

HOUSE BILL REPORT

ESHB 1025

*As Passed House
March 20, 1991*

Title: An act relating to growth strategies.

Brief Description: Establishing growth management strategies.

Sponsor(s): By House Committee on Appropriations (originally sponsored by Representatives Cantwell, Betrozoff, Roland, Heavey, R. Meyers, Dorn, Holland, Paris, Wineberry, Wilson, May, Phillips, Wang, Sprenkle, Horn, Van Luven, Spanel, Wood, Prentice, Leonard, Haugen, Rust, Fraser, Nelson, Pruitt, G. Fisher, Jacobsen, R. Fisher, Valle, Hine, Winsley, Rasmussen, Scott, Forner, Brekke and Anderson; by request of Governor Gardner).

Brief History:

Reported by House Committee on:
Appropriations, March 9, 1991, DPS;
Passed House, March 20, 1991, 59-38.

**HOUSE COMMITTEE ON
APPROPRIATIONS**

Majority Report: *That Substitute House Bill No. 1025 be substituted therefor, and the substitute bill do pass.*
Signed by 18 members: Representatives Locke, Chair; Inslee, Vice Chair; Spanel, Vice Chair; Belcher; Braddock; Brekke; Dorn; Ebersole; Hine; May; Peery; Pruitt; H. Sommers; Sprenkle; Valle; Vance; Wang; and Wineberry.

Minority Report: *Do not pass.* Signed by 8 members: Representatives Silver, Ranking Minority Member; Morton, Assistant Ranking Minority Member; Bowman; Fuhrman; Lisk; McLean; Mielke; and Nealey.

Staff: Susan Kavanaugh (786-7130), Charlie Gavigan (786-7340), and Steve Lundin (786-7127).

Background: The 1990 Growth Management Act (GMA) established a series of goals to guide the planning

activities of counties and cities that are required or that choose to plan under the act.

Who Must Plan: Counties with a population of at least 50,000 and growth of at least 10 percent over the last 10 years, counties of any size with at least 20 percent growth over the last 10 years, and the cities located in these counties, are required to comply with various growth management provisions. An excluded county can opt to place itself and the cities located in the county, under the GMA. Fifteen counties are required to plan under the GMA, and eight additional counties have opted to plan. Grants and technical assistance are provided to counties and cities that plan under the act.

Natural Resource Lands and Critical Areas: By September 1, 1991, every county and city in the state must designate natural resource lands and critical areas within its planning jurisdiction. The natural resource lands include forest lands, agricultural lands, and mineral resource lands that have long-term commercial importance for forestry, agriculture, or mineral extraction. The critical areas include wetlands, areas with critical recharging effect on aquifers used for portable water, fish and wildlife habitat conservation areas, frequently flooded areas, and geologically hazardous areas. Those counties and cities that plan under the act must protect the designated natural resource lands and critical areas from incompatible land uses by September 1, 1991.

Comprehensive Planning: By July 1, 1993, each county and city that plans under the act must adopt comprehensive plans that include the following:

1. Urban growth areas, designated by each county after consultation with cities. If agreement is not reached, the county designates but must justify the designations;
2. Natural resource lands;
3. Critical areas; and,
4. Various elements, including land use, housing, capital facilities, utilities, transportation, and, for counties, a rural element; the transportation element includes specific requirements for the provision of transportation improvements concurrently with development activity.

The comprehensive plans must be internally consistent. The elements relating to capital facilities, including transportation facilities, must be consistent and coordinated with the land use element. The comprehensive plans of counties and cities that plan under the act must be coordinated with the comprehensive plans of those counties and cities that plan under the act with which the county or city has, in part, common borders or related regional issues.

Within one year of adopting its comprehensive plan, each county and city that plans under the act must adopt development regulations that implement its plan.

Regional Planning: Provisions were made for the development of regional transportation plans by Regional Transportation Planning Organizations.

Encouraging Economic Growth State-wide: Several provisions were made to encourage economic development statewide, especially in rural areas experiencing little or no growth. These provisions focused on building local capacity for economic growth in rural areas, developing rural-urban links, and studying ways to make state economic development services more effective and more accessible, particularly in rural communities.

Other Provisions: Counties and cities that plan under the act may impose impact fees on development activities to finance: (1) streets and roads; (2) publicly owned parks, open spaces, and recreational facilities; (3) school facilities; and (4) city or town fire protection facilities. The fees may be imposed if the county or city has adopted a capital facilities plan that addresses the types of facilities for which impact fees are imposed.

Counties and cities that are required to plan under the act may impose housing relocation fees on development activities that remove low-income housing to finance a portion of the resulting housing relocation costs of low-income persons who are forced to move.

Counties and cities that are required to plan under the act may impose a real estate excise tax of up to 0.25 percent to finance capital facilities specified in the capital facilities element of their comprehensive plans. Other counties and cities that choose to plan under the act may

submit a ballot proposition to their voters to authorize the imposition of this tax.

Summary of Bill: The 1990 Growth Management Act (GMA) is modified and expanded.

Who Must Plan: The classes of counties that are required to plan under the GMA are expanded to include any county with a population of 100,000 or more. This would add Spokane County and the cities within it.

Agricultural, Forest & Mineral Resource Lands and Critical Areas: All counties and cities not required to protect designated agriculture, forest & mineral resource lands and critical areas by September 1, 1991 must do so by September 1, 1992.

Counties and cities that plan under the GMA must also designate open space lands that the local government is permanently protecting. This must be done by June 30, 1992. Open space that is not critical area must be purchased, or the development rights must be purchased. A committee is established to prepare a state open space map and also to make recommendations for identifying natural resource lands of state-wide significance and for minimum standards to protect these lands.

Goals and Planning: New planning goals are added regarding air quality, water resources, public utilities, and state trust lands. The nature of all planning goals is altered from being a guide for developing comprehensive plans to being substantive policies that must be conformed to by counties and cities that plan under the GMA, special districts located in such counties and cities, and state agencies.

Comprehensive plans of counties and cities planning under the GMA must consider water resources, providing a fair share of affordable housing, and the following new elements: (1) historic sites; (2) environmental management; (3) open space and outdoor recreation; (4) siting public facilities and (5) economic development; and (6) private property.

Urban growth areas must be divided into two tiers; the first is based on a 10-year growth forecast while the second is based on a 20-year growth forecast. The 10-year tier of an urban growth area must be substantially developed before suburban or urban development is permitted beyond it in the

20-year tier. Tier boundaries may not be drawn to anticipate significantly more growth than is projected for the 10 and 20-year periods.

New fully contained urban communities are authorized outside urban growth areas if certain requirements are met. No city or town may incorporate outside a designated urban growth area.

Special purpose districts and state agencies must conform to the goals of the GMA and be consistent with the comprehensive plans and development regulations of applicable counties and cities.

Vesting, i.e. the right to develop under current regulations, occurs when a complete application is made, rather than at the time a "substantially complete" application is made. A complete application is defined by local ordinance; for subdivisions, the act defines "complete application" unless the county definition is more prescriptive.

Counties, cities, and the State must develop processes to evaluate whether their regulations or other actions may constitute a taking of private property.

Pilot projects are established through the Department of Ecology to study whether counties or cities can incorporate SEPA requirements into their comprehensive planning process more effectively.

Housing and impact fee provisions in the GMA are expanded.

Regional Planning: Regional policy plans must be developed by July 1, 1992. These plans must address: (1) designation of rural and urban lands; (2) distribution of future population and employment growth; (3) promotion of contiguous development; (4) regional public capital facilities; (5) regional transportation facilities; (6) fair share of affordable housing; (7) open space; (8) new communities; (9) annexation and incorporation; and (10) economic development.

A region is a county that plans or two or more counties that voluntarily form a region. Cities must be involved in the planning process.

State Review of Local Plans and Regulations: Counties and cities must submit the final draft of proposed comprehensive plans and development regulations to the Department of Community Development for comment. These local governments must also send the adopted plan and regulations to the Department of Community Development for review. The governor and Department of Natural Resources (DNR) may challenge the adopted plans and regulations as not meeting the requirements of the GMA by appealing to the Growth Management Hearings Board.

The Growth Management Hearings Board is established to hear challenges by: (1) the governor or DNR to local government plans or regulations; (2) local governments to state actions; (3) the department or local governments regarding interjurisdictional coordination; and (4) citizens who have officially commented on the plan or regulation being challenged or who have been certified as having a valid issue by the governor.

The Hearings Board is part of the Environmental Hearings Office. The board is comprised of three full-time and two part-time members appointed by the governor.

The state Business Assistance Center must provide information, on request, to businesses regarding agency rules that apply to them. All state agencies that regulate business must designate a staff person to assist in this effort. Businesses must also be given greater opportunity to comment on proposed rules that would affect them.

A State Agency Coordinating Council is created to make recommendations to the Legislature and governor regarding a public infrastructure policy and financing, and providing incentives for local governments to comply with the act. The council must coordinate state economic development efforts, mediate disputes among state agencies regarding the siting of regional and state public facilities, and advise the governor on growth management issues.

A joint select legislative committee is created to monitor growth management.

Enforcement of the Act: If the Growth Management Hearings Board finds that a state agency, county, or city does not conform to the GMA, and the local government or state agency has not complied with the board's order within one year, the governor may impose sanctions. The governor may withhold

rural and urban arterial funds, as well as gas, real estate excise, sales and use, liquor profit, and liquor excise tax revenues, from counties or cities. Likewise, the governor may reduce state agency allotments.

Fiscal Note: Available. New fiscal note requested March 11, 1991.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: This is important legislation needed to preserve the quality of life in the state. It strengthens and adds to the Growth Management Act of 1990. The design element in plans is important and should be made mandatory. The compensation requirements proposed by the Natural Resources Committee are potentially very costly and should not be incorporated into HB 1025. The density provisions are important for cities.

Testimony Against: None.

Witnesses: (Includes persons testifying on Substitute House Bills (SHB) 1668, 1669, 1670, 1671, 1672 and 1673 all of which include portions of HB 1025): Richard Youel, American Institute of Architects (in favor); Dennis Haskell, American Institute of Architects (in favor); Jeff Parsons, National Audubon Society (in favor); Scott Nelson, Washington Natural Gas; Mike Tracy, Puget Power; Bruce Wisgeart, Sierra Club (in favor, SHB 1673); Lucy Steers, League of Women Voters (in favor); Conrad Hermsted; Meta Heller; Robert Jacobson, Senior Lobby (in favor); David Williams, Association of Washington Cities; Paul Parker, Washington State Association of Counties; Mike Ryherd, Low Income Housing Congress (in favor); Mike McCormick, Department of Community Development; Chris Leeman, Coalition of Washington Communities (in favor); and Chris Howard, Department of Transportation (in favor).