## FINAL BILL REPORT

## **ESHB 1025**

## PARTIAL VETO C 32 L 91 E1

Brief Description: Establishing growth management strategies.

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).

House Committee on Appropriations

Background: The 1990 Growth Management Act (GMA) established goals to guide the planning activities of counties and cities that are required or that choose to plan under the GMA.

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. 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 GMA must protect the designated natural

resource lands and critical areas from incompatible land uses by September 1, 1991, although prior permitted uses cannot be prohibited until development regulations are adopted to implement the comprehensive plan under the GMA.

<u>Comprehensive Planning:</u> By July 1, 1993, comprehensive plans adopted under the GMA must include the following:

- 1. Urban growth areas (UGAs) designated by each county after consultation with cities. If agreement is not reached, the county designates the UGAs but must justify the designations;
- 2. Natural resource lands;
- 3. Critical areas; and,
- 4. Other planning 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 plan of any county and city that plans under the GMA must be coordinated with the comprehensive plans of those counties and cities (also planning under the GMA) which have, in part, common borders or related regional issues.

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

<u>Regional Planning:</u> Provisions are made for the development of regional transportation plans by Regional Transportation Planning Organizations.

Encouraging Economic Growth State-wide: Several provisions encourage economic development statewide, especially in rural areas experiencing little or no growth. These provisions focus 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 GMA 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 element in its comprehensive plan that addresses the types of facilities for which impact fees are imposed.

Counties and cities that are required to plan under the GMA may impose housing relocation fees on development activities that remove low-income housing.

Counties and cities that are required to plan under the GMA may impose an additional 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 GMA may submit a ballot proposition to their voters to authorize the imposition of this tax.

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

Natural Resource Lands and Critical Areas: All counties and cities must protect critical areas. Counties and cities not required to protect these critical areas by September 1, 1991 must do so by March 1, 1992. The Department of Community Development (DCD) can extend the deadline for designating or protecting natural resource lands and critical areas for up to 180 days.

The restriction is removed from the GMA that interim development regulations to protect natural resource lands and critical areas may not prohibit prior permitted uses. Interim development regulations to protect natural resource lands may not prohibit uses legally existing on any parcel prior to the adoption of the interim development regulations.

Counties and cities must provide a notice on all plats and development or building permits pertaining to property within 300 feet of designated natural resource lands stating that the subject property is near land where commercial activity may occur that is not compatible with residential development. Land in an urban growth area cannot be designated as forest or agricultural land unless the county

or city has enacted a program authorizing transfer of development rights or purchase of development rights.

Open space must be acquired by the state or local government in some circumstances.

<u>Comprehensive Planning:</u> Comprehensive plans of counties and cities cannot exclude the siting of essential public facilities. Examples of essential public facilities include airports, state education facilities, regional transportation facilities, state and local correction facilities, solid waste handling facilities, and in-patient facilities.

Exceptions are made to the 1990 requirements regarding urban growth areas (UGAs). New Fully Contained Communities and Master Planned Resorts are allowed outside UGAs if certain criteria are met. These criteria include: (1) provision for these communities or resorts in the comprehensive plan; (2) provision for buffers between these communities and resorts and urban areas; (3) provision for protection of critical areas; and (4) provision for fully providing necessary infrastructure. Also, for New Fully Contained Communities, the 20-year growth management planning population projection, which determines the size of the UGAs in the county, must be allocated between UGAs and proposed new communities. Once approved, a new fully contained community becomes a separate urban growth area.

Interjurisdictional Coordination: A county-wide planning policy must be adopted by counties planning under the GMA, with agreement and input from cities. The purpose of these planning policies is to help counties and cities meet the interjurisdictional consistency requirements of the GMA. A process for developing a county-wide planning policy must be established by October 1, 1991, and the planning policy must be adopted by July 1, 1992. The planning policy must address: (1) urban growth areas; (2) provision of urban services; (3) siting state and regional public facilities; (4) transportation; (5) affordable housing; (6) planning within UGAs; (7) economic development; and (8) fiscal impacts.

A multi-county planning policy must be adopted by Snohomish, King, and Pierce counties. Other counties may adopt a multi-county planning policy.

<u>State Requirements:</u> State agencies must comply with county and city comprehensive plans and development regulations adopted under the GMA.

The Department of Community Development (DCD) must adopt procedural criteria to assist counties and cities adopt comprehensive plans and development regulations that meet the goals and requirements of the GMA. DCD shall administer between two and four environmental planning pilot projects.

The attorney general must adopt a process, by October 1, 1991, for state agencies and local governments to use to evaluate whether proposed actions may constitute an unconstitutional taking of private property.

Growth Planning Hearings Boards: Three Growth Planning Hearings Boards are created to resolve disputes regarding the GMA. One board is established for Eastern Washington, one for Western Washington, and one for Central Puget Sound (Snohomish, King, Pierce, and Kitsap counties).

The boards hear petitions on whether state agencies, counties, and cities comply with the requirements of the GMA, and whether the 20-year growth planning population projections prepared by the Office of Financial Management (OFM) should be adjusted. Petitions to the board alleging non-compliance with the GMA may be filed by the state, counties, cities, and persons: (1) who are aggrieved; (2) who appeared at a local government hearing; or (3) who are certified by the governor.

The petitioner to the board, alleging non-compliance with the GMA, must demonstrate that the state, county, or city erroneously interpreted or applied the GMA. Comprehensive plans or development regulations adopted under the GMA are presumed valid upon adoption.

A board must consider the procedural criteria adopted by DCD when making its decisions.

<u>Incentives and Sanctions:</u> Some existing state-funded infrastructure financing programs used by local governments are made contingent on meeting the planning requirements of the GMA.

The governor may impose sanctions on a state agency, county, or city for failing to comply with the requirements of the GMA, if the appropriate Growth Planning Hearings Board finds

(1) the agency, county, or city not to be in compliance and (2) the agency, county, or city fails to come into compliance within the time authorized by the board. The governor may also impose sanctions on counties and cities that fail to adopt an adequate county-wide planning policy. The governor may withhold from counties and cities rural and urban arterial trust funds, as well as gas, real estate excise, sales and use, liquor profit, and liquor excise tax revenue. The governor may reduce state agency allotments.

Other Provisions: Recommendations on natural resources of state-wide significance are to be made to the Legislature, by December 31, 1991, by a committee comprised of representatives of several state agencies, local governments, and the general public. The committee must report on: (1) criteria that could be used to identify natural resources of state-wide significance; (2) minimum standards to protect designated natural resources of state-wide significance; of state-wide significance; (3) the need for acquisition of natural resources of state-wide significance; and (4) issues regarding designating mineral resource lands with long-term commercial significance.

The state-wide requirement that evidence of an adequate water supply be presented before a building permit is issued is modified to allow the state and local governments to mutually agree to exempt some areas not planning under the GMA from this requirement.

## Votes on Final Passage:

House 59 38

First Special Session

House 69 22 Senate 29 15

Effective: July 15, 1991

Partial Veto Summary: The provision requiring that government protect some open space by purchase is eliminated.