

HOUSE BILL REPORT

HB 2593

As Reported by House Committee On:
Local Government

Title: An act relating to annexation.

Brief Description: Authorizing interlocal agreements for annexation.

Sponsors: Representatives Moeller, Wallace, Fromhold and Clibborn.

Brief History:

Committee Activity:

Local Government: 1/26/04, 2/5/04 [DPS].

Brief Summary of Substitute Bill

- Creates a new method of annexation allowing code cities and non-code cities and towns planning under the Growth Management Act to annex qualifying territory within an urban growth area.
- Requires the annexing city or town to enter into an interlocal agreement with the qualifying county that describes the boundaries of the territory proposed for annexation.
- Exempts annexations conducted under the new method from review by a boundary review board.

HOUSE COMMITTEE ON LOCAL GOVERNMENT

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 7 members: Representatives Romero, Chair; D. Simpson, Vice Chair; Jarrett, Assistant Ranking Minority Member; Clibborn, Edwards, Moeller and Upthegrove.

Minority Report: Do not pass. Signed by 4 members: Representatives Schindler, Ranking Minority Member; Ahern, Ericksen and Mielke.

Staff: Ethan Moreno (786-7386).

Background:

Current law authorizes multiple methods for municipal annexations. While code and non-code cities and towns have separate statutory requirements for governance and operation, the annexation methods employed 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. An alternative direct petition method based upon the signatures of qualifying property owners and registered voters meeting specified criteria was enacted into law in 2003; 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.

In 2003 the Legislature also enacted a new annexation method by which certain cities and towns planning under the major provisions of the Growth Management Act (GMA jurisdictions) may annex qualifying territory by ordinance if specific requirements, including the negotiation of interlocal agreements between the participating jurisdictions, are satisfied. In accordance with the newly enacted provisions, an annexation election must be held in the territory to be annexed if more than one city or town adopts interlocal agreements providing for annexation of the same territory.

Urban Growth Areas

GMA jurisdictions 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 located in a county in which UGAs have been designated may annex territory beyond a UGA.

Boundary Review Boards

Boundary review boards (BRBs) are authorized by statute to guide and control the creation and growth of municipalities in metropolitan areas. While statute provides for the establishment of BRBs in counties with at least 210,000 residents, current law provides that a BRB may be created and established in any other county.

Upon receiving a request for review that satisfies statutory requirements and following an invocation of a board's jurisdiction, a BRB must review and approve, disapprove, or modify specific proposed actions, including actions pertaining to the creation, incorporation, or change in the boundary of any city, town, or special purpose district

within 45 days. If a period of 45 days elapses without the board's jurisdiction being invoked as provided in statute, the proposed action must be deemed approved.

Summary of Substitute Bill:

A new and alternative method of annexation is established allowing the legislative body of a code city or non-code city or town planning under the major provisions of the Growth Management Act (GMA) to annex unincorporated territory contiguous to the city or town through legislative action. No city or town, however, may annex territory that is beyond the urban growth area (UGA) the city or town is within. Annexations conducted using this new method are not subject to review by a boundary review board.

Separate public hearings must be held by the legislative body of the city or town proposing annexation and the legislative body of the county with jurisdiction over the subject territory. Following compliance with the resolution, public hearings, and related public notification requirements, the legislative body of the city or town must determine by ordinance whether the territory proposed for annexation will be annexed.

Before initiating an annexation under the new method, the city or town proposing to annex territory must enter into an interlocal agreement with the county with jurisdiction over the territory. The interlocal agreement must describe the boundaries of the territory proposed for annexation and must be consistent with the boundaries identified in the resolution required by the annexing city or town. An interlocal agreement providing for a specific annexation or general annexation terms meeting specified criteria satisfies the interlocal agreement requirements. A general interlocal annexation agreement must include:

- a statement of the goals of the agreement, including providing for the transition of services and staff, and revenue sharing;
- the subject areas and policies and procedures the parties agree to undertake in annexations, including provisions pertaining to roads and traffic, development regulations, finances, and governance; and
- a term of at least five years that may be extended by mutual agreement of the city or town and the county.

A supplemental interlocal agreement may be negotiated to address issues for a specific annexation if the issues are not sufficiently addressed in a general interlocal agreement.

The right of way line of any public street, road or highway, or a segment thereof, may be used to define a part of a corporate boundary in an incorporation or annexation proceeding.

Substitute Bill Compared to Original Bill:

The substitute bill modifies numerous provisions of the underlying bill, including:

- deleting the section exempting code city and non-code city and town annexations from review by a boundary review board;
- specifying that the provided methods of annexation are alternative and do not supersede any others;
- exempting annexations conducted according to provided methods from review by a boundary review board;
- including additional annexation provisions allowing towns and code cities to annex qualifying territory using the same method provided for non-code cities;
- specifying public hearing and notification provisions that must be satisfied by each subject jurisdiction;
- requiring the annexed territory to be consistent with the territory identified in the municipal resolution and a corresponding interlocal agreement;
- requiring the interlocal agreement to describe the boundaries of the territory proposed for annexation and be consistent with the boundaries identified in the city or town resolution;
- deleting a general interlocal annexation agreement criterion requiring the agreement to include provisions addressing the joint provision of services;
- including a general interlocal annexation agreement criterion requiring the agreement to include provisions addressing consultation with other service providers, including water-sewer districts and fire protection districts, if applicable;
- deleting provisions allowing a city or county to invoke binding arbitration and a mediated negotiation process if the city and county fail to complete an interlocal annexation agreement within a specified time;
- specifying that the right of way line of any public street, road or highway, or any segment thereof, may be used to define a part of a corporate boundary in an annexation proceeding; and
- including technical revisions.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date of Substitute Bill: The bill takes effect 90 days after adjournment of session in which bill is passed.

Testimony For: (In support) Interlocal agreements have previously proven successful in large annexation proceedings. The successful method should be shared with other cities. Urban areas need urban levels of services and should be within incorporated cities. This bill would provide another annexation tool for cities. Orderly, consistent, and well thought out annexations are planning tools for GMA implementation. The bill could be modified to allow growth management councils and citizens to trigger the interlocal

agreement process.

(In support with concerns) The annexation method provided in the bill should be mindful of a public process.

Testimony Against: Boundary review boards (BRBs) are part of the citizen input process and support GMA requirements. The BRBs should continue to have a voice in the annexation process. The bill should have a role for county commissioners and citizens subject to annexation proceedings. The binding arbitration provisions of the bill should be deleted. A comprehensive approach to examining annexation issues in non-GMA jurisdictions is needed. King County is experiencing declining service levels, and annexation can help. However, provisions within the bill are of concern.

(Concerns) Water-sewer districts are not included within the provisions of the bill: the districts would prefer to be included. The bill does not sufficiently address impacts to existing service agreements.

Persons Testifying: (In support) Representative Moeller, prime sponsor; Representative D. Wallace, co-sponsor; Pat McDonnell and Deb Wallace, City of Vancouver; Dave Williams, Association of Washington Cities; and Genesee Adkins, 1000 Friends of Washington.

(Pro with concerns) Sharon Wylie, Clark County.

(Opposed) Larry Johnson, Washington State Boundary Review Board; Scott Merriman, Washington Association of Counties; and Karen Reed, King County.

(Concerned) Steve Lindstrom, Sno-King Water District Coalition.

Persons Signed In To Testify But Not Testifying: None.