

HOUSE BILL REPORT

HB 1801

As Passed House:

March 12, 2003

Title: An act relating to annexation by cities and towns based on utility service.

Brief Description: Authorizing an alternative method of annexation by cities and towns based on utility service.

Sponsors: By Representatives Moeller, Clements and Wood.

Brief History:

Committee Activity:

Local Government: 2/24/03, 3/3/03 [DP].

Floor Activity:

Passed House: 3/12/03, 73-23.

Brief Summary of Bill

- Creates an alternative means of annexation allowing cities and towns to annex contiguous unincorporated territory where the city or town provides or has committed to providing retail sewer or water service to at least 75 percent of the proposed annexation territory.
- Requires sellers of real property to indicate on the real property transfer disclosure statement whether utility service or annexation agreements affect the property.

HOUSE COMMITTEE ON LOCAL GOVERNMENT

Majority Report: Do pass. Signed by 10 members: Representatives Romero, Chair; Upthegrove, Vice Chair; Schindler, Ranking Minority Member; Jarrett, Assistant Ranking Minority Member; Ahern, Berkey, Clibborn, Ericksen, Mielke and Moeller.

Staff: Ethan Moreno (786-7386).

Background:

Annexation Methods

Current law provides multiple methods for municipal annexations by code and non-code cities and towns. While requirements vary, the annexation methods employed by code and non-code cities and towns are generally similar. A summary of the methods is as follows:

- *Resolution/election method* - requires approval of city or town resolutions by voters residing in the proposed annexation area;
- *Petition/election method* - includes initiatives petitioned by and approved by the voters residing in the proposed annexation area;
- *Direct petition method* - requires approval of direct petitions signed by property owners comprising a specific percentage of land value, without voter action; and
- *Resolution only method* - includes annexations for municipal purposes approved by a majority of the city or town legislative body, or other actions not requiring voter or property owner action.

Annexations for Municipal Purposes

The council of a second class non-code city or town may, by majority vote, annex unincorporated territory for park, cemetery, or other municipal purposes when the territory proposed for annexation is owned by the city or town or when all of the property owners give written consent to the city.

Legislative bodies of code cities may, by majority vote, annex territory outside the limits of such city for any municipal purpose when such territory is owned by the city.

Urban Growth Areas

Jurisdictions planning under the major provisions of the Growth Management Act (GMA) must designate urban growth areas (UGAs) within which urban growth must be encouraged and outside of which growth can occur only if it is not urban in nature. No city or town planning under the major provisions of the GMA may annex territory beyond a UGA.

Summary of Bill:

Municipal purpose annexation statutes are amended to allow city and town legislative bodies to, by majority vote, annex contiguous unincorporated territory when the city or town provides, or has committed to providing, retail sewer or water service to at least 75 percent of the territory proposed for annexation. The legislative body of the annexing city or town must satisfy public hearing and notification requirements prior to voting on the annexation. Additionally, any territory annexed must be within an urban growth area or otherwise qualified for annexation.

The real property transfer disclosure statement form is amended to require sellers of real property to indicate whether utility service or annexation agreements affect the property.

Appropriation: None.

Fiscal Note: Not Requested.

Effective Date: The bill contains an emergency clause and takes effect immediately.

Testimony For: This bill creates an alternative annexation method that addresses the concerns of cities and towns. Cities and towns have extended services to areas outside of corporate limits, but they are lacking effective annexation tools. This bill corrects an existing problem and includes a notification requirement for sellers of real property. The annexation method created by this bill would enable cities to provide services necessary for the orderly promotion of growth. Sufficient due process and notification requirements are included in this bill. This bill is another response to a recent Supreme Court ruling. The alternative annexation method created by this bill is a fair and effective way to provide certainties to cities and builders. The real estate notification provision may not be within the scope of the bill.

Testimony Against: None.

Testified: Representative Moeller, prime sponsor; Representative Clements, secondary sponsor; Mary Place, Mayor of Yakima, Skye Reichendenfer, Mayor of Mount Vernon; Ted Gathe, City of Vancouver; and Kris Tefft, Building Industry Association of Vancouver.