

HOUSE BILL REPORT

SHB 2648

As Passed House:

February 15, 2002

Title: An act relating to the office of financial management.

Brief Description: Requiring additional information from certain capital budget applicants.

Sponsors: By House Committee on Capital Budget (originally sponsored by Representatives Murray, Esser, Reardon and McIntire).

Brief History:

Committee Activity:

Capital Budget: 2/4/02, 2/12/02 [DPS].

Floor Activity:

Passed House: 2/15/02, 98-0.

Brief Summary of Substitute Bill

- In its capital budget instructions, the Office of Financial Management (OFM) must require capital budget applicants to provide additional information related to growth management for proposed capital projects over \$5 million and required to have a predesign.
- The Office of Community Development must assist OFM and capital budget applicants in collecting the additional information.

HOUSE COMMITTEE ON CAPITAL BUDGET

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 17 members: Representatives Murray, Chair; McIntire, Vice Chair; Alexander, Ranking Minority Member; Armstrong, Bush, Casada, Chase, Esser, Hankins, Hunt, Lantz, O'Brien, Ogden, Reardon, Schoesler, Veloria and Woods.

Staff: Charlie Gavigan (786-7340).

Background:

The Governor, through the OFM, proposes a capital budget and 10-year capital plan each biennium. The OFM publishes a set of instructions to assist state agencies and others in

applying to have a capital project included in the Governor's capital budget proposal. In its capital budget planning, OFM must verify that recommended capital projects are consistent with the Growth Management Act (GMA).

The GMA was enacted in 1990 and 1991. It requires certain counties and the cities located in those counties to enact comprehensive plans and development regulations that are consistent with the GMA, and to meet other requirements. There are 29 counties fully planning under the GMA. All counties and cities must comply with certain provisions of the GMA (such as identifying and protecting critical areas). Counties and cities that are fully planning under the GMA must accommodate essential public facilities in their planning.

Summary of Substitute Bill:

In its capital budget instructions, the OFM must require capital budget applicants to provide additional information for proposed major capital projects: those that are over \$5 million and are required to go through the predesign process. The applicant must provide a series of yes- and no- answers to a variety of questions relating to the project's impact on growth and development.

For all major capital projects, information must be provided to OFM regarding:

- (1) Whether there is region cooperation;
- (2) whether local or additional funds are leveraged; and
- (3) whether environmental impacts of the project are considered.

In addition, for major capital projects located in or serving a county or city fully planning under the GMA, information must be provided to OFM regarding:

- (1) Whether the capital project is identified in the local comprehensive plan and development regulations; and
- (2) whether the project is located in an urban growth area and (a) if so, whether the project supports planned growth, or (b) if not, whether the project affects future development patterns.

The OFM must take into account this additional information in preparing its capital budget document to promote capital facilities expenditures that minimize unplanned or uncoordinated infrastructure and development costs, support economic and quality of life benefits for existing communities, and support local government planning efforts.

The Office of Community Development in the Department of Community, Trade & Economic Development must provide staff support to OFM and capital budget applicants

to help collect the required information.

Appropriation: None.

Fiscal Note: Available.

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

Testimony For: State capital budget expenditures should support and complement the GMA. State capital decisions should invest in Washington's communities and provide for infrastructure in urban growth areas, and consider the affect of projects in rural areas. The state's capital expenditures should meet the legislative intent of the GMA.

(Concerns) There are major concerns regarding the implementation of this bill. It requires a significant effort and workload to gather and consider information that doesn't add much to the current process. The act is extremely broad and doesn't differentiate between large and small projects, or grant programs. At minimum, this bill should apply to major projects only.

Testimony Against: None.

Testified: (In support) Bryan Wahl, Washington Association of Realtors; and Steve Stuart, 1000 Friends of Washington.

(Concerns) Mike Roberts, Office of Financial Management; John Reynolds, Department of Social and Health Services; and Bill Phillips, Department of Corrections