scientific capacity does not presently exist at DNR to accomplish this task, and will result in a professional services contract.

The Environmental Planner 4 will be responsible for oversight of contracts and associated products within this section.

FY2025
Professional Services Contract: \$100,000 for contracted BAS study.

FY2026
Professional Services Contract: \$75,000 for contracted BAS study and Washington Academy of Sciences (WAS) peer review.

Grant Program to Cities and Counties:

To fulfill administration of a grant program directed to cities and counties for implantation of adopted urban forestry ordinances DNR would need an additional dedicated Environmental Planner 3 (EP3) and a Contract Specialist 2 (CS2) per year in an ongoing basis, or as long as there are dedicated appropriated funds for the grant program.

FY 2025

Salary: \$113,000

Benefits: \$41,300

Goods & Services: \$18,500 (includes 2 workstations)

Travel: \$4000

Capital Outlays: \$6892 (laptops and supplies)

FY2026 and ongoing:

Salary: \$150,800

Benefits: \$55,100

Goods & Services: \$6,000

Travel: \$ 5,000

TOTAL COSTS:

Goods and services and travel are calculated on actual program averages per person.

Administrative costs are calculated at 31% of staff salary and benefits and staff-related goods and services and travel.

23-25 BN: \$858,200

25-27 BN: \$1,934,200

27-29 BN: \$1,660,200

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	0	858,200	858,200	1,934,200	1,660,200
Total \$			0	858,200	858,200	1,934,200	1,660,200

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years		3.0	1.5	6.6	6.6
A-Salaries and Wages		180,000	180,000	804,000	804,000
B-Employee Benefits		64,100	64,100	285,400	285,400
C-Professional Service Contracts		300,000	300,000	310,000	50,000
E-Goods and Other Services		45,400	45,400	125,000	111,000
G-Travel		8,600	8,600	46,600	46,600
J-Capital Outlays		179,500	179,500		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements		80,600	80,600	363,200	363,200
9-					
Total \$	0	858,200	858,200	1,934,200	1,660,200

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

Job Classification	Salary	FY 2024	FY 2025	2023-25	2025-27	2027-29
Contracts Specialist 2	69,756		0.8	0.4	1.0	1.0
Environmental Planner 3	80,952		0.8	0.4	3.0	3.0
Environmental Planner 4	89,292		0.8	0.4	1.0	1.0
Fiscal Analyst 2	58,107		0.7	0.4	1.6	1.6
Total FTEs			3.0	1.5	6.6	6.6

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

Bill Number: 1078 2S HB

Title: Urban forest management

Part I: Jurisdiction-Location, type or status of political subdivision defines range of fiscal impacts.

Legislation Impacts:

Cities: May adopt a model urban forestry management ordinance with resources for tree banks.

Counties: Same as above.

Special Districts:

Specific jurisdictions only:

Variance occurs due to:

Part II: Estimates

No fiscal impacts.

Expenditures represent one-time costs:

Legislation provides local option: Cities and counties could adopt a model urban forest management ordinance with provisions for the siting and designation of tree banks in priority areas detailed in RCW 76.15.100 and areas where adverse environmental factors are present. Cities and counties could apply for grants from the Department of Natural Resources to adopt these ordinances.

Key variables cannot be estimated with certainty at this time: Number of cities and counties that would adopt the model ordinance, number of cities and counties that would apply for grants, the dollar value of appropriations by the legislature made for the purposes of this act.

Estimated revenue impacts to:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Estimated expenditure impacts to:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Part III: Preparation and Approval

Fiscal Note Analyst: Jordan Laramie	Phone: 360-725-5044	Date: 02/19/2024
Leg. Committee Contact: Dan Jones	Phone: 360-786-7118	Date: 02/12/2024
Agency Approval: Allan Johnson	Phone: 360-725-5033	Date: 02/19/2024
OFM Review: Lisa Borkowski	Phone: (360) 742-2239	Date: 02/19/2024

Part IV: Analysis

A. SUMMARY OF BILL

Description of the bill with an emphasis on how it impacts local government.

This fiscal note reflects language found in the second substitute version of HB 1078, 2024 legislative session. The amendments to this legislation in this version of the bill would not change the local government fiscal impact of the prior bill.

CHANGES FROM PRIOR VERSION OF BILL:

This second substitute act would create new responsibilities for the Department of Natural Resources compared to the prior bill.

SUMMARY OF CURRENT BILL:

This second substitute bill would authorize the Department of Natural Resources (DNR) to establish optional model urban forestry ordinances and recommendations that local governments could adopt into their municipal or county code. The model ordinances and recommendations would incorporate tree bank siting, designation, tree selection, management best practices, and best available science. Under this model ordinance, tree banks must be located in areas identified as priority regions under RCW 76.15.100 and areas where adverse environmental factors are present.

Sec. 2 of the act amends definitions of urban forest management statute, which includes a new definition for tree banks.

Sec. 3 of the second substitute act is amended to authorize the DNR to establish an optional model urban forestry ordinance. The ordinance and recommendations developed by DNR must incorporate the criteria for tree bank programs, criteria for designating tree banks in priority regions under RCW 76.15.100 and areas with adverse environmental factors, use best available science, and provide best practices for maintaining and growing trees in the tree bank. Local governments that use the model ordinance developed by DNR would be eligible for technical assistance, planning support, and costs to implement and adopt the model ordinance into local code.

This bill would take effect 90 days after it is signed into law.

B. SUMMARY OF EXPENDITURE IMPACTS

Expenditure impacts of the legislation on local governments with the expenditure provisions identified by section number and when appropriate, the detail of expenditures. Delineated between city, county and special district impacts.

CHANGES IN THE EXPENDITURE IMPACT COMPARED TO THE PRIOR BILL VERSION:

The amendments made to the second substitute version of this legislation would not change the expenditure impact associated with the prior version of this act.

IMPACT OF CURRENT BILL VERSION:

There would be indeterminate expenditure impact associated with this second substitute legislation for cities and counties with existing urban forestry management ordinances and those that choose to adopt the model ordinances.

While this act does not require cities and counties to take the local option, the number of cities and counties that would adopt the model urban forestry ordinances (model ordinance) that include provisions for siting and selecting tree banks is likely non-zero because of the financial assistance grant program authorized under Sec. 3(7).

For jurisdictions that take the local option, there would be costs associated with adopting any of the model ordinances developed by the Department of Natural Resources (DNR) in Sec. 3(6) into their local code. If the legislature funds the grant program in Sec. 3(7) it is likely that local governments would have some cost to apply for funds from the grant program. Application costs may range from de minimis to more substantive, and cost may vary depending on the capacity of the applying jurisdiction and the criteria of the grant program developed by DNR.

According to DNR's assumptions for PSHB 1078 (2024), DNR would develop the model ordinances and recommendations, a Best Available Science study, as well as the creation of a tree bank siting and selection tool to help implement the tree bank provisions of the model ordinance. These guidelines and tools may not be complete until July 1, 2026 based on assessment from DNR internal capacity to complete the work detailed in Sec. 3. Therefore, expenses for local governments that adopt any of the model ordinances with tree bank provisions would likely not occur until FY27.

Note: The illustrative example below details potential costs for cities, but counties may also adopt these ordinances as a local option. Counties would have similar costs for ordinance adoption, updating program documents, and updating zoning maps.

ILLUSTRATIVE EXAMPLE OF ADOPTION COSTS:

Applying for Grants to Adopt the Model Urban Forestry Ordinance:

There may be minor costs for a jurisdictions to apply for financial assistance provide by the grant program established by Sec. 3(7), however, this is a local option for those jurisdictions that choose to adoption the optional model ordinance.

It is assumed that local governments would incur costs associated with preparing and submitting state grant applications. The costs for local governments to apply for the grants or loans is indeterminate. These costs would likely include administrative costs for local planning department or urban forestry staff to complete applications.

Ordinance Adoption Costs:

DNR would develop the model ordinance, guidelines, technical assistance, and tree selection and siting tools that local governments could use to support their urban forest management programs. DNR's efforts would reduce the implementation costs for cities and counties that take the local option. However, based on assessment from outreach conducted by the Local Government Fiscal Note program (LGFN) and the Department of Commerce Evaluation of Planning Cost study (Cost Study) local planners view model ordinances as helpful for review as they prepare code updates but indicate that provided examples must be changed significantly to be incorporated into existing local code. According to the Cost Study, technical assistance provided by DNR would be the greatest cost saver for smaller cities and counties.

The LGFN program assumes that amending existing urban forestry ordinances would be moderately complex to complex. depending on the availability of technical assistance from DNR and the model ordinance's difficulty to integrate into existing code by a city's community development department, in order to present to the city council for adoption. The LGFN program estimates the cost of moderately complex ordinance adoption with a hearing of the same complexity at \$4,944 per city, while complex ordinance adoption with a hearing of the same complexity costs an estimated \$10,140 per city.

Costs to adopt the provision in Sec. 3(6) include: analyzing comprehensive plan policies, urban forestry plans, and municipal code to determine extent of amendments required; drafting informational materials on reasons for, and approach to, allowing tree bank siting for public review; conducting outreach to inform and solicit feedback; drafting proposed amendments for the city's planning commission considerations; a planning commission public hearing and recommendation to the city council; a presentation to the city planning commission to record recommendations for the city council, and a city council public hearing and action.

Average cost for urban forest management ordinance amendment: \$7,542 per city. $((\$4,944 \text{ per city} + \$10,140 \text{ per city})/2)$

Data from the Arbor Day Foundation's Tree City USA program indicates that Washington State has 91 cities with urban forestry management ordinances. If half of cities with an urban forest management ordinances $(91 \text{ cities} / 2 = 46 \text{ cities})$

were to adopt the model ordinance developed by DNR, the following costs may be estimated:

$$46 \text{ cities} \times \$7,542 = \$346,932$$

Amending Existing Urban Forest Management Program Documents:

Indeterminate – Unknown number of cities that would amend urban forest management program documents.

Cities contacted about this bill specify that amendments may be necessary in the next iteration of their urban forest management program's strategic plan, maintenance plan, guidebook, or manual. The cost and timing of these updates would depend on when cities adopt an amended urban forest management ordinance as well as guidance and technical assistance provided by DNR.

Illustrative example:

Costs for these amended documents may start at \$5,000 per impacted city, based on eligible projects with grant availability from DNR's Urban and Community Forestry Program, 2022-2023 Community Forest Assistance Grant. If all cities that adopted the model ordinance need to amend existing documents, the following costs could be estimated.

$$46 \text{ cities} \times \$5,000 = \$230,000$$

Updating Zoning Maps

Indeterminate – Unknown number of cities that would amend local zoning maps.

Sec. 3(6) of this bill indicates that designated areas for tree banks include areas identified as priority regions under 76.15.100 RCW and areas where adverse environmental factors are present.

For cities that take the local option, the Association of Washington Cities (AWC) anticipates that zoning maps may need to be updated for the public in at least some cities impacted by this bill. Displaying the location of tree banks may need to be included on a city's zoning map and the process for this mapping could be achieved through amended zoning regulations.

The number of cities that would be impacted and how a city determines where these designated areas are located would depend on guidelines developed by DNR. Costs for amending existing zoning and land use maps, may be included at the time of the development of the model ordinance. AWC has estimated the costs for the development, production, and printing of maps could be as high as \$5,000 per impacted city.

$$46 \text{ cities} \times \$5,000 = \$230,000$$

Estimated costs for the illustrated example: For 50% of all cities with urban tree management ordinances to adopt the new model ordinance would be \$806,932 = (46 cities x \$17,542 = \$806,932)

C. SUMMARY OF REVENUE IMPACTS

Revenue impacts of the legislation on local governments, with the revenue provisions identified by section number, and when appropriate, the detail of revenue sources. Delineated between city, county and special district impacts.

CHANGES IN REVENUE IMPACTS BETWEEN THIS VERSION AND PREVIOUS BILL VERSION:

The amendments made to the second substitute version of this legislation would not change the revenue impact associated with the prior version of this act.

SUMMARY OF CURRENT BILL VERSION:

This legislation would have an indeterminate impact on local government revenues.

The magnitude of the local government impact would depend on the legislature's appropriation to the grant program established by Sec. 3(7) for the specific purposes of this act. This funding level and the distribution of cities and counties that would be awarded funding from the grant program is not currently known.

SOURCES:

American Planning Association, Planning the Urban Forest (2009)

Association of Washington Cities

City of Edmonds

Department of Natural Resources

Department of Natural Resources, FN P2S HB 1078 (2024)

Local Government Fiscal Note Program, FN S HB 1078 (2023)

Local Government Fiscal Note Program, Unit Cost Model (2024)

The Arbor Day Foundation, Tree City USA Summary - Washington State (2021)