

HOUSE BILL REPORT

EHB 2068

As Passed Legislature

Title: An act relating to the annexation of unincorporated territory.

Brief Description: Concerning annexation of unincorporated territory within a city or town.

Sponsors: Representative Takko.

Brief History:

Committee Activity:

None.

Floor Activity:

Passed House: 6/6/13, 79-9.

Passed House: 6/26/13, 80-7.

Senate Amended.

Passed Senate: 6/27/13, 46-2.

House Concurred.

Passed House: 6/28/13, 74-15.

Passed Legislature.

Brief Summary of Engrossed Bill

- Modifies provisions governing code city annexations of unincorporated "islands" of territory by specifying that in certain circumstances the territory to be annexed must contain residential property owners.
- Makes, with limited exceptions, city and town annexation ordinances for territory served by one or more fire protection district that occur through ordinance-based interlocal agreement processes subject to referendum.

Staff: Ethan Moreno (786-7386).

Background:

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Current law authorizes multiple methods for municipal annexations. While code and noncode cities and towns have separate statutory requirements for governance and operation, the annexation methods they may employ are generally similar.

Code City Annexations of Unincorporated "Islands" of Territory - Effective until July 28, 2013.

Among other permitted annexation methods, code cities are authorized to conduct certain annexations through a resolution of the city's legislative body. Neither voter nor property owner approvals are necessary for these annexations.

An example of this resolution-based authority is the island annexation method, a method that allows code cities, following the satisfaction of public notice and other procedural requirements, to annex qualifying unincorporated "islands" of territory containing residential property owners. Territory annexed through the island annexation method must comply with one of two sets of eligibility criteria. The territory:

- must contain fewer than 100 acres, with at least 80 percent of the boundaries of the area contiguous to the city; or
- may be of any size, with at least 80 percent of the boundaries of the area contiguous to the city if the city existed before June 30, 1994. Annexations conducted in accordance with this eligibility provision must be for areas that are within the same county and urban growth area, and the city must have been planning under the Growth Management Act as of June 30, 1994.

Both sets of eligibility criteria for the island annexation methods were amended in legislation adopted in 2013 that takes effect July 28, 2013.

Annexations of Territory Served by Fire Protection Districts - Interlocal Agreement Process.

Code and noncode cities and towns may also annex territory served by one or more fire protection district (fire district or district) through ordinance-based interlocal agreement processes. Annexations occurring under these processes begin with the adoption of an interlocal agreement, a joint or cooperative action agreement between two or more public agencies, between the annexing city or town and the applicable county and fire districts.

The interlocal agreement must meet several requirements, including describing the boundaries of the territory proposed for annexation. The interlocal agreement also must contain policies and procedures for the participating entities to undertake, and must delineate a statement of goals relating to statutorily specified topics, including:

- (1) revenue and asset transfers;
- (2) level of service considerations;
- (3) revenue sharing, if any; and
- (4) a schedule of public meetings in the area or areas proposed for annexation.

If the fire district or districts, annexing city or town, and applicable county reach agreement on the list of specified goals, the city may adopt an ordinance to complete the annexation. Once adopted, this ordinance is not subject to referendum.

If only the annexing city or town and the applicable county reach agreement on the list of specified goals, the annexation may proceed under the ordinance-based interlocal agreement

processes, but the city or town ordinance providing for annexation is subject to referendum for 45 days after its passage.

If exercised, the referendum process begins with the filing of a sufficient petition with the annexing city or town. To qualify as sufficient, the petition must be signed by qualified electors in the area to be annexed equaling or exceeding 10 percent of the votes cast in the last state general election in the annexation area. If the petition is determined to be sufficient, an election on the question of annexation must be submitted to the voters of the annexation area. Unless a majority of the votes cast on the proposition are in opposition to the annexation, the annexation is deemed approved.

Recent Legislation - Effective July 28, 2013.

Legislation adopted in the 2013 regular legislative session (*i.e.*, Senate Bill 5417, enacted as Chapter 333, Laws of 2013) modified provisions governing code city annexations by amending both sets of eligibility criteria for the island annexation method. More specifically, Senate Bill 5417 increased the maximum amount of territory that could be annexed under the first set of eligibility criteria from fewer than 100 acres to fewer than 175 acres, and required the boundaries of the annexation area to be fully, rather than at least 80 percent, contiguous to the annexing city. Senate Bill 5417 also removed certain restrictions on a code city's authority to annex unincorporated "islands" of territory through the island annexation method, including repealing a general requirement limiting the method to territory containing residential property owners. The provisions of Senate Bill 5417 take effect on July 28, 2013.

Summary of Engrossed Bill:

Code City Annexations of Unincorporated "Islands" of Territory.

One set of eligibility criteria for annexations of unincorporated "islands" of territory by code cities is modified. Territory that may be annexed by a city under the second set of eligibility criteria for the island annexation method must contain residential property owners. Other requirements from this set of eligibility criteria, including the absence of size restrictions, contiguity percentages, and provisions requiring the territory to be within the same county and urban growth area as the annexing city, are unchanged.

The amended eligibility criterion modifies provisions adopted in the 2013 regular legislative session (*i.e.*, Senate Bill 5417, enacted as Chapter 333, Laws of 2013).

Annexations of Territory Served by Fire Protection Districts - Interlocal Agreement Process.

Except as provided otherwise, all code and noncode city and town annexation ordinances for territory served by one or more fire district that occur through ordinance-based interlocal agreement processes are subject to referendum for 45 days after passage and, if applicable, associated referenda governance provisions.

City and town annexation ordinances for territory served by one or more fire district that occur through ordinance-based interlocal agreement processes are not subject to referendum if the city or town has initiated the interlocal agreement process with the fire district or districts and county prior to July 28, 2013, the effective date of the bill.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill contains an emergency clause and takes effect on July 28, 2013.