

---

HOUSE BILL 2006

---

State of Washington

69th Legislature

2025 Regular Session

By Representative Ybarra

Read first time 02/20/25. Referred to Committee on Local Government.

1 AN ACT Relating to extending the deadline for a rural county  
2 collecting the sales and use tax for economic development purposes to  
3 designate industrial land banks under the growth management act; and  
4 amending RCW 36.70A.367.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 **Sec. 1.** RCW 36.70A.367 and 2014 c 149 s 1 are each amended to  
7 read as follows:

8 (1) In addition to the major industrial development allowed under  
9 RCW 36.70A.365, a county planning under RCW 36.70A.040 that meets the  
10 criteria in subsection (5) of this section may establish, in  
11 consultation with cities consistent with provisions of RCW  
12 36.70A.210, a process for designating a bank of no more than two  
13 master planned locations for major industrial activity outside urban  
14 growth areas.

15 (2) A master planned location for major industrial developments  
16 may be approved through a two-step process: Designation of an  
17 industrial land bank area in the comprehensive plan; and subsequent  
18 approval of specific major industrial developments through a local  
19 master plan process described under subsection (3) of this section.

20 (a) The comprehensive plan must identify locations suited to  
21 major industrial development due to proximity to transportation or

1 resource assets. The plan must identify the maximum size of the  
2 industrial land bank area and any limitations on major industrial  
3 developments based on local limiting factors, but does not need to  
4 specify a particular parcel or parcels of property or identify any  
5 specific use or user except as limited by this section. In selecting  
6 locations for the industrial land bank area, priority must be given  
7 to locations that are adjacent to, or in close proximity to, an urban  
8 growth area.

9 (b) The environmental review for amendment of the comprehensive  
10 plan must be at the programmatic level and, in addition to a  
11 threshold determination, must include:

12 (i) An inventory of developable land as provided in RCW  
13 36.70A.365; and

14 (ii) An analysis of the availability of alternative sites within  
15 urban growth areas and the long-term annexation feasibility of sites  
16 outside of urban growth areas.

17 (c) Final approval of an industrial land bank area under this  
18 section must be by amendment to the comprehensive plan adopted under  
19 RCW 36.70A.070, and the amendment is exempt from the limitation of  
20 RCW 36.70A.130(2) and may be considered at any time. Approval of a  
21 specific major industrial development within the industrial land bank  
22 area requires no further amendment of the comprehensive plan.

23 (3) In concert with the designation of an industrial land bank  
24 area, a county shall also adopt development regulations for review  
25 and approval of specific major industrial developments through a  
26 master plan process. The regulations governing the master plan  
27 process shall ensure, at a minimum, that:

28 (a) Urban growth will not occur in adjacent nonurban areas;

29 (b) Development is consistent with the county's development  
30 regulations adopted for protection of critical areas;

31 (c) Required infrastructure is identified and provided concurrent  
32 with development. Such infrastructure, however, may be phased in with  
33 development;

34 (d) Transit-oriented site planning and demand management programs  
35 are specifically addressed as part of the master plan approval;

36 (e) Provision is made for addressing environmental protection,  
37 including air and water quality, as part of the master plan approval;

38 (f) The master plan approval includes a requirement that  
39 interlocal agreements between the county and service providers,  
40 including cities and special purpose districts providing facilities

1 or services to the approved master plan, be in place at the time of  
2 master plan approval;

3 (g) A major industrial development is used primarily by  
4 industrial and manufacturing businesses, and that the gross floor  
5 area of all commercial and service buildings or facilities locating  
6 within the major industrial development does not exceed ten percent  
7 of the total gross floor area of buildings or facilities in the  
8 development. The intent of this provision for commercial or service  
9 use is to meet the needs of employees, clients, customers, vendors,  
10 and others having business at the industrial site, to attract and  
11 retain a quality workforce, and to further other public objectives,  
12 such as trip reduction. These uses may not be promoted to attract  
13 additional clientele from the surrounding area. Commercial and  
14 service businesses must be established concurrently with or  
15 subsequent to the industrial or manufacturing businesses;

16 (h) New infrastructure is provided for and/or applicable impact  
17 fees are paid to assure that adequate facilities are provided  
18 concurrently with the development. Infrastructure may be achieved in  
19 phases as development proceeds;

20 (i) Buffers are provided between the major industrial development  
21 and adjacent rural areas;

22 (j) Provision is made to mitigate adverse impacts on designated  
23 agricultural lands, forestlands, and mineral resource lands; and

24 (k) An open record public hearing is held before either the  
25 planning commission or hearing examiner with notice published at  
26 least thirty days before the hearing date and mailed to all property  
27 owners within one mile of the site.

28 (4) For the purposes of this section:

29 (a) "Major industrial development" means a master planned  
30 location suitable for manufacturing or industrial businesses that:  
31 (i) Requires a parcel of land so large that no suitable parcels are  
32 available within an urban growth area; (ii) is a natural resource-  
33 based industry requiring a location near agricultural land,  
34 forestland, or mineral resource land upon which it is dependent; or  
35 (iii) requires a location with characteristics such as proximity to  
36 transportation facilities or related industries such that there is no  
37 suitable location in an urban growth area. The major industrial  
38 development may not be for the purpose of retail commercial  
39 development or multitenant office parks.

1 (b) "Industrial land bank" means up to two master planned  
2 locations, each consisting of a parcel or parcels of contiguous land,  
3 sufficiently large so as not to be readily available within the urban  
4 growth area of a city, or otherwise meeting the criteria contained in  
5 (a) of this subsection, suitable for manufacturing, industrial, or  
6 commercial businesses and designated by the county through the  
7 comprehensive planning process specifically for major industrial use.

8 (5) This section and the termination provisions specified in  
9 subsection (6) of this section apply to a county that at the time the  
10 process is established under subsection (1) of this section:

11 (a) Has a population greater than (~~two hundred fifty thousand~~)  
12 250,000 and is part of a metropolitan area that includes a city in  
13 another state with a population greater than (~~two hundred fifty~~  
14 ~~thousand~~) 250,000;

15 (b) Has a population greater than (~~one hundred forty thousand~~)  
16 140,000 and is adjacent to another country;

17 (c) Has a population greater than (~~forty thousand~~) 40,000 but  
18 less than (~~seventy-five thousand~~) 75,000 and has an average level  
19 of unemployment for the preceding three years that exceeds the  
20 average state unemployment for those years by (~~twenty~~) 20 percent;  
21 and

22 (i) Is bordered by the Pacific Ocean;

23 (ii) Is located in the Interstate 5 or Interstate 90 corridor; or

24 (iii) Is bordered by Hood Canal;

25 (d) Is east of the Cascade divide; and

26 (i) Borders another state to the south; or

27 (ii) Is located wholly south of Interstate 90 and borders the  
28 Columbia river to the east;

29 (e) Has an average population density of less than (~~one~~  
30 ~~hundred~~) 100 persons per square mile as determined by the office of  
31 financial management, and is bordered by the Pacific Ocean and by  
32 Hood Canal; or

33 (f) Meets all of the following criteria:

34 (i) Has a population greater than (~~forty thousand~~) 40,000 but  
35 fewer than (~~eighty thousand~~) 80,000;

36 (ii) Has an average level of unemployment for the preceding three  
37 years that exceeds the average state unemployment for those years by  
38 (~~twenty~~) 20 percent; and

39 (iii) Is located in the Interstate 5 or Interstate 90 corridor.

1 (6) In order to identify and approve locations for industrial  
2 land banks, the county shall take action to designate one or more  
3 industrial land banks and adopt conforming regulations as provided by  
4 subsection (2) of this section on or before the last date to complete  
5 that county's next periodic review under RCW 36.70A.130(4) that  
6 occurs prior to December 31, 2016. The authority to take action to  
7 designate a land bank area in the comprehensive plan expires if not  
8 acted upon by the county within the time frame provided in this  
9 section. Once a land bank area has been identified in the county's  
10 comprehensive plan, the authority of the county to process a master  
11 plan or site projects within an approved master plan does not expire.

12 (7) A county may designate one or more industrial land banks if:

13 (a) The county did not designate an industrial land bank prior to  
14 December 31, 2016;

15 (b) The county is a rural county as defined in RCW 82.14.370  
16 which has enacted a sales and use tax for economic development  
17 purposes; and

18 (c) The county takes action to designate one or more industrial  
19 land banks and adopt conforming regulations as provided by subsection  
20 (2) of this section on or before the last date to complete that  
21 county's next periodic review under RCW 36.70A.130(5) that occurs  
22 prior to December 31, 2027.

23 (8) Any county seeking to designate an industrial land bank under  
24 this section must:

25 (a) Provide countywide notice, in conformity with RCW 36.70A.035,  
26 of the intent to designate an industrial land bank. Notice must be  
27 published in a newspaper or newspapers of general circulation  
28 reasonably likely to reach subscribers in all geographic areas of the  
29 county. Notice must be provided not less than thirty days prior to  
30 commencement of consideration by the county legislative body; and

31 (b) Make a written determination of the criteria and rationale  
32 used by the legislative body as the basis for siting an industrial  
33 land bank under this chapter.

34 ~~((+8))~~ (9) Any location included in an industrial land bank  
35 pursuant to section 2, chapter 289, Laws of 1998, section 1, chapter  
36 402, Laws of 1997, and section 2, chapter 167, Laws of 1996, or this  
37 section shall remain available for major industrial development

1 according to this section as long as the requirements of this section  
2 continue to be satisfied.

--- **END** ---