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## SUBSTITUTE SENATE BILL 6784

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State of Washington 60th Legislature 2008 Regular Session

By Senate Government Operations & Elections (originally sponsored by Senators Kline and Fairley)

READ FIRST TIME 02/07/08.

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- 1 AN ACT Relating to Washington's vesting laws; amending RCW
- 2 36.70A.290, 36.70A.130, 58.17.033, and 19.27.095; adding a new section
- 3 to chapter 36.70A RCW; and creating new sections.
- 4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 5 NEW SECTION. Sec. 1. The legislature finds that the public 6 interest is served when applications for new land use projects are 7 assessed using the laws in effect at that time, not former versions 8 that have been repealed or revised. Washington requires jurisdictions 9 to update their land use and development laws and regulations on a 10 regular basis. The public has an interest in ensuring that projects proposed during the public comment and approval process for these 11 updates follow the new laws, not the version that has been replaced. 12 13 Local governments have an interest in ensuring that their new laws are followed by all persons, without exemptions for those who were able to 14 15 file for a permit application during the period of time the new law was 16 proposed, enacted, and subject to appeal. Real estate developers have 17 an interest in ensuring that everyone is required to follow the same

laws, without an exemption for those who win a race to the permit

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counter when a change is proposed. Further, the legislature finds that the public has an interest in meaningfully commenting on large projects to ensure that they fit their community.

The legislature finds that other states employ a vesting date of the time an application is approved, rather than when it is filed. Many states do so for all projects at all times, not just when changes to the law are proposed.

Development in other states has been able to continue in a reasonable fashion. A later vesting date provides reasonable certainty for the development community while providing better protection of the public interest and improving the ability of local governments to comply with the legislature's land use and environmental protection goals and mandates.

This act is intended to better protect the public interest by setting the vesting date for many projects as the date when permits are issued. The courts should construe this and related laws liberally to effectuate that purpose.

- **Sec. 2.** RCW 36.70A.290 and 1997 c 429 s 12 are each amended to 19 read as follows:
  - (1) All requests for review to a growth management hearings board shall be initiated by filing a petition that includes a detailed statement of issues presented for resolution by the board. The board shall render written decisions articulating the basis for its holdings. The board shall not issue advisory opinions on issues not presented to the board in the statement of issues, as modified by any prehearing order.
  - (2) All petitions relating to whether or not an adopted comprehensive plan, development regulation, or permanent amendment thereto, is in compliance with the goals and requirements of this chapter or chapter 90.58 or 43.21C RCW must be filed within sixty days after publication by the legislative bodies of the county or city.
  - (a) Except as provided in (c) of this subsection, the date of publication for a city shall be the date the city publishes the ordinance, or summary of the ordinance, adopting the comprehensive plan or development regulations, or amendment thereto, as is required to be published.

(b) Promptly after adoption, a county shall publish a notice that it has adopted the comprehensive plan or development regulations, or amendment thereto.

Except as provided in (c) of this subsection, for purposes of this section the date of publication for a county shall be the date the county publishes the notice that it has adopted the comprehensive plan or development regulations, or amendment thereto.

- (c) For local governments planning under RCW 36.70A.040, promptly after approval or disapproval of a local government's shoreline master program or amendment thereto by the department of ecology as provided in RCW 90.58.090, the local government shall publish a notice that the shoreline master program or amendment thereto has been approved or disapproved by the department of ecology. For purposes of this section, the date of publication for the adoption or amendment of a shoreline master program is the date the local government publishes notice that the shoreline master program or amendment thereto has been approved or disapproved by the department of ecology.
- (3) Unless the board dismisses the petition as frivolous or finds that the person filing the petition lacks standing, or the parties have filed an agreement to have the case heard in superior court as provided in RCW 36.70A.295, the board shall, within ten days of receipt of the petition, set a time for hearing the matter.
- (4) The board shall base its decision on the record developed by the city, county, or the state and supplemented with additional evidence if the board determines that such additional evidence would be necessary or of substantial assistance to the board in reaching its decision.
- (5) The board, shall consolidate, when appropriate, all petitions involving the review of the same comprehensive plan or the same development regulation or regulations.
- (6) Pending a board's final decision on a petition for review, or during the sixty-day period following the publication of a comprehensive plan, development regulation, or amendment thereto as provided in subsection (2) of this section, whichever occurs later, the submission of an application for a proposed division of land, building permit, or other project approval shall not result in the vesting of any development rights that may be affected by the comprehensive plan, development regulation, or amendment. After a board has issued its

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final decision on a petition for review or the sixty-day period has expired, whichever occurs later, the application for the proposed division of land, building permit, or other project approval shall be subject to the zoning, permitting, or other land use control ordinances in effect at that time.

(7) When an application for the proposed division of land, building permit, or other project approval has been previously submitted by nonprofit affordable housing organizations or housing authorities, and documentable evidence exists that supports a finding that a later vesting date would create an undue burden or significant cost impact that would jeopardize the project, then the legislative review authority may at its discretion, upon consideration of the documentable evidence, allow nonprofit affordable housing organizations or housing authorities to vest at the time an application for the proposed division of land, building permit, or other project approval is approved.

Sec. 3. RCW 36.70A.130 and 2006 c 285 s 2 are each amended to read as follows:

- (1)(a) Each comprehensive land use plan and development regulations shall be subject to continuing review and evaluation by the county or city that adopted them. Except as otherwise provided, a county or city shall take legislative action to review and, if needed, revise its comprehensive land use plan and development regulations to ensure the plan and regulations comply with the requirements of this chapter according to the time periods specified in subsection (4) of this section.
- (b) Except as otherwise provided, a county or city not planning under RCW 36.70A.040 shall take action to review and, if needed, revise its policies and development regulations regarding critical areas and natural resource lands adopted according to this chapter to ensure these policies and regulations comply with the requirements of this chapter according to the time periods specified in subsection (4) of this section. Legislative action means the adoption of a resolution or ordinance following notice and a public hearing indicating at a minimum, a finding that a review and evaluation has occurred and identifying the revisions made, or that a revision was not needed and the reasons therefor.

(c) The review and evaluation required by this subsection may be combined with the review required by subsection (3) of this section. The review and evaluation required by this subsection shall include, but is not limited to, consideration of critical area ordinances and, if planning under RCW 36.70A.040, an analysis of the population allocated to a city or county from the most recent ten-year population forecast by the office of financial management.

- (d) Any amendment of or revision to a comprehensive land use plan shall conform to this chapter. Any amendment of or revision to development regulations shall be consistent with and implement the comprehensive plan.
- (e) During the review and evaluation process authorized under this subsection, an application for the proposed division of land, building permit, or other project approval shall be subject to the zoning, permitting, and other land use control ordinances in effect at the time the local government takes final action on the application, including all administrative appeals, unless eighteen months have elapsed since the filing of a complete application, at which time the project will vest to the laws in effect at the time the application was completed.
- (2)(a) Each county and city shall establish and broadly disseminate to the public a public participation program consistent with RCW 36.70A.035 and 36.70A.140 that identifies procedures and schedules ((whereby)) for considering amendments to comprehensive plans and development regulations.
- (b) The procedures under (a) of this subsection must provide that updates, proposed amendments, or revisions of the comprehensive plan are considered by the governing body of the county or city no more frequently than once every year. "Updates" means to review and revise, if needed, according to subsection (1) of this section, and the time periods specified in subsection (4) of this section or in accordance with the provisions of subsections (5) and (8) of this section. Amendments may be considered more frequently than once per year under the following circumstances:
- (i) The initial adoption of a subarea plan that does not modify the comprehensive plan policies and designations applicable to the subarea;
- (ii) The adoption or amendment of a shoreline master program under the procedures set forth in chapter 90.58 RCW;

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(iii) The amendment of the capital facilities element of a comprehensive plan that occurs concurrently with the adoption or amendment of a county or city budget; and

- (iv) ((Until June 30, 2006, the designation of recreational lands under RCW 36.70A.1701. A county amending its comprehensive plan pursuant to this subsection (2)(a)(iv) may not do so more frequently than every eighteen months; and
- (v)) The adoption of comprehensive plan amendments necessary to enact a planned action under RCW 43.21C.031(2), provided that amendments are considered in accordance with the public participation program established by the county or city under this subsection (2)(a) and all persons who have requested notice of a comprehensive plan update are given notice of the amendments and an opportunity to comment.
- $((\frac{b}{b}))$  (c) Except as otherwise provided in (a) of this subsection, all proposals shall be considered by the governing body concurrently so the cumulative effect of the various proposals can be ascertained. However, after appropriate public participation a county or city may adopt amendments or revisions to its comprehensive plan that conform with this chapter whenever an emergency exists or to resolve an appeal of a comprehensive plan filed with a growth management hearings board or with the court.
- (d) Land use development applications filed after the submission or filing of a proposed comprehensive plan or development regulation amendment shall not vest until the time the local government takes final action on the application, including all administrative appeals, unless eighteen months have elapsed since the filing of a complete application, at which time the project will vest to the laws in effect at the time the application was completed.
- (3)(a) Each county that designates urban growth areas under RCW 36.70A.110 shall review, at least every ten years, its designated urban growth area or areas, and the densities permitted within both the incorporated and unincorporated portions of each urban growth area. In conjunction with this review by the county, each city located within an urban growth area shall review the densities permitted within its boundaries, and the extent to which the urban growth occurring within the county has located within each city and the unincorporated portions of the urban growth areas.

(b) The county comprehensive plan designating urban growth areas, and the densities permitted in the urban growth areas by the comprehensive plans of the county and each city located within the urban growth areas, shall be revised to accommodate the urban growth projected to occur in the county for the succeeding twenty-year period. The review required by this subsection may be combined with the review and evaluation required by RCW 36.70A.215.

- (4) The department shall establish a schedule for counties and cities to take action to review and, if needed, revise their comprehensive plans and development regulations to ensure the plan and regulations comply with the requirements of this chapter. Except as provided in subsections (5) and (8) of this section, the schedule established by the department shall provide for the reviews and evaluations to be completed as follows:
- (a) On or before December 1, 2004, and every seven years thereafter, for Clallam, Clark, Jefferson, King, Kitsap, Pierce, Snohomish, Thurston, and Whatcom counties and the cities within those counties;
- (b) On or before December 1, 2005, and every seven years thereafter, for Cowlitz, Island, Lewis, Mason, San Juan, Skagit, and Skamania counties and the cities within those counties;
- (c) On or before December 1, 2006, and every seven years thereafter, for Benton, Chelan, Douglas, Grant, Kittitas, Spokane, and Yakima counties and the cities within those counties; and
- (d) On or before December 1, 2007, and every seven years thereafter, for Adams, Asotin, Columbia, Ferry, Franklin, Garfield, Grays Harbor, Klickitat, Lincoln, Okanogan, Pacific, Pend Oreille, Stevens, Wahkiakum, Walla Walla, and Whitman counties and the cities within those counties.
- (5)(a) Nothing in this section precludes a county or city from conducting the review and evaluation required by this section before the time limits established in subsection (4) of this section. Counties and cities may begin this process early and may be eligible for grants from the department, subject to available funding, if they elect to do so.
- (b) A county that is subject to a schedule established by the department under subsection (4)(b) through (d) of this section and meets the following criteria may comply with the requirements of this

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section at any time within the thirty-six months following the date established in the applicable schedule: The county has a population of less than fifty thousand and has had its population increase by no more than seventeen percent in the ten years preceding the date established in the applicable schedule as of that date.

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- (c) A city that is subject to a schedule established by the department under subsection (4)(b) through (d) of this section and meets the following criteria may comply with the requirements of this section at any time within the thirty-six months following the date established in the applicable schedule: The city has a population of no more than five thousand and has had its population increase by the greater of either no more than one hundred persons or no more than seventeen percent in the ten years preceding the date established in the applicable schedule as of that date.
- (d) State agencies are encouraged to provide technical assistance to the counties and cities in the review of critical area ordinances, comprehensive plans, and development regulations.
- (6) A county or city subject to the time periods in subsection (4)(a) of this section that, pursuant to an ordinance adopted by the county or city establishing a schedule for periodic review of its comprehensive plan and development regulations, has conducted a review and evaluation of its comprehensive plan and development regulations and, on or after January 1, 2001, has taken action in response to that review and evaluation shall be deemed to have conducted the first review required by subsection (4)(a) of this section. Subsequent review and evaluation by the county or city of its comprehensive plan and development regulations shall be conducted in accordance with the time periods established under subsection (4)(a) of this section.
- (7) The requirements imposed on counties and cities under this section shall be considered "requirements of this chapter" under the terms of RCW 36.70A.040(1). Only those counties and cities: (a) Complying with the schedules in this section; (b) demonstrating substantial progress towards compliance with the schedules in this section for development regulations that protect critical areas; or (c) complying with the extension provisions of subsection (5)(b) or (c) of this section may receive grants, loans, pledges, or financial guarantees from those accounts established in RCW 43.155.050 and 70.146.030. A county or city that is fewer than twelve months out of

compliance with the schedules in this section for development regulations that protect critical areas is making substantial progress towards compliance. Only those counties and cities in compliance with the schedules in this section may receive preference for grants or loans subject to the provisions of RCW 43.17.250.

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- (8) Except as provided in subsection (5)(b) and (c) of this section:
  - (a) Counties and cities required to satisfy the requirements of this section according to the schedule established by subsection (4)(b) through (d) of this section may comply with the requirements of this section for development regulations that protect critical areas one year after the dates established in subsection (4)(b) through (d) of this section;
  - (b) Counties and cities complying with the requirements of this section one year after the dates established in subsection (4)(b) through (d) of this section for development regulations that protect critical areas shall be deemed in compliance with the requirements of this section; and
  - (c) This subsection (8) applies only to the counties and cities specified in subsection (4)(b) through (d) of this section, and only to the requirements of this section for development regulations that protect critical areas that must be satisfied by December 1, 2005, December 1, 2006, and December 1, 2007.
  - (9) Notwithstanding subsection (8) of this section and the substantial progress provisions of subsections (7) and (10) of this section, only those counties and cities complying with the schedule in subsection (4) of this section, or the extension provisions of subsection (5)(b) or (c) of this section, may receive preferences for grants, loans, pledges, or financial guarantees from those accounts established in RCW 43.155.050 and 70.146.030.
  - (((10) Until December 1, 2005, and notwithstanding subsection (7) of this section, a county or city subject to the time periods in subsection (4)(a) of this section demonstrating substantial progress towards compliance with the schedules in this section for its comprehensive land use plan and development regulations may receive grants, loans, pledges, or financial guarantees from those accounts established in RCW 43.155.050 and 70.146.030. A county or city that is

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fewer than twelve months out of compliance with the schedules in this section for its comprehensive land use plan and development regulations is deemed to be making substantial progress towards compliance.))

- (10) When an application for the proposed division of land, building permit, or other project approval has been previously submitted by nonprofit affordable housing organizations or housing authorities, and documentable evidence exists that supports a finding that a later vesting date would create an undue burden or significant cost impact that would jeopardize the project, then the legislative review authority may at its discretion, upon consideration of the documentable evidence, allow nonprofit affordable housing organizations or housing authorities to vest at the time an application for the proposed division of land, building permit, or other project approval is approved.
- **Sec. 4.** RCW 58.17.033 and 1987 c 104 s 2 are each amended to read 16 as follows:
  - (1) Except as provided in subsections (2) through (5) of this section, a proposed division of land, as defined in RCW 58.17.020, shall be considered under the subdivision or short subdivision ordinance, and zoning or other land use control ordinances, in effect on the land at the time a fully completed application for preliminary plat approval of the subdivision, or short plat approval of the short subdivision, has been submitted to the appropriate county, city, or town official.
  - (2) An application for preliminary plat approval that is filed while a petition for review is pending before a growth management hearings board, or during the sixty-day period following the publication of the local government's comprehensive plan, development regulation, or amendment thereto, whichever is later, shall be subject to the vesting provisions of the growth management act as set forth in RCW 36.70A.290(6).
- 32 (3) A local government's decision regarding the issuance of plat
  33 approvals for the following categories of large development projects
  34 shall be in accordance with the pertinent ordinances governing
  35 subdivisions and short subdivisions, zoning, other land use
  36 regulations, and impact fees that are in effect on the date the permit
  37 application is approved or denied:

- 1 (a) Fully contained communities established under RCW 36.70A.350;
- 2 (b) Master planned resorts established under RCW 36.70A.360;

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- 3 (c) Residential development exceeding one hundred housing units of 4 any lot size, or ten or more units of less than ten acres in size, and 5 located outside of an urban growth area;
- 6 (d) Retail developments exceeding forty thousand feet of floor 7 area; and
  - (e) Any development of agricultural or forest lands of long-term commercial significance designated under RCW 36.70A.170, except for single residential dwellings or structures for agricultural accessory uses developed in accordance with RCW 36.70A.177.
- (4) An application for preliminary plat approval that is filed during a local government's process of reviewing a comprehensive land use plan and development regulations shall be subject to the vesting provisions of the growth management act as set forth in RCW 36.70A.130 (1)(e) and (2)(d).
- 17 <u>(5)</u> The requirements for a fully completed application shall be defined by local ordinance.
  - $((\frac{3}{3}))$  (6) The limitations imposed by this section shall not restrict conditions imposed under chapter 43.21C RCW.
    - (7) Beginning July 1, 2008, for a period of up to five years from the date of filing, or once substantial construction has begun, whichever occurs earlier, any lots in a final plat filed for record are a valid land use, notwithstanding any change in zoning laws during the intervening period.
    - (8) When an application for the proposed division of land, building permit, or other project approval has been previously submitted by nonprofit affordable housing organizations or housing authorities, and documentable evidence exists that supports a finding that a later vesting date would create an undue burden or significant cost impact that would jeopardize the project, then the legislative review authority may at its discretion, upon consideration of the documentable evidence, allow nonprofit affordable housing organizations or housing authorities to vest at the time an application for the proposed division of land, building permit, or other project approval is approved.

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1 **Sec. 5.** RCW 19.27.095 and 1991 c 281 s 27 are each amended to read 2 as follows:

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- (1) Except as provided in subsections (2) through (4) of this section, a valid and fully complete building permit application for a structure, that is permitted under the zoning or other land use control ordinances in effect on the date of the application, shall be considered under the building permit ordinance in effect at the time of application, and the zoning or other land use control ordinances in effect on the date of application.
- (2) An application for a building permit that is filed while a petition for review is pending before a growth management hearings board, or during the sixty-day period following the publication of the local government's comprehensive plan, development regulation, or amendment thereto, whichever is later, shall be subject to the vesting provisions of the growth management act as set forth in RCW 36.70A.290(6).
- (3) An application for a building permit that is filed during a local government's process of reviewing a comprehensive land use plan and development regulations shall be subject to the vesting provisions of the growth management act as set forth in RCW 36.70A.130 (1)(e) and (2)(d).
- (4) A local government's decision regarding the issuance of building permits for the following categories of large development projects shall be in accordance with the pertinent ordinances governing building permits, zoning, other land use regulations, and impact fees that are in effect on the date the permit application is approved or denied:
- (a) Fully contained communities established under RCW 36.70A.350;
  - (b) Master planned resorts established under RCW 36.70A.360;
- 30 (c) Residential development exceeding one hundred housing units of 31 any lot size, or ten or more units of less than ten acres in size, and 32 located outside of an urban growth area;
- 33 <u>(d) Retail developments exceeding forty thousand square feet of</u> 34 floor area; and
- (e) Any development of agricultural or forest lands of long-term commercial significance designated under RCW 36.70A.170, except for single residential dwellings or structures for agricultural accessory uses developed in accordance with RCW 36.70A.177.

- (5) The requirements for a fully completed application shall be defined by local ordinance but for any construction project costing more than five thousand dollars the application shall include, at a minimum:
- (a) The legal description, or the tax parcel number assigned pursuant to RCW 84.40.160, and the street address if available, and may include any other identification of the construction site by the prime contractor;
  - (b) The property owner's name, address, and phone number;
- 10 (c) The prime contractor's business name, address, phone number, 11 current state contractor registration number; and
  - (d) Either:

- (i) The name, address, and phone number of the office of the lender administering the interim construction financing, if any; or
- (ii) The name and address of the firm that has issued a payment bond, if any, on behalf of the prime contractor for the protection of the owner, if the bond is for an amount not less than fifty percent of the total amount of the construction project.
- $((\frac{3}{2}))$  (6) The information required on the building permit application by subsection  $((\frac{2}{2}))$  (5)(a) through (d) of this section shall be set forth on the building permit document which is issued to the owner, and on the inspection record card which shall be posted at the construction site.
- ((4)) (7) The information required by subsection ((2)) (5) of this section and information supplied by the applicant after the permit is issued under subsection ((5)) (8) of this section shall be kept on record in the office where building permits are issued and made available to any person on request. If a copy is requested, a reasonable charge may be made.
- $((\langle 5\rangle))$  (8) If any of the information required by subsection  $((\langle 2\rangle))$  (5)(d) of this section is not available at the time the application is submitted, the applicant shall so state and the application shall be processed forthwith and the permit issued as if the information had been supplied, and the lack of the information shall not cause the application to be deemed incomplete for the purposes of vesting under subsection (1) of this section. However, the applicant shall provide the remaining information as soon as the applicant can reasonably obtain such information.

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 $((\frac{(6)}{(6)}))$  (9) The limitations imposed by this section shall not 2 restrict conditions imposed under chapter 43.21C RCW.

(10) When an application for the proposed division of land, building permit, or other project approval has been previously submitted by nonprofit affordable housing organizations or housing authorities, and documentable evidence exists that supports a finding that a later vesting date would create an undue burden or significant cost impact that would jeopardize the project, then the legislative review authority may at its discretion, upon consideration of the documentable evidence, allow nonprofit affordable housing organizations or housing authorities to vest at the time an application for the proposed division of land, building permit, or other project approval is approved.

NEW SECTION. Sec. 6. A new section is added to chapter 36.70A RCW to read as follows:

The vesting of any land use or development rights for the following categories of large development projects shall be in accordance with the pertinent ordinances that are in effect on the date the permit application is approved or denied:

- (1) Fully contained communities established under RCW 36.70A.350;
- (2) Master planned resorts established under RCW 36.70A.360;
- (3) Residential development exceeding one hundred housing units of any lot size, or ten or more units of less than ten acres in size, and located outside of an urban growth area;
- (4) Retail developments exceeding forty thousand square feet of floor area; and
- (5) Any development of agricultural or forest lands of long-term commercial significance designated under RCW 36.70A.170, except for single residential dwellings or structures for agricultural accessory uses developed in accordance with RCW 36.70A.177.
- uses developed in accordance with RCW 36.70A.177.

  When an application for the proposed division of land, building permit, or other project approval has been previously submitted by nonprofit affordable housing organizations or housing authorities, and documentable evidence exists that supports a finding that a later vesting date would create an undue burden or significant cost impact that would jeopardize the project, then the legislative review authority may at its discretion, upon consideration of the documentable

- 1 evidence, allow nonprofit affordable housing organizations or housing
- 2 authorities to vest at the time an application for the proposed
- 3 division of land, building permit, or other project approval is
- 4 approved.
- 5 <u>NEW SECTION.</u> **Sec. 7.** This act shall be broadly construed to give
- 6 full effect to the objectives and purposes under section 1 of this act.

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