

2SSB 5368 - H COMM AMD
By Committee on Local Government

NOT ADOPTED 04/11/2021

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

3 "NEW SECTION. **Sec. 1.** A new section is added to chapter 35A.14
4 RCW to read as follows:

5 (1) A code city as provided in RCW 35A.14.296(2) may collaborate
6 with the county or counties where the code city is located to form an
7 interlocal agreement regarding annexation of unincorporated territory
8 within the urban growth area boundary. The interlocal agreement
9 formation process must include procedures for public participation.
10 The procedures must provide for broad dissemination of proposals and
11 alternatives, opportunity for written comments, public meetings after
12 effective notice, and consideration of and response to public
13 comments. The interlocal agreement may only be executed after notice
14 of availability of the agreement is posted on the website of each
15 legislative body for four weeks and a public hearing by each
16 legislative body, separately or jointly. This method of annexation
17 shall be an alternative method and is additional to all other methods
18 provided for in this chapter.

19 (2) An interlocal agreement under this section may include use of
20 a sales tax credit for annexed areas should such a credit be
21 reinstated by the legislature.

22 (3) The agreement or plan under this section must address the
23 following:

24 (a) A balancing of annexations of commercial, industrial, and
25 residential properties so that any potential loss or gain is
26 considered and distributed fairly as determined by tax revenue;

27 (b) Development, ownership, and maintenance of infrastructure;

28 (c) The potential for revenue-sharing agreements.

29 (4) In addressing the items in subsection (3)(a) through (c) of
30 this section, the parties must also address the balancing of factors
31 and objectives for annexation review in RCW 36.93.170 and 36.93.180.

1 (5) By December 1, 2021, the association of Washington cities and
2 the Washington state association of counties shall report to the
3 legislature, in compliance with RCW 43.01.036, on how a sales tax
4 credit may be utilized to encourage appropriate annexations and what
5 limits should be associated with such a credit if reinstated.

6 **Sec. 2.** RCW 36.70A.330 and 1997 c 429 s 21 are each amended to
7 read as follows:

8 (1) After the time set for complying with the requirements of
9 this chapter under RCW 36.70A.300(3)(b) has expired, or at an earlier
10 time upon the motion of a county or city subject to a determination
11 of invalidity under RCW 36.70A.300, the board shall set a hearing for
12 the purpose of determining whether the state agency, county, or city
13 is in compliance with the requirements of this chapter.

14 (2) The board shall conduct a hearing and issue a finding of
15 compliance or noncompliance with the requirements of this chapter and
16 with any compliance schedule established by the board in its final
17 order. A person with standing to challenge the legislation enacted in
18 response to the board's final order may participate in the hearing
19 along with the petitioner and the state agency, county, or city. A
20 hearing under this subsection shall be given the highest priority of
21 business to be conducted by the board, and a finding shall be issued
22 within forty-five days of the filing of the motion under subsection
23 (1) of this section with the board. The board shall issue any order
24 necessary to make adjustments to the compliance schedule and set
25 additional hearings as provided in subsection (5) of this section.

26 (3) If the board after a compliance hearing finds that the state
27 agency, county, or city is not in compliance, the board shall
28 transmit its finding to the governor. ((The))

29 (a) The board may refer a finding of noncompliance to the
30 department. The purpose of the referral is for the department to
31 provide technical assistance to facilitate speedy resolution of the
32 finding of noncompliance and to provide training pursuant to section
33 3 of this act as necessary.

34 (b) Alternatively, the board may recommend to the governor that
35 the sanctions authorized by this chapter be imposed. The board shall
36 take into consideration the county's or city's efforts to meet its
37 compliance schedule in making the decision to recommend sanctions to
38 the governor.

1 (4) In a compliance hearing upon petition of a party, the board
2 shall also reconsider its final order and decide, if no determination
3 of invalidity has been made, whether one now should be made under RCW
4 36.70A.302.

5 (5) The board shall schedule additional hearings as appropriate
6 pursuant to subsections (1) and (2) of this section.

7 NEW SECTION. **Sec. 3.** A new section is added to chapter 36.70A
8 RCW to read as follows:

9 (1) The department shall offer training to assist local
10 governments in understanding findings of noncompliance from the
11 growth management hearings board pursuant to RCW 36.70A.300 and
12 36.70A.330 and applying prior decisions of the board to ongoing
13 planning efforts to avoid findings of noncompliance.

14 (2) The department may award grants to a public agency with
15 appropriate expertise and funded by local governments to provide the
16 training required in subsection (1) of this section.

17 (3) The training provided in subsection (1) of this section is
18 limited to counties that are largely rural."

19 Correct the title.

EFFECT: (1) Provides that interlocal agreements for annexation
may include use of a sales tax credit for annexed areas should such a
credit be reinstated by the Legislature.

(2) Requires the Association of Washington Cities and the
Washington State Association of Counties to report to the Legislature
on how a sales tax credit may be utilized to encourage appropriate
annexations and what limits should be associated with such a credit
if reinstated.

(3) Removes the provision allowing jurisdictions planning under
the Growth Management Act to apply for a determination of compliance
from the Department of Commerce for certain actions under the Growth
Management Act and the State Environmental Policy Act.

(4) Requires the Department of Commerce to offer training to
assist rural counties in understanding findings of noncompliance and
applying prior decisions of the Growth Management Hearings Board to
ongoing planning efforts and allows the Department of Commerce to
award grants to a public agency with expertise and funded by local
governments to provide the training.

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