S-5223.2
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## SUBSTITUTE SENATE BILL 6691

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State of Washington 60th Legislature 2008 Regular Session

By Senate Water, Energy & Telecommunications (originally sponsored by Senator Sheldon)

READ FIRST TIME 02/08/08.

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- 1 AN ACT Relating to a pilot program establishing marine habitat
- 2 mitigation banks in a certain area; adding a new chapter to Title 90
- 3 RCW; providing an effective date; and providing an expiration date.
- 4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- NEW SECTION. Sec. 1. (1) The legislature finds that marine habitat mitigation banks are an important tool for providing compensatory mitigation and conservation for unavoidable impacts to marine habitat. The legislature further finds that the benefits of marine habitat mitigation banks include:
  - (a) Maintenance of the ecological functioning of marine habitat by consolidating compensatory mitigation, habitat preservation, and conservation into a single large parcel rather than smaller individual parcels;
  - (b) Potential development of a landscape ecology plan that would facilitate the use of smaller individual parcels that could be connected through functional transportation corridors;
- 17 (c) Increased potential for the establishment and long-term 18 management of successful mitigation and conservation by bringing

p. 1 SSB 6691

together financial resources, planning, and scientific expertise not practicable for many project-specific mitigation and conservation proposals;

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- (d) Increased certainty over the success of mitigation and conservation and the reduction of temporal losses of marine habitat since mitigation and conservation banks are typically implemented and functioning in advance of project impacts;
- (e) Potential enhanced protection and preservation of the state's highest value and highest functioning marine habitat;
- (f) A reduction in permit processing times and increased opportunity for more cost-effective compensatory mitigation and conservation for development projects; and
- 13 (g) The ability to provide compensatory mitigation and conservation 14 in an efficient, predictable, and economically and environmentally 15 responsible manner.
- 16 (2) Therefore, the legislature finds that the establishment of 17 marine habitat mitigation banks in select areas will help document the 18 benefits to the state of marine habitat mitigation banks.
- 19 <u>NEW SECTION.</u> **Sec. 2.** The definitions in this section apply 20 throughout this chapter unless the context clearly requires otherwise.
- 21 (1) "Bank sponsor" means any public or private entity responsible 22 for establishing and, in most circumstances, operating a bank.
  - (2) "Banking instrument" means the documentation of agency and bank sponsor concurrence on the objectives and administration of the bank that describes in detail the physical and legal characteristics of the bank, including the service area, and how the bank will be established and operated.
  - (3) "Credit" means a unit of trade representing the increase in the ecological value of the site, as measured by acreage, functions, or values, or by some other assessment method.
    - (4) "Department" means the department of ecology.
  - (5) "Marine habitat mitigation bank" or "bank" means a site where marine habitat is restored, enhanced, or, in exceptional circumstances, preserved expressly for the purpose of providing compensatory mitigation in advance of authorized impacts to similar resources.
- 36 (6) "Mitigation" means sequentially avoiding impacts, minimizing 37 impacts, and compensating for remaining unavoidable impacts.

SSB 6691 p. 2

(7) "Pilot program" means a program established under this chapter to establish a marine habitat mitigation bank in the service area to document the potential uses of a marine habitat mitigation bank.

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- (8) "Practicable" means available and capable of being done after taking into consideration cost, existing technology, and logistics in light of overall project purposes.
- (9) "Service area" means a Puget Sound county in which southern Puget Sound and southern Hood Canal are both located.
- 9 (10) "Unavoidable" means adverse impacts that remain after all 10 appropriate and practicable avoidance and minimization have been 11 achieved.
- 12 NEW SECTION. Sec. 3. The department shall establish a pilot program to establish a marine habitat mitigation bank on privately 13 owned land in the service area. Further, the department shall, 14 together with county legislative authorities and affected tribes, 15 16 approve a bank sponsor in the service area. The department shall 17 certify the bank using procedures consistent with chapter 90.84 RCW and any rules adopted under that chapter. The department, in consultation 18 appropriate agencies and 19 with other interests, shall develop 20 substantive standards for a pilot marine habitat mitigation bank to 21 implement the intent of section 1 of this act.
  - NEW SECTION. Sec. 4. Prior to authorizing use of credits from a bank as a means of mitigation under a permit issued or approved by the department, the department must ensure that all appropriate and practicable steps have been undertaken to first avoid and then minimize adverse impacts to marine habitat. In determining appropriate steps to avoid and minimize adverse impacts to marine habitat, the department shall take into consideration the functions and values of the marine land, including fish habitat and protection of adjacent properties. The department may approve the use of credits from a bank when:
  - (1) The credits represent the restoration or enhancement of marine habitat of like kind and in close proximity when marine habitat are being mitigated;
- 34 (2) There is no practicable opportunity for on-site compensation; 35 or

p. 3 SSB 6691

- 1 (3) Use of credits from a bank is environmentally preferable to on-2 site compensation.
- 3 <u>NEW SECTION.</u> **Sec. 5.** The department, in consultation with the
- 4 bank sponsor approved under this chapter, shall submit a report to the
- 5 appropriate standing committees of the legislature by June 30, 2010.
- 6 The report must include:
- 7 (1) A description of the marine habitat mitigation banks in 8 operation in the service area;
- 9 (2) A description of the projects for which the credits were used 10 for compensatory purposes, including a description of the marine 11 habitat impacts for which compensation was required; and
- 12 (3) Recommendations for any changes necessary to make the marine 13 habitat mitigation bank provisions of this chapter operate more 14 effectively and to possibly expand this pilot program for the 15 establishment of banks outside the service area.
- NEW SECTION. Sec. 6. A bank certified under section 3 of this act may continue to operate under chapter 90.84 RCW.
- NEW SECTION. Sec. 7. Sections 1 through 5 of this act expire June 30, 2011.
- 20 <u>NEW SECTION.</u> **Sec. 8.** This act takes effect July 1, 2008.
- NEW SECTION. Sec. 9. Sections 1 through 8 of this act constitute 22 a new chapter in Title 90 RCW.

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