

HOUSE BILL REPORT

HB 1015

*As Reported By House Committee on:
Local Government*

Title: An act relating to local government service agreements.

Brief Description: Creating a procedure for local government service agreements.

Sponsor(s): Representatives Haugen, Ferguson, Roland, Horn, Zellinsky, Phillips, Winsley, Nealey, Nelson, Fraser and Rayburn.

Brief History:

Reported by House Committee on:
Local Government, March 4, 1991, DPS.

**HOUSE COMMITTEE ON
LOCAL GOVERNMENT**

Majority Report: *That Substitute House Bill No. 1015 be substituted therefor, and the substitute bill do pass.* Signed by 14 members: Representatives Haugen, Chair; Cooper, Vice Chair; Ferguson, Ranking Minority Member; Mitchell, Assistant Ranking Minority Member; Bray; Edmondson; Franklin; Horn; Nealey; Nelson; Rayburn; Roland; Wood; and Wynne.

Minority Report: *Do not pass.* Signed by 1 member: Representative Zellinsky.

Staff: Steve Lundin (786-7127).

Background: The Local Governance Study Commission was established in 1985 to study local government in the state and make recommendations to the Legislature for changes in laws that were felt to be necessary. This commission had 21 members, and three ex-officio, nonvoting, members. The 21 members included four Senators, four Representatives, four city-elected officials, four county-elected officials, and five persons representing special districts. The ex-officio, nonvoting, members were the director of the Department of Community Affairs, who chaired the meetings, and the executive directors of the Associations of Washington Cities and the Washington State Association of Counties.

Statutes provide procedures by which cities, towns, and approximately 65 different types of special districts can be created. Thirty-nine counties exist in the state. Two hundred sixty-eight cities and towns exist in the state, and hundreds of different special districts exist in the state.

The Interlocal Agreement Act authorizes local governments to enter into relationships as follows: (1) two or more local governments that each have the authority to provide the same service or facility can enter into a contract by which one government provides the service or facility for the other local government or governments; and (2) two or more local governments that each have the authority to provide the same service or facility can enter into agreements to jointly provide the service or facility. Every party to an interlocal agreement or interlocal contract must approve the agreement or contract.

Summary of Substitute Bill: This legislation implements a portion of the constitutional amendment recommended by the Local Governance Study Commission by establishing a process for local governments to enter into binding local government service agreements for the provision of local governmental services and the development of local policies, that could include the transfer of services and revenues between existing local governments.

A local government service agreement concerning one or more local governmental services may be established. An agreement becomes binding on local governments within a geographic area defined in the agreement if approved by:

- (1) The county legislative authority of each county that has territory included within the defined area;
- (2) The governing bodies of at least a simple majority of the total number of cities that include territory located within the defined area, which cities include at least 75 percent of the total population of all the cities that include territory located within the defined area; and
- (3) For each governmental service addressed in an agreement, the governing bodies of at least a single majority of the special districts that include territory within the defined area and which provide that governmental service.

Such an agreement may cover an area that includes territory located in more than a single county.

A local government service agreement may address any local governmental service, but may not address the generation, conservation or distribution of electrical energy, nor maritime shipping activities. A school district may not be a party to, nor be affected by, a local government service agreement.

A local government service agreement must describe: (1) the local governmental service or services addressed by the agreement; (2) the geographic area covered by the agreement; (3) which government or governments are to provide the local governmental service or services within the geographic area; and (4) the term of the agreement, which may not exceed 10 years.

A variety of matters may be included in an agreement, such as: (1) how joint land-use controls and common development standards are established and enforced; (2) how capital improvement plans are coordinated; (3) transferring revenues between local governments; (4) urban area definitions to indicate areas that eventually should be located within a city or cities; and (5) designating area-wide governmental services to be provided by the county.

The county legislative authority of each county with a population of 100,000 or more must convene a meeting on or before March 1, 1992, to consider establishing such an agreement. This would include King, Pierce, Snohomish, Clark, Yakima, Kitsap, Thurston, Whatcom and Benton Counties. Invitations must be sent to the governing bodies of all local governments within the county. On or before January 1, 1994, at least one agreement must be in effect in each county with a population of 100,000 or more, or the county legislative authority must submit an explanation to the Department of Community Development detailing why such an agreement was not made. However, if no funds are appropriated to the Department of Community Development to be used as grants for local governments, this mandate is removed.

A boundary review board shall be abolished within a county if the director of Community Development certifies that such an agreement has been established in the county that includes a dispute resolution arrangement adequate to resolve disputes over matters within the purview of a boundary review board, and resolutions providing for the dissolution have been adopted by the county legislative authority and the governing bodies of the cities that constitute at least 50 percent of the population of the county residing in cities. Decisions made under the dispute resolution arrangement must be in writing, including findings in a manner similar to findings adopted by a

boundary review board, and be consistent with the objectives of a boundary review board.

The Department of Community Development is authorized to:
(1) make grants to local governments to assist in developing such agreements from moneys appropriated for such purposes;
(2) design a financial methodology to assist local governments in assessing the need for financial adjustments between local governments arising from implementation of such agreements; (3) provide mediation services to resolve disputes arising over matters addressed in such agreements; and (4) undertake one or more demonstration projects with local governments to develop such agreements.

This act does not become effective unless the constitutional amendment (HJR 4202) authorizing the local government service agreement process is approved by the voters.

Substitute Bill Compared to Original Bill: (1) Language was deleted precluding such an agreement being made that transferred money to or from a port district unless the transferring government approved the agreement. (2) Language was added relating to findings by a dispute resolution process that can replace a boundary review board.

Fiscal Note: Available.

Effective Date of Substitute Bill: At the next general election, if the constitutional amendment (HJR 4202) authorizing this process is approved by the voters.

Testimony For: This will allow local officials to establish agreements to provide governmental services in the most appropriate manner to fit local circumstances.

Testimony Against: None.

Witnesses: (All testified in favor:) Chuck Clarke, Director, Department of Community Development; Gary Lowe, Washington State Association of Counties; Stan Finkelstein, Association of Washington Cities; and Joe Daniels, Washington State Association of Water/Wastewater Districts.