

SENATE BILL REPORT

SSB 5748

As Amended by House, April 15, 2019

Title: An act relating to creating an account to support necessary infrastructure nearby military installations.

Brief Description: Creating an account to support necessary infrastructure nearby military installations.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Conway, O'Ban, Frockt, Rolfes, Randall and Zeiger).

Brief History:

Committee Activity: Ways & Means: 2/12/19, 2/18/19 [DPS, w/oRec].

Floor Activity:

Passed Senate: 3/11/19, 47-1.

Passed House: 4/15/19, 97-1.

Brief Summary of First Substitute Bill

- Creates the defense community infrastructure account and specifies how grants to local governments from the account are to reduce development conflicts with military installations.

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Substitute Senate Bill No. 5748 be substituted therefor, and the substitute bill do pass.

Signed by Senators Rolfes, Chair; Frockt, Vice Chair, Operating, Capital Lead; Mullet, Capital Budget Cabinet; Braun, Ranking Member; Brown, Assistant Ranking Member, Operating; Honeyford, Assistant Ranking Member, Capital; Bailey, Becker, Billig, Carlyle, Conway, Darneille, Hasegawa, Hunt, Keiser, Liias, Palumbo, Wagoner and Warnick.

Minority Report: That it be referred without recommendation.

Signed by Senators Pedersen, Rivers, Schoesler and Van De Wege.

Staff: Richard Ramsey (786-7412)

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.

Background: The Growth Management Act. The Growth Management Act (GMA) is the comprehensive land-use planning framework for counties and cities in Washington. The GMA establishes land use designation and environmental protection requirements for all Washington counties and cities. Under the GMA, local government comprehensive plans and development regulations are discouraged, but not prohibited, from allowing development in the vicinity of a military installation that is incompatible with the installation's mission requirements.

As part of the land use element, GMA planning jurisdictions containing or adjacent to certain federal military installations operated by the U.S. Department of Defense (DOD) must notify the commander of the military installation of an intent to amend comprehensive plans or development regulations to address lands adjacent to the military installation. This requirement does not apply to reserve centers or facilities employing fewer than 100 personnel. The purpose of this notification is to protect the land from incompatible development.

Joint Land Use Studies. DOD implements a program to ensure community development and economic growth do not interfere with the military's ability to test and train. One facet of this program may include targeting a military installation for a joint land use study (JLUS), in coordination with state or local governments. A JLUS includes a strategic plan to ensure civilian growth and development are compatible with training, testing, and other military missions. State or local governments must apply to DOD to receive assistance in carrying out a JLUS.

The 2016 supplemental operating budget, directed the Department of Commerce (Commerce) to complete a study addressing best practices for avoiding incompatible development near military installations.

Base Realignment and Closure. Base Realignment and Closure (BRAC) is a process the DOD has used to reorganize its base structure to more efficiently and effectively support its forces, increase operational readiness, and facilitate new ways of accomplishing its mission. More than 350 installations have been closed in five BRAC rounds: 1988, 1991, 1993, 1995 and 2005. No BRAC commission process is ongoing or authorized.

Summary of First Substitute Bill: The defense community infrastructure account is created in the state treasury. Subject to the availability of funding, Commerce may award grants to local governments for:

- the acquisition of real property or real property interests to eliminate an existing incompatible use;
- projects to jointly assist in recovering or protecting endangered species dependent on military installation property for habitat;
- local infrastructure or facilities necessary to help a community accommodate an expanded military presence in their community;
- projects or programs to increase the availability of affordable housing to enlisted military personnel; and
- projects to retrofit existing uses to increase their compatibility with existing military operations.

Grants may only be awarded for projects prioritized by Commerce with committed matches of 100 percent in federal funds and 100 percent in local funds. Commerce will give priority to local governments whose applications are accompanied by expressed support of partners, including non-profit community or neighborhood based organizations, public development authorities, or federally recognized Indian tribes.

Commerce must produce a report with a prioritized list of projects to address incompatible developments near military installations by January 1, 2020, and every two years thereafter. Projects must be prioritized with consideration to:

- recommendations of the DOD BRAC, JLUS, or other federally initiated land use processes; and
- whether a branch of the U.S. Armed Forces has identified the project as increasing the viability of military installations.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

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

Staff Summary of Public Testimony on Original Bill: *The committee recommended a different version of the bill than what was heard.* PRO: The South Sound Military and Community Partnership (SSMCP) consists of over 50 member organizations forming a regional partnership focusing on the nexus between south sound communities, mostly Pierce and Thurston counties and the Nisqually Indian tribe, with Joint Base Lewis-McChord (JBLM). A military installation's success depends on its capacity to operate in a cost effective manner. It is important to acknowledge defense assets located in Washington State have a life cycle and state leaders can extend that life cycle by how they support military installations. The 2017 National Defense Authorization Act included a defense critical infrastructure program. In order for Washington to benefit from this federal program we need to be prepared to provide matching funds. The account in this bill will help the state leverage federal dollars and fund high priority military infrastructure projects identified by local communities. Nineteen other defense friendly states have already established this type of account. In order to remain competitive, Washington needs to do likewise. This is also important to the state economy. Using just JBLM as an example, a 2018 economic impact study conducted by University of Washington-Tacoma and SSMCP found over \$9.2 billion is spent annually by the JBLM workforce in the south sound alone. This level of economic impact has the potential to grow depending on the actions of the Legislature.

Persons Testifying: PRO: Senator Steve Conway, Prime Sponsor; Bill Adamson, SSMCP.

Persons Signed In To Testify But Not Testifying: No one.

EFFECT OF HOUSE AMENDMENT(S):

- Changes the name of the account from Defense Community Infrastructure Account to Defense Community Compatibility Account.
- Removes the requirement that expenditures from the account require an appropriation.
- Requires that nonlocal government grant recipients to have entered an agreement with a military installation under the DOD Readiness and Environmental Protection Integration program.
- Specifies criteria Commerce must use in evaluating and ranking applications.
- Expands eligible projects to include those: (1) that provide affordable housing for nonmilitary residents; (2) enable local communities to diversify the local economy; and (3) projects that aid communities to replace jobs lost in a reduction of the military presence
- Projects that improve or enhance aspects of the local economy, environment or quality of life affect by the presence of military activities
- Specifies that the Commerce biennial report identify projects that address incompatible development near military installations. Adds the House Capital Budget Committee to appropriate committees to which Commerce must submit the report.