E2SHB 1099 - CONF REPT By Conference Committee

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SENATE ADOPTED 03/10/2022

1 Strike everything after the enacting clause and insert the 2 following:

3 "Sec. 1. RCW 36.70A.020 and 2021 c 254 s 1 are each amended to 4 read as follows:

The following goals are adopted to guide the development and adoption of comprehensive plans and development regulations of those counties and cities that are required or choose to plan under RCW 36.70A.040 and, where specified, also guide the development of regional policies, plans, and strategies adopted under RCW 36.70A.210 and chapter 47.80 RCW. The following goals are not listed in order of priority and shall be used exclusively for the purpose of guiding the development of comprehensive plans ((and)), development regulations, and, where specified, regional plans, policies, and strategies:

- (1) Urban growth. Encourage development in urban areas where adequate public facilities and services exist or can be provided in an efficient manner.
- (2) Reduce sprawl. Reduce the inappropriate conversion of undeveloped land into sprawling, low-density development.
- (3) Transportation. Encourage efficient multimodal transportation systems that will reduce greenhouse gas emissions and per capita vehicle miles traveled, and are based on regional priorities and coordinated with county and city comprehensive plans.
- (4) Housing. Plan for and accommodate housing affordable to all economic segments of the population of this state, promote a variety of residential densities and housing types, and encourage preservation of existing housing stock.
- 27 (5) Economic development. Encourage economic development 28 throughout the state that is consistent with adopted comprehensive 29 plans, promote economic opportunity for all citizens of this state, 30 especially for unemployed and for disadvantaged persons, promote the 31 retention and expansion of existing businesses and recruitment of new 32 businesses, recognize regional differences impacting economic

development opportunities, and encourage growth in areas experiencing insufficient economic growth, all within the capacities of the state's natural resources, public services, and public facilities.

- (6) Property rights. Private property shall not be taken for public use without just compensation having been made. The property rights of landowners shall be protected from arbitrary and discriminatory actions.
- (7) Permits. Applications for both state and local government permits should be processed in a timely and fair manner to ensure predictability.
- (8) Natural resource industries. Maintain and enhance natural resource-based industries, including productive timber, agricultural, and fisheries industries. Encourage the conservation of productive forestlands and productive agricultural lands, and discourage incompatible uses.
- (9) Open space and recreation. Retain open space <u>and greenspace</u>, enhance recreational opportunities, ((conserve)) <u>enhance</u> fish and wildlife habitat, increase access to natural resource lands and water, and develop parks and recreation facilities.
- (10) Environment. Protect <u>and enhance</u> the environment and enhance the state's high quality of life, including air and water quality, and the availability of water.
- (11) Citizen participation and coordination. Encourage the involvement of citizens in the planning process, including the participation of vulnerable populations and overburdened communities, and ensure coordination between communities and jurisdictions to reconcile conflicts.
- (12) Public facilities and services. Ensure that those public facilities and services necessary to support development shall be adequate to serve the development at the time the development is available for occupancy and use without decreasing current service levels below locally established minimum standards.
- (13) Historic preservation. Identify and encourage the preservation of lands, sites, and structures, that have historical or archaeological significance.
- 14) Climate change and resiliency. Ensure that comprehensive plans, development regulations, and regional policies, plans, and strategies under RCW 36.70A.210 and chapter 47.80 RCW adapt to and mitigate the effects of a changing climate, support reductions in greenhouse gas emissions and per capita vehicle miles traveled, Code Rev/RB:eab

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- 1 prepare for climate impact scenarios, foster resiliency to climate
- 2 impacts and natural hazards, protect and enhance environmental,
- 3 <u>economic</u>, and human health and safety, and advance environmental
- 4 justice.

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- 5 **Sec. 2.** RCW 36.70A.480 and 2010 c 107 s 2 are each amended to 6 read as follows:
 - (1) For shorelines of the state, the goals and policies of the shoreline management act as set forth in RCW 90.58.020 are added as one of the goals of this chapter as set forth in RCW 36.70A.020 without creating an order of priority among the ((fourteen)) 15 goals. The goals and policies of a shoreline master program for a county or city approved under chapter 90.58 RCW shall be considered an element of the county or city's comprehensive plan. All other portions of the shoreline master program for a county or city adopted under chapter 90.58 RCW, including use regulations, shall be considered a part of the county or city's development regulations.
 - (2) The shoreline master program shall be adopted pursuant to the procedures of chapter 90.58 RCW rather than the goals, policies, and procedures set forth in this chapter for the adoption of a comprehensive plan or development regulations.
 - (3) (a) The policies, goals, and provisions of chapter 90.58 RCW and applicable guidelines shall be the sole basis for determining compliance of a shoreline master program with this chapter except as the shoreline master program is required to comply with the internal consistency provisions of RCW 36.70A.070, 36.70A.040(4), 35.63.125, and 35A.63.105.
- 27 (b) Except as otherwise provided in (c) of this subsection, 28 development regulations adopted under this chapter to protect critical areas within shorelines of the state apply within shorelines 29 30 of the state until the department of ecology approves one of the 31 following: A comprehensive master program update, as defined in RCW 90.58.030; a segment of a master program relating to critical areas, 32 as provided in RCW 90.58.090; or a new or amended master program 33 approved by the department of ecology on or after March 1, 2002, as 34 provided in RCW 90.58.080. The adoption or update of development 35 regulations to protect critical areas under this chapter prior to 36 department of ecology approval of a master program update as provided 37 38 in this subsection is not a comprehensive or segment update to the master program. 39

(c) (i) Until the department of ecology approves a master program or segment of a master program as provided in (b) of this subsection, a use or structure legally located within shorelines of the state that was established or vested on or before the effective date of the local government's development regulations to protect critical areas may continue as a conforming use and may be redeveloped or modified if: (A) The redevelopment or modification is consistent with the local government's master program; and (B) the local government determines that the proposed redevelopment or modification will result in no net loss of shoreline ecological functions. The local government may waive this requirement if the redevelopment or modification is consistent with the master program and the local government's development regulations to protect critical areas.

- (ii) For purposes of this subsection (3)(c), an agricultural activity that does not expand the area being used for the agricultural activity is not a redevelopment or modification. "Agricultural activity," as used in this subsection (3)(c), has the same meaning as defined in RCW 90.58.065.
- (d) Upon department of ecology approval of a shoreline master program or critical area segment of a shoreline master program, critical areas within shorelines of the state are protected under chapter 90.58 RCW and are not subject to the procedural and substantive requirements of this chapter, except as provided in subsection (6) of this section. Nothing in chapter 321, Laws of 2003 or chapter 107, Laws of 2010 is intended to affect whether or to what extent agricultural activities, as defined in RCW 90.58.065, are subject to chapter 36.70A RCW.
- (e) The provisions of RCW 36.70A.172 shall not apply to the adoption or subsequent amendment of a local government's shoreline master program and shall not be used to determine compliance of a local government's shoreline master program with chapter 90.58 RCW and applicable guidelines. Nothing in this section, however, is intended to limit or change the quality of information to be applied in protecting critical areas within shorelines of the state, as required by chapter 90.58 RCW and applicable guidelines.
- 36 (4) Shoreline master programs shall provide a level of protection 37 to critical areas located within shorelines of the state that assures 38 no net loss of shoreline ecological functions necessary to sustain 39 shoreline natural resources as defined by department of ecology 40 quidelines adopted pursuant to RCW 90.58.060.

(5) Shorelines of the state shall not be considered critical areas under this chapter except to the extent that specific areas located within shorelines of the state qualify for critical area designation based on the definition of critical areas provided by RCW 36.70A.030((-5)) and have been designated as such by a local government pursuant to RCW 36.70A.060(2).

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- (6) If a local jurisdiction's master program does not include land necessary for buffers for critical areas that occur within shorelines of the state, as authorized by RCW $90.58.030(2)((\frac{f}{f}))$ (d), then the local jurisdiction shall continue to regulate those critical areas and their required buffers pursuant to RCW 36.70A.060(2).
- 13 **Sec. 3.** RCW 36.70A.070 and 2021 c 254 s 2 are each amended to 14 read as follows:

The comprehensive plan of a county or city that is required or chooses to plan under RCW 36.70A.040 shall consist of a map or maps, and descriptive text covering objectives, principles, and standards used to develop the comprehensive plan. The plan shall be an internally consistent document and all elements shall be consistent with the future land use map. A comprehensive plan shall be adopted and amended with public participation as provided in RCW 36.70A.140. Each comprehensive plan shall include a plan, scheme, or design for each of the following:

(1) A land use element designating the proposed general distribution and general location and extent of the uses of land, where appropriate, for agriculture, timber production, housing, commerce, industry, recreation, open spaces and greenspaces, general aviation airports, public utilities, public facilities, and other land uses. The land use element shall include population densities, building intensities, and estimates of future population growth. The land use element shall provide for protection of the quality and quantity of groundwater used for public water supplies. The land use element must give special consideration to achieving environmental justice in its goals and policies, including efforts to avoid creating or worsening environmental health disparities. Wherever possible, the land use element should consider utilizing urban planning approaches that promote physical activity and reduce per capita vehicle miles traveled within the jurisdiction, but without increasing greenhouse gas emissions elsewhere in the state. Where

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- 1 applicable, the land use element shall review drainage, flooding, and stormwater runoff in the area and nearby jurisdictions and provide 2 3 guidance for corrective actions to mitigate or cleanse those discharges that pollute waters of the state, including Puget Sound or 4 waters entering Puget Sound. The land use element must reduce and 5 6 mitigate the risk to lives and property posed by wildfires by using land use planning tools, which may include, but are not limited to, 7 reducing residential development pressure in the wildland urban 8 interface area, creating open space buffers between human development 9 and wildfire-prone landscapes, and protecting existing residential 10 development through community wildfire preparedness and fire 11 12 adaptation measures.
 - (2) A housing element ensuring the vitality and character of established residential neighborhoods that:

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- (a) Includes an inventory and analysis of existing and projected housing needs that identifies the number of housing units necessary to manage projected growth, as provided by the department of commerce, including:
- 19 (i) Units for moderate, low, very low, and extremely low-income 20 households; and
- 21 (ii) Emergency housing, emergency shelters, and permanent 22 supportive housing;
 - (b) Includes a statement of goals, policies, objectives, and mandatory provisions for the preservation, improvement, and development of housing, including single-family residences, and within an urban growth area boundary, moderate density housing options including($(\{\cdot,\cdot\})$), but not limited to, duplexes, triplexes, and townhomes;
 - (c) Identifies sufficient capacity of land for housing including, but not limited to, government-assisted housing, housing for moderate, low, very low, and extremely low-income households, manufactured housing, multifamily housing, group homes, foster care facilities, emergency housing, emergency shelters, permanent supportive housing, and within an urban growth area boundary, consideration of duplexes, triplexes, and townhomes;
- 36 (d) Makes adequate provisions for existing and projected needs of all economic segments of the community, including:
- (i) Incorporating consideration for low, very low, extremely low, and moderate-income households;

- 1 (ii) Documenting programs and actions needed to achieve housing 2 availability including gaps in local funding, barriers such as 3 development regulations, and other limitations;
 - (iii) Consideration of housing locations in relation to employment location; and
- 6 (iv) Consideration of the role of accessory dwelling units in 7 meeting housing needs;
- 8 (e) Identifies local policies and regulations that result in 9 racially disparate impacts, displacement, and exclusion in housing, 10 including:
 - (i) Zoning that may have a discriminatory effect;
- 12 (ii) Disinvestment; and

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- (iii) Infrastructure availability;
- (f) Identifies and implements policies and regulations to address and begin to undo racially disparate impacts, displacement, and exclusion in housing caused by local policies, plans, and actions;
- (g) Identifies areas that may be at higher risk of displacement from market forces that occur with changes to zoning development regulations and capital investments; and
- (h) Establishes antidisplacement policies, with consideration given to the preservation of historical and cultural communities as well as investments in low, very low, extremely low, and moderate-income housing; equitable development initiatives; inclusionary zoning; community planning requirements; tenant protections; land disposition policies; and consideration of land that may be used for affordable housing.

In counties and cities subject to the review and evaluation requirements of RCW 36.70A.215, any revision to the housing element shall include consideration of prior review and evaluation reports and any reasonable measures identified. The housing element should link jurisdictional goals with overall county goals to ensure that the housing element goals are met.

(3) A capital facilities plan element consisting of: (a) An inventory of existing capital facilities owned by public entities, including green infrastructure, showing the locations and capacities of the capital facilities; (b) a forecast of the future needs for such capital facilities; (c) the proposed locations and capacities of expanded or new capital facilities; (d) at least a six-year plan that will finance such capital facilities within projected funding capacities and clearly identifies sources of public money for such

purposes; and (e) a requirement to reassess the land use element if probable funding falls short of meeting existing needs and to ensure that the land use element, capital facilities plan element, and financing plan within the capital facilities plan element are coordinated and consistent. Park and recreation facilities shall be included in the capital facilities plan element.

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- (4) A utilities element consisting of the general location, proposed location, and capacity of all existing and proposed utilities, including, but not limited to, components of drinking water, stormwater, wastewater, electrical ((lines)), telecommunications ((lines)), and natural gas ((lines)) systems.
- (5) Rural element. Counties shall include a rural element including lands that are not designated for urban growth, agriculture, forest, or mineral resources. The following provisions shall apply to the rural element:
- (a) Growth management act goals and local circumstances. Because circumstances vary from county to county, in establishing patterns of rural densities and uses, a county may consider local circumstances, but shall develop a written record explaining how the rural element harmonizes the planning goals in RCW 36.70A.020 and meets the requirements of this chapter.
- (b) Rural development. The rural element shall permit rural development, forestry, and agriculture in rural areas. The rural element shall provide for a variety of rural densities, uses, essential public facilities, and rural governmental services needed to serve the permitted densities and uses. To achieve a variety of rural densities and uses, counties may provide for clustering, density transfer, design guidelines, conservation easements, and other innovative techniques that will accommodate appropriate rural economic advancement, densities, and uses that are not characterized by urban growth and that are consistent with rural character.
- (c) Measures governing rural development. The rural element shall include measures that apply to rural development and protect the rural character of the area, as established by the county, by:
 - (i) Containing or otherwise controlling rural development;
- 36 (ii) Assuring visual compatibility of rural development with the 37 surrounding rural area;
- 38 (iii) Reducing the inappropriate conversion of undeveloped land 39 into sprawling, low-density development in the rural area;

1 (iv) Protecting critical areas, as provided in RCW 36.70A.060, 2 and surface water and groundwater resources; and

- (v) Protecting against conflicts with the use of agricultural, forest, and mineral resource lands designated under RCW 36.70A.170.
- (d) Limited areas of more intensive rural development. Subject to the requirements of this subsection and except as otherwise specifically provided in this subsection (5)(d), the rural element may allow for limited areas of more intensive rural development, including necessary public facilities and public services to serve the limited area as follows:
- (i) Rural development consisting of the infill, development, or redevelopment of existing commercial, industrial, residential, or mixed-use areas, whether characterized as shoreline development, villages, hamlets, rural activity centers, or crossroads developments.
- (A) A commercial, industrial, residential, shoreline, or mixeduse area are subject to the requirements of (d)(iv) of this subsection, but are not subject to the requirements of (c)(ii) and (iii) of this subsection.
 - (B) Any development or redevelopment other than an industrial area or an industrial use within a mixed-use area or an industrial area under this subsection (5)(d)(i) must be principally designed to serve the existing and projected rural population.
 - (C) Any development or redevelopment in terms of building size, scale, use, or intensity shall be consistent with the character of the existing areas. Development and redevelopment may include changes in use from vacant land or a previously existing use so long as the new use conforms to the requirements of this subsection (5);
 - (ii) The intensification of development on lots containing, or new development of, small-scale recreational or tourist uses, including commercial facilities to serve those recreational or tourist uses, that rely on a rural location and setting, but that do not include new residential development. A small-scale recreation or tourist use is not required to be principally designed to serve the existing and projected rural population. Public services and public facilities shall be limited to those necessary to serve the recreation or tourist use and shall be provided in a manner that does not permit low-density sprawl;
- 39 (iii) The intensification of development on lots containing 40 isolated nonresidential uses or new development of isolated cottage Code Rev/RB:eab 9 S-5423.1/22

- 1 industries and isolated small-scale businesses that are not principally designed to serve the existing and projected rural 2 3 population and nonresidential uses, but do provide job opportunities for rural residents. Rural counties may allow the expansion of small-4 scale businesses as long as those small-scale businesses conform with 5 6 the rural character of the area as defined by the local government according to RCW 36.70A.030(23). Rural counties may also allow new 7 small-scale businesses to utilize a site previously occupied by an 8 existing business as long as the new small-scale business conforms to 9 the rural character of the area as defined by the local government 10 11 according to RCW 36.70A.030(23). Public services and 12 facilities shall be limited to those necessary to serve the isolated nonresidential use and shall be provided in a manner that does not 13 14 permit low-density sprawl;
- (iv) A county shall adopt measures to minimize and contain the 15 16 existing areas or uses of more intensive rural development, as 17 appropriate, authorized under this subsection. Lands included in such 18 existing areas or uses shall not extend beyond the logical outer 19 boundary of the existing area or use, thereby allowing a new pattern of low-density sprawl. Existing areas are those that are clearly 20 identifiable and contained and where there is a logical boundary 21 22 delineated predominately by the built environment, but that may also include undeveloped lands if limited as provided in this subsection. 23 The county shall establish the logical outer boundary of an area of 24 25 more intensive rural development. In establishing the logical outer boundary, the county shall address (A) the need to preserve the 26 character of existing natural neighborhoods and communities, (B) 27 28 physical boundaries, such as bodies of water, streets and highways, 29 and land forms and contours, (C) the prevention of abnormally irregular boundaries, and (D) the ability to provide public 30 31 facilities and public services in a manner that does not permit low-32 density sprawl;
 - (v) For purposes of (d) of this subsection, an existing area or existing use is one that was in existence:
- 35 (A) On July 1, 1990, in a county that was initially required to glan under all of the provisions of this chapter;

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37 (B) On the date the county adopted a resolution under RCW 38 36.70A.040(2), in a county that is planning under all of the provisions of this chapter under RCW 36.70A.040(2); or

- 1 (C) On the date the office of financial management certifies the 2 county's population as provided in RCW 36.70A.040(5), in a county 3 that is planning under all of the provisions of this chapter pursuant 4 to RCW 36.70A.040(5).
- (e) Exception. This subsection shall not be interpreted to permit in the rural area a major industrial development or a master planned resort unless otherwise specifically permitted under RCW 36.70A.360 and 36.70A.365.
- 9 (6) A transportation element that implements, and is consistent 10 with, the land use element.
- 11 (a) The transportation element shall include the following 12 subelements:
 - (i) Land use assumptions used in estimating travel;
 - (ii) Estimated traffic impacts to state-owned transportation facilities resulting from land use assumptions to assist ((the department of transportation)) in monitoring the performance of state facilities, to plan improvements for the facilities, and to assess the impact of land-use decisions on state-owned transportation facilities;
- 20 (iii) Facilities and services needs, including:

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- (A) An inventory of air, water, and ground transportation facilities and services, including transit alignments, active transportation facilities, and general aviation airport facilities, to define existing capital facilities and travel levels ((as a basis for)) to inform future planning. This inventory must include stateowned transportation facilities within the city or county's jurisdictional boundaries;
- (B) Level of service standards for all locally owned arterials ((and)), locally and regionally operated transit routes that serve urban growth areas, state-owned or operated transit routes that serve urban areas if the department of transportation has prepared such standards, and active transportation facilities to serve as a gauge to judge performance of the system and success in helping to achieve the goals of this chapter consistent with environmental justice. These standards should be regionally coordinated;
- 36 (C) For state-owned transportation facilities, level of service standards for highways, as prescribed in chapters 47.06 and 47.80 RCW, to gauge the performance of the system. The purposes of reflecting level of service standards for state highways in the local comprehensive plan are to monitor the performance of the system, to Code Rev/RB:eab

- 1 evaluate improvement strategies, and to facilitate coordination between the county's or city's six-year street, road, active 2 transportation, or transit program and the office of financial 3 management's ten-year investment program. 4 The concurrency requirements of (b) of this subsection do not apply to transportation 5 6 facilities and services of statewide significance except for counties consisting of islands whose only connection to the mainland are state 7 highways or ferry routes. In these island counties, state highways 8 and ferry route capacity must be a factor in meeting the concurrency 9 10 requirements in (b) of this subsection;
 - (D) Specific actions and requirements for bringing into compliance ((locally owned)) transportation facilities or services that are below an established level of service standard;
 - (E) Forecasts of ((traffic)) multimodal transportation demand and needs within cities and urban growth areas, and forecasts of traffic demand and needs outside of cities and urban growth areas, for at least ten years based on the adopted land use plan to ((provide information on the location, timing, and capacity needs of future growth)) inform the development of a transportation element that balances transportation system safety and convenience to accommodate all users of the transportation system to safely, reliably, and efficiently provide access and mobility to people and goods;
 - (F) Identification of state and local system needs to <u>equitably</u> meet current and future demands. Identified needs on state-owned transportation facilities must be consistent with the statewide multimodal transportation plan required under chapter 47.06 RCW. <u>Local system needs should reflect the regional transportation system</u>, <u>local goals</u>, and strive to equitably implement the multimodal network;
 - (iv) Finance, including:

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- 31 (A) An analysis of funding capability to judge needs against 32 probable funding resources;
- (B) A multiyear financing plan based on the needs identified in 33 the comprehensive plan, the appropriate parts of which shall serve as 34 the basis for the six-year street, road, or transit program required 35 by RCW 35.77.010 for cities, RCW 36.81.121 for counties, and RCW 36 35.58.2795 for public transportation systems. The multiyear financing 37 plan should be coordinated with the ten-year investment program 38 39 developed by the office of financial management as required by RCW 40 47.05.030;

- (C) If probable funding falls short of meeting the identified needs of the transportation system, including state transportation facilities, a discussion of how additional funding will be raised, or how land use assumptions will be reassessed to ensure that level of service standards will be met;
- (v) Intergovernmental coordination efforts, including an assessment of the impacts of the transportation plan and land use assumptions on the transportation systems of adjacent jurisdictions;
 - (vi) Demand-management strategies;

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- (vii) ((Pedestrian and bicycle)) Active transportation component to include collaborative efforts to identify and designate planned improvements for ((pedestrian and bicycle)) active transportation facilities and corridors that address and encourage enhanced community access and promote healthy lifestyles.
- (b) After adoption of the comprehensive plan by jurisdictions required to plan or who choose to plan under RCW 36.70A.040, local jurisdictions must adopt and enforce ordinances which prohibit development approval if the development causes the level of service on a locally owned or locally or regionally operated transportation facility to decline below the standards adopted in the transportation element of the comprehensive plan, unless transportation improvements or strategies to accommodate the impacts of development are made concurrent with the development. These strategies may include active transportation facility improvements, increased or enhanced public transportation service, ride-sharing programs, demand management, and other transportation systems management strategies. For the purposes of this subsection (6), "concurrent with the development" means that improvements or strategies are in place at the time of development, or that a financial commitment is in place to complete the improvements or strategies within six years. If the collection of impact fees is delayed under RCW 82.02.050(3), the six-year period required by this subsection (6)(b) must begin after full payment of all impact fees is due to the county or city. If it is possible to provide for the transportation needs of a development through active transportation facility improvements, increased or enhanced public transportation service, ride-sharing programs, demand management, or other transportation systems management strategies funded by the development, a development approval may not be denied because it fails to meet traffic level of service standards.

1 (c) The transportation element described in this subsection (6), 2 the six-year plans required by RCW 35.77.010 for cities, RCW 3 36.81.121 for counties, and RCW 35.58.2795 for public transportation 4 systems, and the ten-year investment program required by RCW 5 47.05.030 for the state, must be consistent.

- (7) An economic development element establishing local goals, policies, objectives, and provisions for economic growth and vitality and a high quality of life. A city that has chosen to be a residential community is exempt from the economic development element requirement of this subsection.
- (8) A park and recreation element that implements, and is consistent with, the capital facilities plan element as it relates to park and recreation facilities. The element shall include: (a) Estimates of park and recreation demand for at least a ten-year period; (b) an evaluation of facilities and service needs; and (c) an evaluation of intergovernmental coordination opportunities to provide regional approaches for meeting park and recreational demand.
- (9) A climate change and resiliency element that is designed to result in reductions in overall greenhouse gas emissions and that must enhance resiliency to and avoid the adverse impacts of climate change, which must include efforts to reduce localized greenhouse gas emissions and avoid creating or worsening localized climate impacts to vulnerable populations and overburdened communities. The greenhouse gas emissions reduction subelement of the climate change and resiliency element is mandatory for the jurisdictions specified in section 4(1) of this act and is encouraged for all other jurisdictions, including those planning under RCW 36.70A.040 and those planning under chapter 36.70 RCW. The resiliency subelement of the climate change and resiliency element is mandatory for all jurisdictions planning under RCW 36.70A.040 and is encouraged for those jurisdictions planning under chapter 36.70 RCW.
- (a) (i) The greenhouse gas emissions reduction subelement of the comprehensive plan, and its related development regulations, must identify the actions the jurisdiction will take during the planning cycle consistent with the guidelines published by the department pursuant to section 5 of this act that will:
- 37 (A) Result in reductions in overall greenhouse gas emissions
 38 generated by transportation and land use within the jurisdiction but
 39 without increasing greenhouse gas emissions elsewhere in the state;
 40 and

1 (B) Result in reductions in per capita vehicle miles traveled 2 within the jurisdiction but without increasing greenhouse gas 3 emissions elsewhere in the state; and

- (C) Prioritize reductions in overburdened communities in order to maximize the cobenefits of reduced air pollution and environmental justice consistent with chapter 70A.02 RCW.
- (ii) Actions not specifically identified in the guidelines developed by the department pursuant to section 5 of this act may be considered to be consistent with these guidelines only if:
- (A) They are projected to achieve greenhouse gas emissions reductions or per capita vehicle miles traveled reductions equivalent to what would be required of the jurisdiction under the guidelines adopted by the department; and
- (B) They are supported by scientifically credible projections and scenarios that indicate their adoption is likely to result in reductions of greenhouse gas emissions or per capita vehicle miles traveled.
- (iii) A jurisdiction may not restrict population growth or limit population allocation in order to achieve the requirements set forth in this subsection (9)(a).
- (iv) (A) (I) Until December 31, 2034, actions not specifically identified in the guidelines developed by the department pursuant to section 5 of this act, or considered to be consistent with those guidelines according to the process established in (a) (ii) of this subsection (9), must still be considered to be sufficient to meet the requirements of the greenhouse gas emissions reduction subelement and must be approved by the department pursuant to section 5 of this act, if the actions provide for the authorization of the development of middle housing types within one-quarter mile of major transit stops within urban growth areas.
- 31 (II) A city planning under RCW 36.70A.040 may be considered to be consistent with the guidelines of this subsection (9)(a)(iv) if:
 - (1) The jurisdiction authorizes the development of no fewer than four residential units on all lots zoned for residential use within one-quarter mile of a major transit stop; or
 - (2) The jurisdiction alters local zoning to allow for an average minimum net density equivalent to no less than 33 dwelling units per acre within one-quarter mile of a major transit stop.
- 39 (B) Nothing in this subsection (9)(a)(iv) prohibits the 40 <u>authorization of the development of single-family residences.</u>

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- (b) (i) The resiliency subelement must equitably enhance resiliency to, and avoid or substantially reduce the adverse impacts of, climate change in human communities and ecological systems through goals, policies, and programs consistent with the best available science and scientifically credible climate projections and impact scenarios that moderate or avoid harm, enhance the resiliency of natural and human systems, and enhance beneficial opportunities. The resiliency subelement must prioritize actions in overburdened communities as defined in chapter 70A.02 RCW that will disproportionately suffer from compounding environmental impacts and will be most impacted by natural hazards due to climate change. Specific goals, policies, and programs of the resiliency subelement must include, but are not limited to, those designed to:
- 14 <u>(A) Identify, protect, and enhance natural areas to foster</u>
 15 <u>resiliency to climate impacts, as well as areas of vital habitat for</u>
 16 safe passage and species migration;

- (B) Identify, protect, and enhance community resiliency to climate change impacts, including social, economic, and built factors, that support adaptation to climate impacts consistent with environmental justice; and
- (C) Address natural hazards created or aggravated by climate change, including sea level rise, landslides, flooding, drought, heat, smoke, wildfire, and other effects of changes to temperature and precipitation patterns.
- (ii) A natural hazard mitigation plan or similar plan that is guided by RCW 36.70A.020(14), that prioritizes actions in overburdened communities as defined in RCW 70A.02.010, and that complies with the applicable requirements of this chapter, including the requirements set forth in this subsection (9)(b), may be adopted by reference to satisfy these requirements, except that to the extent any of the substantive requirements of this subsection (9)(b) are not addressed, or are inadequately addressed, in the referenced natural hazard mitigation plan, a county or city must supplement the natural hazard mitigation plan accordingly so that the adopted resiliency subsection (9)(b).
- 37 (A) If a county or city intends to adopt by reference a federal
 38 emergency management agency natural hazard mitigation plan in order
 39 to meet all or part of the substantive requirements set forth in this
 40 subsection (9) (b), and the most recently adopted federal emergency
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- management agency natural hazard mitigation plan does not comply with the requirements of this subsection (9)(b), the department may grant the county or city an extension of time in which to submit a natural hazard mitigation plan.
- 5 (B) Eligibility for an extension under this subsection prior to
 6 July 1, 2027, is limited to a city or county required to review and,
 7 if needed, revise its comprehensive plan on or before June 30, 2025,
 8 as provided in RCW 36.70A.130, or for a city or county with an
 9 existing, unexpired federal emergency management agency natural
 10 hazard mitigation plan scheduled to expire before December 31, 2024.

- (C) Extension requests after July 1, 2027, may be granted if requirements for the resiliency subelement are amended or added by the legislature or if the department finds other circumstances that may result in a potential finding of noncompliance with a jurisdiction's existing and approved federal emergency management agency natural hazard mitigation plan.
- (D) A city or county that wishes to request an extension of time must submit a request in writing to the department no later than the date on which the city or county is required to review and, if needed, revise its comprehensive plan as provided in RCW 36.70A.130.
- (E) Upon the submission of such a request to the department, the city or county may have an additional 48 months from the date provided in RCW 36.70A.130 in which to either adopt by reference an updated federal emergency management agency natural hazard mitigation plan or adopt its own natural hazard mitigation plan, and to then submit that plan to the department.
- (c) For the jurisdictions set forth in section 4 of this act, updates to comprehensive plans and related development regulations made during the update cycle that begins in 2024 must adopt measures identified by the department pursuant to section 5 of this act that are likely to result in reductions of greenhouse gas emissions and per capita vehicle miles traveled.
- (d) The adoption of ordinances, amendments to comprehensive plans, amendments to development regulations, and other nonproject actions taken by a county or city pursuant to (a) or (c) of this subsection in order to implement measures specified by the department pursuant to section 5 of this act are not subject to administrative or judicial appeal under chapter 43.21C RCW.
- 39 <u>(10)</u> It is the intent that new or amended elements required after 40 January 1, 2002, be adopted concurrent with the scheduled update Code Rev/RB:eab 17 S-5423.1/22

- 1 provided in RCW 36.70A.130. Requirements to incorporate any such new
- 2 or amended elements shall be null and void until funds sufficient to
- 3 cover applicable local government costs are appropriated and
- 4 distributed by the state at least two years before local government
- 5 must update comprehensive plans as required in RCW 36.70A.130.

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- 6 <u>NEW SECTION.</u> **Sec. 4.** A new section is added to chapter 36.70A 7 RCW to read as follows:
 - (1) The requirements of the greenhouse gas emissions reduction subelement of the climate change and resiliency element set forth in RCW 36.70A.070(9) apply only to those counties that are required or that choose to plan under RCW 36.70A.040 and that also meet either of the criteria set forth in (a) or (b) of this subsection (1) on or after April 1, 2021, and the cities with populations greater than 6,000 as of April 1, 2021, within those counties:
- 15 (a) A county with a population density of at least 100 people per 16 square mile and a population of at least 200,000; or
 - (b) A county with a population density of at least 75 people per square mile and an annual growth rate of at least 1.75 percent as determined by the office of financial management.
 - (2) The requirements of the amendments to the transportation element of RCW 36.70A.070 set forth in this act apply only to: (a) Counties and cities that meet the population criteria set forth in subsection (1) of this section; and (b) cities with populations of 6,000 or greater as of April 1, 2021, that are located in a county that is required or that chooses to plan under RCW 36.70A.040.
 - (3) The requirements of the amendments to the land use element of RCW 36.70A.070 set forth in this act apply only to: (a) Counties and cities that meet the population criteria set forth in subsection (1) or (2) of this section; and (b) counties that have a population of 20,000 or greater as of April 1, 2021, and that are required or that choose to plan under RCW 36.70A.040.
 - (4) The requirements of the amendments to the rural element of RCW 36.70A.070 set forth in this act apply only to counties that are required or that choose to plan under RCW 36.70A.040 and that have a population of 20,000 or greater as of April 1, 2021.
- 36 (5) Once a county meets either of the sets of criteria set forth 37 in subsection (1) of this section, the requirement to conform with 38 the greenhouse gas emissions reduction subelement of the climate 39 change and resiliency element set forth in RCW 36.70A.070 remains in Code Rev/RB:eab 18 S-5423.1/22

1 effect, even if the county no longer meets one of these sets of 2 criteria.

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- (6) If the population of a county that previously had not been required to conform with the greenhouse gas emissions reduction subelement of the climate change and resiliency element set forth in RCW 36.70A.070 changes sufficiently to meet either of the sets of criteria set forth in subsection (1) of this section, the county, and the cities with populations greater than 6,000 as of April 1, 2021, within that county, shall adopt a greenhouse gas emissions reduction subelement of the climate change and resiliency element set forth in RCW 36.70A.070 at the next scheduled update of the comprehensive plan as set forth in RCW 36.70A.130.
- 13 (7) The population criteria used in this section must be based on 14 population data as determined by the office of financial management.
- NEW SECTION. Sec. 5. A new section is added to chapter 70A.45 RCW to read as follows:
- 17 The department of commerce, in consultation with the department of ecology, the department of health, and the department 18 of transportation, shall publish guidelines that specify a set of 19 20 measures counties and cities have available to them to take through 21 updates to their comprehensive plans and development regulations that 22 have a demonstrated ability to increase housing capacity within urban 23 growth areas or reduce greenhouse gas emissions, allowing for 24 consideration of the emissions reductions achieved through the adoption of statewide programs. The guidelines must prioritize 25 reductions in overburdened communities as defined in RCW 70A.02.010, 26 27 including communities that have experienced disproportionate harm due 28 to air pollution and may draw upon the most recent health disparities data from the department of health to identify high pollution areas 29 30 and disproportionately burdened communities. These guidelines must be 31 developed using an environmental justice assessment pursuant to RCW 70A.02.060 and the guidelines must include environmental justice 32 assessment processes. The guidelines must be based on: 33
- 34 (a) The most recent greenhouse gas emissions report prepared by 35 the department of ecology and the department of commerce pursuant to 36 RCW 70A.45.020(2);
- 37 (b) The most recent city and county population estimates prepared 38 by the office of financial management pursuant to RCW 43.62.035;

- 1 (c) The locations of major employment centers and transit 2 corridors, for the purpose of increasing housing supply in these 3 areas; and
 - (d) Available environmental justice data and data regarding access to public transportation for people with disabilities and for vulnerable populations as defined in RCW 70A.02.010.
 - (2) (a) The department of commerce, in consultation with the department of transportation, shall publish guidelines that specify a set of measures counties and cities may have available to them to take through updates to their comprehensive plans and development regulations that have a demonstrated ability to reduce per capita vehicle miles traveled, including measures that are designed to be achievable throughout the state, including in small cities and rural cities.
 - (b) The guidelines must be based on:

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- (i) The most recent greenhouse gas emissions report prepared by the department of ecology and the department of commerce pursuant to RCW 70A.45.020(2);
- 19 (ii) The most recent city and county population estimates 20 prepared by the office of financial management pursuant to RCW 21 43.62.035; and
- 22 (iii) The most recent summary of per capita vehicle miles 23 traveled as compiled by the department of transportation.
 - (3) The department of commerce shall first publish the full set of guidelines described in subsections (1) and (2) of this section no later than December 31, 2025. The department of commerce shall update these guidelines at least every four years thereafter based on the most recently available data, and shall provide for a process for local governments and other parties to submit alternative actions for consideration for inclusion into the guidelines at least once per year. The department of commerce shall publish an intermediate set of guidelines no later than December 31, 2022, in order to be available for use by jurisdictions whose periodic updates are required by RCW 36.70A.130(5) to occur prior to December 31, 2025.
- 35 (4)(a) In any updates to the guidelines published after 2025, the 36 department of commerce shall include an evaluation of the impact that 37 locally adopted climate change and resiliency elements have had on 38 local greenhouse gas emissions and per capita vehicle miles traveled 39 reduction goals. The evaluation must also address the impact that

1 locally adopted greenhouse gas emissions reduction subelements have 2 had on zoned housing capacity.

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- (b) The updates must also include an estimate of the impacts that locally adopted climate change and resiliency elements will have on achieving local greenhouse gas emissions and per capita vehicle miles traveled reduction goals. The evaluation must also include an estimate of the impact that locally adopted greenhouse gas emissions reduction subelements will have on zoned housing capacity.
- (c) The department may include in the specified guidelines what additional measures cities and counties should take to make additional progress on local reduction goals, including any measures that increase housing capacity and middle housing capacity, within urban growth areas.
- (5) The department of commerce may not propose or adopt any guidelines that would include any form of a road usage charge or any fees or surcharges related to vehicle miles traveled.
- (6) The department of commerce may not propose or adopt any guidelines that would direct or require local governments to regulate or tax, in any form, transportation service providers, delivery vehicles, or passenger vehicles.
- (7) The department of commerce, in the course of implementing this section, shall provide and prioritize options that support housing diversity and that assist counties and cities in meeting greenhouse gas emissions reduction and other requirements established under this chapter.
- 26 (8) The provisions of this section as applied to the department 27 of transportation are subject to the availability of amounts 28 appropriated for this specific purpose.
- NEW SECTION. Sec. 6. A new section is added to chapter 36.70A RCW to read as follows:
- 31 (1) A county or city required to complete a greenhouse gas 32 emissions reduction subelement may submit the subelement to the department for approval. When submitted to the department for 33 approval, the subelement becomes effective when approved by the 34 department as provided in this section. If a county or city does not 35 seek department approval of the subelement, the effective date of the 36 subelement is the date on which the comprehensive plan is adopted by 37 38 the county or city.

(2) The department shall strive to achieve final action on a submitted greenhouse gas emissions reduction subelement within 180 days of receipt and shall post an annual assessment related to this performance benchmark on the agency website.

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- (3) Upon receipt of a proposed greenhouse gas emissions reduction subelement, the department shall:
- (a) Provide notice to and opportunity for written comment by all interested parties of record as a part of the local government review process for the proposal and to all persons, groups, and agencies that have requested in writing notice of proposed greenhouse gas emissions reduction subelements. The comment period shall be at least 30 days, unless the department determines that the level of complexity or controversy involved supports a shorter period;
- (b) In the department's discretion, conduct a public hearing during the 30-day comment period in the jurisdiction proposing the greenhouse gas emissions reduction subelement;
- (c) Within 15 days after the close of public comment, request the local government to review the issues identified by the public, interested parties, groups, and agencies and provide a written response as to how the proposal addresses the identified issues;
- (d) Within 30 days after receipt of the local government response pursuant to (c) of this subsection, make written findings and conclusions regarding the consistency of the proposal with the policy of RCW 36.70A.070 and, after they are adopted, the applicable guidelines adopted by the department pursuant to section 5 of this act and any reduction allocations made pursuant to RCW 36.70A.100, provide a response to the issues identified in (c) of subsection, and either approve the greenhouse gas emissions reduction subelement as submitted, recommend specific changes necessary to make the greenhouse gas emissions reduction subelement approvable, or deny approval of the greenhouse gas emissions reduction subelement in those instances where no alteration of the greenhouse gas emissions reduction subelement appears likely to be consistent with the policy of RCW 36.70A.070 and the applicable guidelines. The written findings and conclusions shall be provided to the local government, and made available to all interested persons, parties, groups, and agencies of record on the proposal;
- (e) If the department recommends changes to the proposed greenhouse gas emissions reduction subelement, within 90 days after

the department mails the written findings and conclusions to the local government, require the local government to:

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- (i) Agree to the proposed changes by written notice to the department; or
- (ii) Submit an alternative greenhouse gas emissions reduction subelement. If, in the opinion of the department, the alternative is consistent with the purpose and intent of the changes originally submitted by the department and with this chapter it shall approve the changes and provide notice to all recipients of the written findings and conclusions. If the department determines the proposed greenhouse gas emissions reduction subelement is not consistent with the purpose and intent of the changes proposed by the department, the department may resubmit the proposed greenhouse gas emissions reduction subelement for public and agency review pursuant to this section or reject the proposed greenhouse gas emissions reduction subelement.
- The department shall approve a proposed greenhouse gas (4) emissions reduction subelement unless it determines that the proposed greenhouse gas emissions reduction subelement is not consistent with the policy of RCW 36.70A.070 and, after they are adopted, the applicable guidelines.
- (5) A greenhouse gas emissions reduction subelement takes effect when and in such form as approved or adopted by the department. The effective date is 14 days from the date of the department's written notice of final action to the local government stating the department has approved or rejected the proposed greenhouse gas emissions reduction subelement. The department's written notice to the local government must conspicuously and plainly state that it is the department's final decision and that there will be no further modifications to the proposed greenhouse gas emissions reduction subelement. The department shall maintain a record of each greenhouse gas emissions reduction subelement, the action taken on any proposed greenhouse gas emissions reduction subelement, and any appeal of the department's action. The department's approved document of record constitutes the official greenhouse gas emissions reduction subelement.
- (6) Promptly after approval or disapproval of greenhouse gas emissions reduction subelement, the department shall publish a notice consistent with RCW 36.70A.290 that the greenhouse gas emissions reduction subelement has been approved

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- (7) The department's final decision to approve or reject a proposed greenhouse gas emissions reduction subelement or amendment by a local government planning under RCW 36.70A.040 may be appealed according to the following provisions:
- (a) The department's final decision to approve or reject a proposed greenhouse gas emissions reduction subelement or amendment by a local government planning under RCW 36.70A.040 may be appealed to the growth management hearings board by filing a petition as provided in RCW 36.70A.290.
- (b) A decision of the growth management hearings board concerning an appeal of the department's final decision to approve or reject a proposed greenhouse gas emissions reduction subelement or amendment must be based solely on whether or not the adopted or amended greenhouse gas emissions reduction subelement, any adopted amendments to other elements of the comprehensive plan necessary to carry out the subelement, and any adopted or amended development regulations necessary to implement the subelement, comply with the goal set forth in RCW 36.70A.020(14) as it applies to greenhouse gas emissions reductions, RCW 36.70A.070(9) excluding RCW 36.70A.070(9)(b), the guidelines adopted under section 5 of this act applicable to the greenhouse gas emissions reduction subelement, or chapter 43.21C RCW.
- Sec. 7. RCW 36.70A.320 and 1997 c 429 s 20 are each amended to read as follows:
- (1) Except as provided in subsections (5) and (6) of this section, comprehensive plans and development regulations, and amendments thereto, adopted under this chapter are presumed valid upon adoption.
- (2) Except as otherwise provided in subsection (4) of this section, the burden is on the petitioner to demonstrate that any action taken by a state agency, county, or city under this chapter is not in compliance with the requirements of this chapter.
- (3) In any petition under this chapter, the board, after full consideration of the petition, shall determine whether there is compliance with the requirements of this chapter. In making its determination, the board shall consider the criteria adopted by the department under RCW 36.70A.190(4). The board shall find compliance unless it determines that the action by the state agency, county, or

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city is clearly erroneous in view of the entire record before the board and in light of the goals and requirements of this chapter.

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- (4) A county or city subject to a determination of invalidity 36.70A.300 or 36.70A.302 has the burden made under RCW demonstrating that the ordinance or resolution it has enacted in response to the determination of invalidity will no substantially interfere with the fulfillment of the goals of this chapter under the standard in RCW 36.70A.302(1).
- The shoreline element of a comprehensive plan and the 9 applicable development regulations adopted by a county or city shall 10 11 take effect as provided in chapter 90.58 RCW.
- 12 (6) The greenhouse gas emissions reduction subelement required by RCW 36.70A.070 shall take effect as provided in section 6 of this 13 14 act.
- 15 Sec. 8. RCW 36.70A.190 and 1991 sp.s. c 32 s 3 are each amended 16 to read as follows:
 - (1) The department shall establish a program of technical and financial assistance and incentives to counties and cities to encourage and facilitate the adoption and implementation of comprehensive plans and development regulations throughout the state.
 - (2) The department shall develop a priority list and establish funding levels for planning and technical assistance grants both for counties and cities that plan under RCW 36.70A.040. Priority for assistance shall be based on a county's or city's population growth rates, commercial and industrial development rates, the existence and quality of a comprehensive plan and development regulations, ((and other relevant factors)) presence of overburdened communities, and other relevant factors. The department shall establish funding levels for grants to community-based organizations for the specific purpose of advancing participation of vulnerable populations and overburdened communities in the planning process.
 - (3) The department shall develop and administer a grant program to provide direct financial assistance to counties and cities for the preparation of comprehensive plans under this chapter. The department may establish provisions for county and city matching funds to conduct activities under this subsection. Grants may be expended for any purpose directly related to the preparation of a county or city comprehensive plan as the county or city and the department may agree, including, without limitation, the conducting of surveys,

Code Rev/RB:eab 25 S-5423.1/22 inventories and other data gathering and management activities, the retention of planning consultants, contracts with regional councils for planning and related services, and other related purposes.

- (4) The department shall establish a program of technical assistance:
- (a) Utilizing department staff, the staff of other state agencies, and the technical resources of counties and cities to help in the development of comprehensive plans required under this chapter. The technical assistance may include, but not be limited to, model land use ordinances, regional education and training programs, and information for local and regional inventories; and
- (b) Adopting by rule procedural criteria to assist counties and cities in adopting comprehensive plans and development regulations that meet the goals and requirements of this chapter. These criteria shall reflect regional and local variations and the diversity that exists among different counties and cities that plan under this chapter.
- (5) The department shall provide mediation services to resolve disputes between counties and cities regarding, among other things, coordination of regional issues and designation of urban growth areas.
- (6) The department shall provide planning grants to enhance citizen participation under RCW 36.70A.140.
- (7) The department shall develop, in collaboration with the department of ecology, the department of fish and wildlife, the department of natural resources, the department of health, the emergency management division of the military department, as well as any federally recognized tribe who chooses to voluntarily participate, and adopt by rule guidance that creates a model climate change and resiliency element that may be used by counties, cities, and multiple-county planning regions for developing and implementing climate change and resiliency plans and policies required by RCW 36.70A.070(9), subject to the following provisions:
- 34 <u>(a) The model element must establish minimum requirements, and</u>
 35 <u>may include model options or voluntary cross-jurisdictional</u>
 36 <u>strategies, or both, for fulfilling the requirements of RCW</u>
 37 <u>36.70A.070(9);</u>
- 38 (b) The model element should provide guidance on identifying,
 39 designing, and investing in infrastructure that supports community
 40 resilience to climate impacts, including the protection, restoration,
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- 1 <u>and enhancement of natural infrastructure as well as traditional</u>
- 2 <u>infrastructure</u> and protecting and enhancing natural areas to foster
- 3 resiliency to climate impacts, as well as areas of vital habitat for
- 4 <u>safe passage and species migration;</u>
- 5 (c) The model element should provide guidance on identifying and
- 6 addressing natural hazards created or aggravated by climate change,
- 7 including sea level rise, landslides, flooding, drought, heat, smoke,
- 8 wildfires, and other effects of reasonably anticipated changes to
- 9 temperature and precipitation patterns; and
- 10 (d) The rule must recognize and promote as many cobenefits of
- 11 climate resilience as possible such as climate change mitigation,
- 12 <u>salmon recovery, forest health, ecosystem services, and socioeconomic</u>
- 13 <u>health and resilience</u>.
- 14 <u>NEW SECTION.</u> **Sec. 9.** A new section is added to chapter 47.80
- 15 RCW to read as follows:
- The department shall compile, maintain, and publish a summary of
- 17 the per capita vehicle miles traveled annually in each city in the
- 18 state, and in the unincorporated portions of each county in the
- 19 state.
- NEW SECTION. Sec. 10. A new section is added to chapter 90.58
- 21 RCW to read as follows:
- The department shall update its shoreline master program
- 23 guidelines to require shoreline master programs to address the impact
- 24 of sea level rise and increased storm severity on people, property,
- 25 and shoreline natural resources and the environment.
- 26 **Sec. 11.** RCW 86.12.200 and 1991 c 322 s 3 are each amended to
- 27 read as follows:
- The county legislative authority of any county may adopt a
- 29 comprehensive flood control management plan for any drainage basin
- 30 that is located wholly or partially within the county.
- 31 A comprehensive flood control management plan shall include the
- 32 following elements:
- 33 (1) Designation of areas that are susceptible to periodic
- 34 flooding, from inundation by bodies of water or surface water runoff,
- or both, including the river's meander belt or floodway;
- 36 (2) Establishment of a comprehensive scheme of flood control
- 37 protection and improvements for the areas that are subject to such

- 1 periodic flooding, that includes: (a) Determining the need for, and desirable location of, flood control improvements to protect or 2 preclude flood damage to structures, works, and improvements, based 3 upon a cost/benefit ratio between the expense of providing and 4 maintaining these improvements and the benefits arising from these 5 6 improvements; (b) establishing the level of flood protection that each portion of the system of flood control improvements will be 7 permitted; (c) identifying alternatives to in-stream flood control 8 work; (d) identifying areas where flood waters could be directed 9 during a flood to avoid damage to buildings and other structures; and 10 11 (e) identifying sources of revenue that will be sufficient to finance 12 comprehensive flood control the scheme of protection and 13 improvements;
 - (3) Establishing land use regulations that preclude the location of structures, works, or improvements in critical portions of such areas subject to periodic flooding, including a river's meander belt or floodway, and permitting only flood-compatible land uses in such areas;

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- (4) Establishing restrictions on construction activities in areas subject to periodic floods that require the flood proofing of those structures that are permitted to be constructed or remodeled; ((and))
- (5) Establishing restrictions on land clearing activities and development practices that exacerbate flood problems by increasing the flow or accumulation of flood waters, or the intensity of drainage, on low-lying areas. Land clearing activities do not include forest practices as defined in chapter 76.09 RCW; and
- (6) Consideration of climate change impacts, including the impact of sea level rise and increased storm severity on people, property, natural resources, and the environment.

A comprehensive flood control management plan shall be subject to the minimum requirements for participation in the national flood insurance program, requirements exceeding the minimum national flood insurance program that have been adopted by the department of ecology for a specific floodplain pursuant to RCW 86.16.031, and rules adopted by the department of ecology pursuant to RCW 86.26.050 relating to floodplain management activities. When a county plans under chapter 36.70A RCW, it may incorporate the portion of its comprehensive flood control management plan relating to land use restrictions in its comprehensive plan and development regulations adopted pursuant to chapter 36.70A RCW.

NEW SECTION. Sec. 12. A new section is added to chapter 43.21C RCW to read as follows:

The adoption of ordinances, amendments to comprehensive plans, amendments to development regulations, and other nonproject actions taken by a county or city pursuant to RCW 36.70A.070(9) (a) or (c) in order to implement measures specified by the department of commerce pursuant to section 5 of this act are not subject to administrative or judicial appeals under this chapter.

- 9 <u>NEW SECTION.</u> **Sec. 13.** (1) The obligation of local governments to comply with the requirements established in: (a) The amendments to 11 RCW 36.70A.070 set forth in this act; and (b) the updated shoreline 12 master program guidelines adopted pursuant to section 10 of this act, 13 is contingent on the provision of state funding to local governments 14 for the specific purpose of complying with these requirements.
 - (2) The obligation of local governments to comply with the requirements established in: (a) The amendments to RCW 36.70A.070 set forth in this act; and (b) the updated shoreline master program guidelines adopted pursuant to section 10 of this act, takes effect two years after the date the legislature appropriates state funding to provide to local governments for the purpose of complying with these requirements.
- **Sec. 14.** RCW 36.70A.030 and 2021 c 254 s 6 are each amended to 23 read as follows:
 - Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.
 - (1) "Adopt a comprehensive land use plan" means to enact a new comprehensive land use plan or to update an existing comprehensive land use plan.
 - (2) "Affordable housing" means, unless the context clearly indicates otherwise, residential housing whose monthly costs, including utilities other than telephone, do not exceed thirty percent of the monthly income of a household whose income is:
 - (a) For rental housing, sixty percent of the median household income adjusted for household size, for the county where the household is located, as reported by the United States department of housing and urban development; or
- 37 (b) For owner-occupied housing, eighty percent of the median 38 household income adjusted for household size, for the county where Code Rev/RB:eab 29 S-5423.1/22

the household is located, as reported by the United States department of housing and urban development.

- (3) "Agricultural land" means land primarily devoted to the commercial production of horticultural, viticultural, floricultural, dairy, apiary, vegetable, or animal products or of berries, grain, hay, straw, turf, seed, Christmas trees not subject to the excise tax imposed by RCW 84.33.100 through 84.33.140, finfish in upland hatcheries, or livestock, and that has long-term commercial significance for agricultural production.
 - (4) "City" means any city or town, including a code city.
- (5) "Comprehensive land use plan," "comprehensive plan," or "plan" means a generalized coordinated land use policy statement of the governing body of a county or city that is adopted pursuant to this chapter.
- (6) "Critical areas" include the following areas and ecosystems:

 (a) Wetlands; (b) areas with a critical recharging effect on aquifers used for potable water; (c) fish and wildlife habitat conservation areas; (d) frequently flooded areas; and (e) geologically hazardous areas. "Fish and wildlife habitat conservation areas" does not include such artificial features or constructs as irrigation delivery systems, irrigation infrastructure, irrigation canals, or drainage ditches that lie within the boundaries of and are maintained by a port district or an irrigation district or company.
 - (7) "Department" means the department of commerce.
- (8) "Development regulations" or "regulation" means the controls placed on development or land use activities by a county or city, including, but not limited to, zoning ordinances, critical areas ordinances, shoreline master programs, official controls, planned unit development ordinances, subdivision ordinances, and binding site plan ordinances together with any amendments thereto. A development regulation does not include a decision to approve a project permit application, as defined in RCW 36.70B.020, even though the decision may be expressed in a resolution or ordinance of the legislative body of the county or city.
- (9) "Emergency housing" means temporary indoor accommodations for individuals or families who are homeless or at imminent risk of becoming homeless that is intended to address the basic health, food, clothing, and personal hygiene needs of individuals or families. Emergency housing may or may not require occupants to enter into a lease or an occupancy agreement.

(10) "Emergency shelter" means a facility that provides a temporary shelter for individuals or families who are currently homeless. Emergency shelter may not require occupants to enter into a lease or an occupancy agreement. Emergency shelter facilities may include day and warming centers that do not provide overnight accommodations.

- (11) "Extremely low-income household" means a single person, family, or unrelated persons living together whose adjusted income is at or below thirty percent of the median household income adjusted for household size, for the county where the household is located, as reported by the United States department of housing and urban development.
- (12) "Forestland" means land primarily devoted to growing trees for long-term commercial timber production on land that can be economically and practically managed for such production, including Christmas trees subject to the excise tax imposed under RCW 84.33.100 through 84.33.140, and that has long-term commercial significance. In determining whether forestland is primarily devoted to growing trees for long-term commercial timber production on land that can be economically and practically managed for such production, the following factors shall be considered: (a) The proximity of the land to urban, suburban, and rural settlements; (b) surrounding parcel size and the compatibility and intensity of adjacent and nearby land uses; (c) long-term local economic conditions that affect the ability to manage for timber production; and (d) the availability of public facilities and services conducive to conversion of forestland to other uses.
- (13) "Freight rail dependent uses" means buildings and other infrastructure that are used in the fabrication, processing, storage, and transport of goods where the use is dependent on and makes use of an adjacent short line railroad. Such facilities are both urban and rural development for purposes of this chapter. "Freight rail dependent uses" does not include buildings and other infrastructure that are used in the fabrication, processing, storage, and transport of coal, liquefied natural gas, or "crude oil" as defined in RCW 90.56.010.
- 37 (14) "Geologically hazardous areas" means areas that because of 38 their susceptibility to erosion, sliding, earthquake, or other 39 geological events, are not suited to the siting of commercial,

residential, or industrial development consistent with public health or safety concerns.

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- (15) "Long-term commercial significance" includes the growing capacity, productivity, and soil composition of the land for long-term commercial production, in consideration with the land's proximity to population areas, and the possibility of more intense uses of the land.
- (16) "Low-income household" means a single person, family, or unrelated persons living together whose adjusted income is at or below eighty percent of the median household income adjusted for household size, for the county where the household is located, as reported by the United States department of housing and urban development.
- 14 (17) "Minerals" include gravel, sand, and valuable metallic substances.
 - (18) "Moderate-income household" means a single person, family, or unrelated persons living together whose adjusted income is at or below 120 percent of the median household income adjusted for household size, for the county where the household is located, as reported by the United States department of housing and urban development.
 - (19) "Permanent supportive housing" is subsidized, leased housing with no limit on length of stay that prioritizes people who need comprehensive support services to retain tenancy and utilizes admissions practices designed to use lower barriers to entry than would be typical for other subsidized or unsubsidized rental housing, especially related to rental history, criminal history, and personal behaviors. Permanent supportive housing is paired with on-site or off-site voluntary services designed to support a person living with a complex and disabling behavioral health or physical health condition who was experiencing homelessness or was at imminent risk of homelessness prior to moving into housing to retain their housing and be a successful tenant in a housing arrangement, improve the resident's health status, and connect the resident of the housing with community-based health care, treatment, or employment services. Permanent supportive housing is subject to all of the rights and responsibilities defined in chapter 59.18 RCW.
- 38 (20) "Public facilities" include streets, roads, highways, 39 sidewalks, street and road lighting systems, traffic signals,

domestic water systems, storm and sanitary sewer systems, parks and recreational facilities, and schools.

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- (21) "Public services" include fire protection and suppression, law enforcement, public health, education, recreation, environmental protection, and other governmental services.
- (22) "Recreational land" means land so designated under RCW 36.70A.1701 and that, immediately prior to this designation, was designated as agricultural land of long-term commercial significance under RCW 36.70A.170. Recreational land must have playing fields and supporting facilities existing before July 1, 2004, for sports played on grass playing fields.
- (23) "Rural character" refers to the patterns of land use and development established by a county in the rural element of its comprehensive plan:
- 15 (a) In which open space, the natural landscape, and vegetation 16 predominate over the built environment;
- 17 (b) That foster traditional rural lifestyles, rural-based 18 economies, and opportunities to both live and work in rural areas;
- 19 (c) That provide visual landscapes that are traditionally found 20 in rural areas and communities;
- 21 (d) That are compatible with the use of the land by wildlife and 22 for fish and wildlife habitat;
- 23 (e) That reduce the inappropriate conversion of undeveloped land 24 into sprawling, low-density development;
 - (f) That generally do not require the extension of urban governmental services; and
 - (g) That are consistent with the protection of natural surface water flows and groundwater and surface water recharge and discharge areas.
 - (24) "Rural development" refers to development outside the urban growth area and outside agricultural, forest, and mineral resource lands designated pursuant to RCW 36.70A.170. Rural development can consist of a variety of uses and residential densities, including clustered residential development, at levels that are consistent with the preservation of rural character and the requirements of the rural element. Rural development does not refer to agriculture or forestry activities that may be conducted in rural areas.
- 38 (25) "Rural governmental services" or "rural services" include 39 those public services and public facilities historically and 40 typically delivered at an intensity usually found in rural areas, and Code Rev/RB:eab 33 S-5423.1/22

- may include domestic water systems, fire and police protection services, transportation and public transit services, and other public utilities associated with rural development and normally not associated with urban areas. Rural services do not include storm or sanitary sewers, except as otherwise authorized by RCW 36.70A.110(4).
 - (26) "Short line railroad" means those railroad lines designated class II or class III by the United States surface transportation board.

- (27) "Urban governmental services" or "urban services" include those public services and public facilities at an intensity historically and typically provided in cities, specifically including storm and sanitary sewer systems, domestic water systems, street cleaning services, fire and police protection services, public transit services, and other public utilities associated with urban areas and normally not associated with rural areas.
- (28) "Urban growth" refers to growth that makes intensive use of land for the location of buildings, structures, and impermeable surfaces to such a degree as to be incompatible with the primary use of land for the production of food, other agricultural products, or fiber, or the extraction of mineral resources, rural uses, rural development, and natural resource lands designated pursuant to RCW 36.70A.170. A pattern of more intensive rural development, as provided in RCW 36.70A.070(5)(d), is not urban growth. When allowed to spread over wide areas, urban growth typically requires urban governmental services. "Characterized by urban growth" refers to land having urban growth located on it, or to land located in relationship to an area with urban growth on it as to be appropriate for urban growth.
- 29 (29) "Urban growth areas" means those areas designated by a 30 county pursuant to RCW 36.70A.110.
 - (30) "Very low-income household" means a single person, family, or unrelated persons living together whose adjusted income is at or below fifty percent of the median household income adjusted for household size, for the county where the household is located, as reported by the United States department of housing and urban development.
- 37 (31) "Wetland" or "wetlands" means areas that are inundated or 38 saturated by surface water or groundwater at a frequency and duration 39 sufficient to support, and that under normal circumstances do 40 support, a prevalence of vegetation typically adapted for life in Code Rev/RB:eab 34 S-5423.1/22

- 1 saturated soil conditions. Wetlands generally include swamps, marshes, bogs, and similar areas. Wetlands do not include those 2 artificial wetlands intentionally created from nonwetland sites, 3 including, but not limited to, irrigation and drainage ditches, 4 grass-lined swales, canals, detention facilities, wastewater 5 treatment facilities, farm ponds, and landscape amenities, or those 6 wetlands created after July 1, 1990, that were unintentionally 7 created as a result of the construction of a road, street, or 8 highway. Wetlands may include those artificial wetlands intentionally 9 10 created from nonwetland areas created to mitigate conversion of 11 wetlands.
 - (32) "Per capita vehicle miles traveled" means the number of miles traveled using cars and light trucks in a calendar year divided by the number of residents in Washington. The calculation of this value excludes vehicle miles driven conveying freight.

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- including walking or running, the use of a mobility assistive device such as a wheelchair, bicycling and cycling irrespective of the number of wheels, and the use of small personal devices such as foot scooters or skateboards. Active transportation includes both traditional and electric assist bicycles and other devices. Planning for active transportation must consider and address accommodation pursuant to the Americans with disabilities act and the distinct needs of each form of active transportation.
- 25 (34) "Transportation system" means all infrastructure and
 26 services for all forms of transportation within a geographical area,
 27 irrespective of the responsible jurisdiction or transportation
 28 provider.
 - (35) "Environmental justice" means the fair treatment and meaningful involvement of all people regardless of race, color, national origin, or income with respect to development, implementation, and enforcement of environmental laws, regulations, and policies; with a focus on the equitable distribution of resources, benefits, and burdens in a manner that prioritizes communities that experience the greatest inequities, disproportionate impacts, and have the greatest unmet needs.
- 37 (36) "Active transportation facilities" means facilities provided 38 for the safety and mobility of active transportation users including, 39 but not limited to, trails, as defined in RCW 47.30.005, sidewalks,

- bike lanes, shared-use paths, and other facilities in the public
 right-of-way.
- 3 (37) "Greenspace" means an area of land, vegetated by natural 4 features such as grass, trees, or shrubs, within an urban context and 5 less than one acre in size that creates public value through one or
- 6 more of the following attributes:

- (a) Is accessible to the public;
- 8 (b) Promotes physical and mental health of residents;
- 9 (c) Provides relief from the urban heat island effects;
- 10 (d) Promotes recreational and aesthetic values;
- 11 (e) Protects streams or water supply; or
- 12 <u>(f) Preserves visual quality along highway, road, or street</u> 13 corridors.
- 14 (38) "Green infrastructure" means a wide array of natural assets,
 15 built structures, and management practices at multiple scales that
 16 manage wet weather and that maintain and restore natural hydrology by
 17 storing, infiltrating, evapotranspiring, and harvesting and using
 18 stormwater.
- 19 <u>(39) "Cottage housing" means at least four residential units on a</u> 20 <u>lot with a common open space that is either:</u>
- 21 <u>(a) Owned in common; or</u>
- 22 (b) Has units owned as condominium units with property owned in 23 common and a minimum of 20 percent of the lot size as open space.
- 24 <u>(40) "Courtyard apartments" means up to four attached dwelling</u>
 25 <u>units arranged on two or three sides of a central courtyard or lawn</u>
 26 area.
- 27 <u>(41) "Major transit stop" means:</u>
- 28 <u>(a) A stop on a high capacity transportation system funded or</u> 29 expanded under the provisions of chapter 81.104 RCW;
- 30 (b) Commuter rail stops;
- 31 <u>(c) Stops on rail or fixed guideway systems, including</u>
 32 transitways;
- 33 (d) Stops on bus rapid transit routes or routes that run on high occupancy vehicle lanes;
- 35 <u>(e) Stops for a bus or other transit mode providing actual fixed</u>
 36 <u>route service at intervals of at least 15 minutes for at least five</u>
 37 hours during the peak hours of operation on weekdays; or
- 38 (f) Washington state ferry terminals.

1 (42) "Middle housing" means duplexes, triplexes, fourplexes,
2 attached and detached accessory dwelling units, cottage housing,
3 stacked flats, townhouses, and courtyard apartments.

- (43) "Stacked flat" means dwelling units in a two or three story residential building on a residential zoned lot in which each floor may be separately rented or owned and is a discrete dwelling unit.
- 7 (44) "Townhouses" means dwelling units constructed in a row of
 8 two or more attached units, where each dwelling unit is located on an
 9 individual lot or parcel and shares at least one common wall with an
 10 adjacent unit.
- NEW SECTION. Sec. 15. A new section is added to chapter 36.70A RCW to read as follows:
 - (1) Cities within counties planning under RCW 36.70A.215 and those counties may establish one or more real estate excise tax density incentive zones. A real estate excise tax density incentive zone is an area within an urban growth area where the city or county adopts zoning and development regulations to increase housing supply by allowing construction of additional housing types as outright permitted uses. Creation of a real estate excise tax density incentive zone enables the local government to receive a portion of the tax imposed under chapter 82.45 RCW for sales of qualified residential dwelling units within the zone.
 - (2) A real estate excise tax density incentive zone may only be located within a designated urban growth area, and must allow the following housing types: Single-family detached dwellings at a net density of at least six dwelling units per acre, duplexes, triplexes, fourplexes, townhomes, accessory dwelling units, and courtyard apartments.
 - (3) A real estate excise tax density incentive zone may also allow as outright permitted uses housing types and densities that exceed the minimum requirements in subsection (2) of this section.
 - (4)(a) Additional dwelling units must be in addition to the baseline density under existing zoning to implement the housing element in RCW 36.70 A.070.
- 35 (b) For the purposes of this section, a "qualified residential dwelling" is either an individual residential dwelling unit or a residential building of two or more dwelling units constructed within a real estate excise tax density incentive zone that achieves a net increase in the total number of residential dwelling units compared Code Rev/RB:eab 37 S-5423.1/22

to the maximum number of residential dwelling units that could have been built prior to the adoption of zoning and development regulations creating the real estate excise tax density incentive zone. To be included as qualified residential dwelling units, the units must be restricted from being offered as short-term rentals for more than 30 days a year for the first 15 years after construction. The county or city shall determine within their respective jurisdictions how the residential dwelling units shall be restricted from being short-term rentals.

- (c) If the qualified residential dwelling has two or more dwelling units, the amount distributed to the local government under RCW 82.45.060(4)(c) shall be reduced by the percent attributable to the number of new dwelling units within the building that could have been built under the zoning and development regulations that existed prior to the creation of the local real estate excise tax density incentive zone.
- (5) A sale that does not involve a net increase above the maximum number of residential dwelling units that could have been constructed as an outright permitted use, prior to the creation of the real estate excise tax density incentive zone, is not a sale of a qualified residential dwelling unit.
- established for areas where a city or county previously enacted zoning and development regulations meeting the minimum requirements in this section, but not prior to January 1, 2017. A real estate excise tax density incentive zone may not be established later than one year after the date by which a city or county is required to update its growth management comprehensive plan under RCW 36.70A.130. Once a real estate excise tax density incentive zone is established in compliance with this section, a qualified residential dwelling unit may be constructed at any time.
- (7) (a) Prior to establishing a real estate excise tax density incentive zone, the city or county must:
- (i) Consider the race and income of existing residents within the area and the adjacent neighborhoods to be designated;
- 36 (ii) Consider displacement impacts of low, very low, and 37 extremely low-income residents within the area and the adjacent 38 neighborhoods to be designated; and

- 1 (iii) Assess the need for antidisplacement policies for high-risk 2 communities within designated areas and the adjacent neighborhoods, 3 and make the assessment publicly available.
- 4 (b) A local jurisdiction may use the requirements of RCW 36.70A.070(2) (e) through (h) to satisfy the requirements of this subsection.
- 7 **Sec. 16.** RCW 82.45.060 and 2019 c 424 s 1 are each amended to 8 read as follows:
- 9 (1) There is imposed an excise tax upon each sale of real 10 property.
- 11 (a) Through December 31, 2019, the rate of the tax imposed under 12 this section is 1.28 percent of the selling price.
- 13 (b) Beginning January 1, 2020, except as provided in (c) of this 14 subsection, the rate of the tax imposed under this section is as 15 follows:
- 16 (i) 1.1 percent of the portion of the selling price that is less 17 than or equal to five hundred thousand dollars;
- (ii) 1.28 percent of the portion of the selling price that is greater than five hundred thousand dollars and equal to or less than one million five hundred thousand dollars;
- 21 (iii) 2.75 percent of the portion of the selling price that is 22 greater than one million five hundred thousand dollars and equal to 23 or less than three million dollars;

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- (iv) Three percent of the portion of the selling price that is greater than three million dollars.
- (c) The sale of real property that is classified as timberland or agricultural land is subject to the tax imposed under this section at a rate of 1.28 percent of the selling price.
 - (2) Beginning July 1, 2022, and every fourth year thereafter:
- (a) The department must adjust the selling price threshold in subsection (1)(b)(i) of this section to reflect the lesser of the growth of the consumer price index for shelter or five percent. If the growth is equal to or less than zero percent, the current selling price threshold continues to apply.
- 35 (b) The department must adjust the selling price thresholds in 36 subsection (1)(b)(ii) through (iv) of this section by the dollar 37 amount of any increase in the selling price threshold in subsection 38 (1)(b)(i) of this section.

- 1 (c) The department must publish updated selling price thresholds
 2 by September 1, 2022, and September 1st of every fourth year
 3 thereafter. Updated selling price thresholds will apply beginning
 4 January 1, 2023, and January 1st every fourth year thereafter.
 5 Adjusted selling price thresholds must be rounded to the nearest one
 6 thousand dollars. No changes may be made to adjusted selling price
 7 thresholds once such adjustments take effect.
- 8 (d) The most recent selling price threshold becomes the base for 9 subsequent adjustments.

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- (e) The department must report adjustments to the selling price thresholds to the fiscal committees of the legislature, beginning December 1, 2022, and December 1st every fourth year thereafter.
- (3) (a) The department must publish guidance to assist sellers in properly classifying real property on the real estate excise tax affidavit for purposes of determining the proper amount of tax due under this section. Real property with multiple uses must be classified according to the property's predominant use. The department's guidance must include factors for use in determining the predominant use of real property.
- (b) County treasurers are not responsible for verifying that the seller has properly classified real property reported on a real estate excise tax affidavit. The department is solely responsible for such verification as part of its audit responsibilities under RCW 82.45.150.
- (4) (a) Beginning July 1, 2013, and ending December 31, 2019, an amount equal to two percent of the proceeds of this tax must be deposited in the public works assistance account created in RCW 43.155.050, an amount equal to four and one-tenth percent must be deposited in the education legacy trust account created in RCW 83.100.230, an amount equal to one and six-tenths percent must be deposited in the city-county assistance account created in RCW 43.08.290, and the remainder must be deposited in the general fund.
- (b) Beginning January 1, 2020, except as provided under (c) of this subsection (4), amounts collected from the tax imposed under this section must be deposited as provided in RCW 82.45.230.
- 36 (c) Beginning July 1, 2023, the amounts collected on the sale of 37 a qualified residential dwelling constructed within a real estate 38 excise tax density incentive zone created under section 15 of this 39 act shall be distributed to a city or county as follows:

- (i) For a qualified residential dwelling unit located less than or equal to .25 miles, as measured by direct distance, from a major transit stop as defined in RCW 36.70A.030, 50 percent of the amounts collected to the city or county where the dwelling is located;
- (ii) For a qualified residential dwelling unit located more than .25 miles, as measured by direct distance, from a major transit stop as defined in RCW 36.70A.030, 25 percent of the amounts collected to the city or county where the dwelling is located;

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- (iii) If any portion of the qualified residential dwelling unit is located less than or equal to .25 miles, as measured by direct distance, from a major transit stop as defined in RCW 36.70A.030, the entire building qualifies for distribution pursuant to (c)(i) of this subsection (4).
 - (d) The distribution to a city or county under (c) of this subsection (4) applies to both the initial and all subsequent sales of a qualified residential dwelling unit if the residential dwelling unit continues to meet the original requirements of a qualified residential dwelling unit. Counties are required to revalidate that the residential dwelling unit continues to meet the original applicable requirements on each subsequent sale of the residential dwelling unit. The amounts distributed to a city and county may be used solely for:
- (i) Implementation of the housing element in RCW 36.70A.070 as required by chapter 254 (Engrossed Second Substitute House Bill No. 1220), Laws of 2021;
 - (ii) Costs for infrastructure, construction, and service support for moderate, low, very low, and extremely low-income housing;
- 28 <u>(iii) Construction of capital facilities that promote livable and</u>
 29 <u>walkable neighborhoods, such as neighborhood-scale parks, trails, or</u>
 30 <u>other recreational amenities; or</u>
- 31 <u>(iv) Creation of permanently affordable homeownership, which</u>
 32 means housing that is:
- 33 (A) Sponsored by a nonprofit organization or governmental entity; 34 and
 - (B) Subject to a ground lease or deed restriction that includes:
- 36 <u>(I) A resale restriction designed to provide affordability for</u> 37 future low and moderate-income home buyers;
- 38 <u>(II) A right of first refusal for the sponsor organization to</u> 39 purchase the home at resale; and

- 1 (III) A requirement that the sponsor must approve any refinancing, including home equity lines of credit; or
- 3 (C) Sponsored by a nonprofit organization or governmental entity 4 and the sponsor organization:

- (I) Executes a new ground lease or deed restriction with a duration of at least 99 years at the initial sale and with each successive sale; and
- 8 <u>(II) Supports homeowners and enforces the ground lease or deed</u> 9 restriction.
 - (5) (a) Counties are required to validate and identify sales of qualified residential dwelling units within real estate excise tax density incentive zones, including any reduction in real estate excise tax distribution based on:
 - (i) The number of new dwelling units within the building that could have been built under prior zoning regulations compared to the number of new dwelling units built under the real estate excise tax density incentive zone pursuant to section 15(4)(c) of this act; and
 - (ii) The distance from a major transit stop as defined in RCW 36.70A.030 pursuant to subsection (4)(c) of this section.
 - (b) A county must provide the information required in (a) of this subsection to the department when the real estate excise tax affidavit is submitted to the department by the county.
 - ((+5+))) (6) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.
 - (a) "Agricultural land" means farm and agricultural land and farm and agricultural conservation land, as those terms are defined in RCW 84.34.020, including any structures on such land.
 - (b) "Consumer price index for shelter" means the most current seasonally adjusted index for the shelter expenditure category of the consumer price index for all urban consumers (CPI-U) as published by July 31st by the bureau of labor statistics of the United States department of labor.
 - (c) "Growth of the consumer price index for shelter" means the percentage increase in the consumer price index for shelter as measured from data published by the bureau of labor statistics of the United States department of labor by July 31st for the most recent three-year period for the selling price threshold adjustment in 2022, and the most recent four-year period for subsequent selling price threshold adjustments.

- 1 (d) "Timberland" means land classified under chapter 84.34 RCW or 2 designated under chapter 84.33 RCW, including any structures and 3 standing timber on such land, and standing timber sold apart from the 4 land upon which it sits.
- 5 **Sec. 17.** RCW 82.45.230 and 2019 c 424 s 2 are each amended to 6 read as follows:
- 7 (1) Beginning January 1, 2020, and ending June 30, 2023, the 8 amounts received for the tax imposed on each sale of real property 9 under RCW 82.45.060 must be deposited as follows:
- 10 (a) 1.7 percent must be deposited into the public works 11 assistance account created in RCW 43.155.050;
- 12 (b) 1.4 percent must be deposited into the city-county assistance 13 account created in RCW 43.08.290;
 - (c) 79.4 percent must be deposited into the general fund; and
- 15 (d) The remainder must be deposited into the educational legacy 16 trust account created in RCW 83.100.230.
- 17 (2) Beginning July 1, 2023, and thereafter, the amounts received 18 for the tax imposed on each sale of real property under RCW 82.45.060 19 must be deposited as follows:
- 20 (a) 5.2 percent must be deposited into the public works 21 assistance account created in RCW 43.155.050;
- 22 (b) 1.4 percent must be deposited into the city-county assistance account created in RCW 43.08.290;
- (c) 79.4 percent <u>less the percentage of any amounts distributed</u>
 to a city or county under RCW 82.45.060 must be deposited into the general fund; and
- 27 (d) The remainder must be deposited into the education legacy 28 trust account created in RCW 83.100.230.
- NEW SECTION. Sec. 18. If specific funding for the purposes of this act, referencing this act by bill or chapter number, is not provided by June 30, 2022, in the omnibus appropriations act, this act is null and void."

E2SHB 1099 - CONF REPT By Conference Committee

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SENATE ADOPTED 03/10/2022

On page 1, line 2 of the title, after "framework;" strike the 1 remainder of the title and insert "amending RCW 36.70A.020, 2 36.70A.480, 36.70A.070, 36.70A.320, 36.70A.190, 86.12.200, 3 36.70A.030, 82.45.060, and 82.45.230; adding new sections to chapter 4 36.70A RCW; adding a new section to chapter 70A.45 RCW; adding a new 5 section to chapter 47.80 RCW; adding a new section to chapter 90.58 6 RCW; adding a new section to chapter 43.21C RCW; and creating new 7 sections." 8

--- END ---