SUBSTITUTE HOUSE BILL 1696

State of Washington 62nd Legislature 2011 Regular Session

By House Local Government (originally sponsored by Representatives Fitzgibbon, Tharinger, Takko, and Smith; by request of Department of Ecology)

READ FIRST TIME 02/17/11.

AN ACT Relating to provisions for notifications and appeals timelines under the shoreline management act; amending RCW 36.70A.290, 90.58.090, 90.58.140, and 90.58.180; and reenacting and amending RCW 90.58.190.

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

6 Sec. 1. RCW 36.70A.290 and 2010 c 211 s 8 are each amended to read 7 as follows:

8 (1) All requests for review to the growth management hearings board 9 shall be initiated by filing a petition that includes a detailed 10 statement of issues presented for resolution by the board. The board 11 shall render written decisions articulating the basis for its holdings. 12 The board shall not issue advisory opinions on issues not presented to 13 the board in the statement of issues, as modified by any prehearing 14 order.

15 (2) All petitions relating to whether or not an adopted 16 comprehensive plan, development regulation, or permanent amendment 17 thereto, is in compliance with the goals and requirements of this 18 chapter or chapter 90.58 or 43.21C RCW must be filed within sixty days

1 after publication ((by the legislative bodies of the county or city))
2 as provided in (a) through (c) of this subsection.

3 (a) Except as provided in (c) of this subsection, the date of 4 publication for a city shall be the date the city publishes the 5 ordinance, or summary of the ordinance, adopting the comprehensive plan 6 or development regulations, or amendment thereto, as is required to be 7 published.

8 (b) Promptly after adoption, a county shall publish a notice that 9 it has adopted the comprehensive plan or development regulations, or 10 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 15 after approval or disapproval of a local government's shoreline master 16 17 program or amendment thereto by the department of ecology as provided 18 in RCW 90.58.090, the ((local government)) department of ecology shall publish a notice that the shoreline master program or amendment thereto 19 has been approved or disapproved ((by the department of ecology)). For 20 21 purposes of this section, the date of publication for the adoption or 22 amendment of a shoreline master program is the date the ((local government)) department of ecology publishes notice that the shoreline 23 24 master program or amendment thereto has been approved or disapproved 25 ((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.

1 Sec. 2. RCW 90.58.090 and 2003 c 321 s 3 are each amended to read
2 as follows:

3 (1) A master program, segment of a master program, or an amendment 4 to a master program shall become effective when approved by the 5 department <u>as provided in subsection (7) of this section</u>. Within the 6 time period provided in RCW 90.58.080, each local government shall have 7 submitted a master program, either totally or by segments, for all 8 shorelines of the state within its jurisdiction to the department for 9 review and approval.

10 (2) Upon receipt of a proposed master program or amendment, the 11 department shall:

12 (a) Provide notice to and opportunity for written comment by all 13 interested parties of record as a part of the local government review 14 process for the proposal and to all persons, groups, and agencies that have requested in writing notice of proposed master programs or 15 amendments generally or for a specific area, subject matter, or issue. 16 17 The comment period shall be at least thirty days, unless the department determines that the level of complexity or controversy involved 18 19 supports a shorter period;

(b) In the department's discretion, conduct a public hearing during the thirty-day comment period in the jurisdiction proposing the master program or amendment;

(c) Within fifteen 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;

27 (d) Within thirty days after receipt of the local government response pursuant to (c) of this subsection, make written findings and 28 29 conclusions regarding the consistency of the proposal with the policy 30 of RCW 90.58.020 and the applicable guidelines, provide a response to the issues identified in (c) of this subsection, and either approve the 31 proposal as submitted, recommend specific changes necessary to make the 32 proposal approvable, or deny approval of the proposal in those 33 instances where no alteration of the proposal appears likely to be 34 35 consistent with the policy of RCW 90.58.020 and the applicable 36 quidelines. The written findings and conclusions shall be provided to 37 the local government, and made available to all interested persons, parties, groups, and agencies of record on the proposal; 38

1 (e) If the department recommends changes to the proposed master 2 program or amendment, within thirty days after the department mails the 3 written findings and conclusions to the local government, the local 4 government may:

5 (i) Agree to the proposed changes((. The receipt by the department 6 of the written notice of agreement constitutes final action by the 7 department approving the amendment)) by written notice to the 8 department; or

9 (ii) Submit an alternative proposal. If, in the opinion of the 10 department, the alternative is consistent with the purpose and intent of the changes originally submitted by the department and with this 11 12 chapter it shall approve the changes and provide ((written)) notice to 13 all recipients of the written findings and conclusions. If the 14 department determines the proposal is not consistent with the purpose and intent of the changes proposed by the department, the department 15 may resubmit the proposal for public and agency review pursuant to this 16 17 section or reject the proposal.

18 (3) The department shall approve the segment of a master program 19 relating to shorelines unless it determines that the submitted segments 20 are not consistent with the policy of RCW 90.58.020 and the applicable 21 guidelines.

(4) The department shall approve the segment of a master program relating to critical areas as defined by RCW 36.70A.030(5) provided the master program segment is consistent with RCW 90.58.020 and applicable shoreline guidelines, and if the segment provides a level of protection of critical areas at least equal to that provided by the local government's critical areas ordinances adopted and thereafter amended pursuant to RCW 36.70A.060(2).

29 (5) The department shall approve those segments of the master 30 program relating to shorelines of statewide significance only after determining the program provides the optimum implementation of the 31 32 policy of this chapter to satisfy the statewide interest. If the department does not approve a segment of a local government master 33 program relating to a shoreline of statewide 34 significance, the 35 department may develop and by rule adopt an alternative to the local 36 government's proposal.

37 (6) In the event a local government has not complied with the 38 requirements of RCW 90.58.070 it may thereafter upon written notice to

the department elect to adopt a master program for the shorelines within its jurisdiction, in which event it shall comply with the provisions established by this chapter for the adoption of a master program for such shorelines.

5 Upon approval of such master program by the department it shall 6 supersede such master program as may have been adopted by the 7 department for such shorelines.

8 (7) A master program or amendment to a master program takes effect when and in such form as approved or adopted by the department. 9 The 10 effective date is fourteen days from the date of the department's written notice of final action to the local government stating the 11 department has approved or rejected the proposal. For master programs 12 13 adopted by rule, the effective date is governed by RCW 34.05.380. The department's written notice to the local government must conspicuously 14 and plainly state that it is the department's final decision and that 15 there will be no further modifications to the proposal. 16

17 (a) Shoreline master programs that were adopted by the department 18 prior to July 22, 1995, in accordance with the provisions of this 19 section then in effect, shall be deemed approved by the department in 20 accordance with the provisions of this section that became effective on 21 that date.

22 (b) The department shall maintain a record of each master program, 23 the action taken on any proposal for adoption or amendment of the 24 master program, and any appeal of the department's action. The 25 department's approved document of record constitutes the official 26 master program.

27 (8) Promptly after approval or disapproval of a local government's 28 shoreline master program or amendment, the department shall publish a 29 notice consistent with RCW 36.70A.290 that the shoreline master program 30 or amendment has been approved or disapproved. This notice must be 31 filed for all shoreline master programs or amendments, including local 32 governments not planning under RCW 36.70A.040.

33 Sec. 3. RCW 90.58.140 and 2010 c 210 s 36 are each amended to read 34 as follows:

(1) A development shall not be undertaken on the shorelines of thestate unless it is consistent with the policy of this chapter and,

after adoption or approval, as appropriate, the applicable guidelines,
 rules, or master program.

3 (2) A substantial development shall not be undertaken on shorelines
4 of the state without first obtaining a permit from the government
5 entity having administrative jurisdiction under this chapter.

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A permit shall be granted:

7 (a) From June 1, 1971, until such time as an applicable master 8 program has become effective, only when the development proposed is 9 consistent with: (i) The policy of RCW 90.58.020; and (ii) after their 10 adoption, the guidelines and rules of the department; and (iii) so far 11 as can be ascertained, the master program being developed for the area;

(b) After adoption or approval, as appropriate, by the department of an applicable master program, only when the development proposed is consistent with the applicable master program and this chapter.

15 (3) The local government shall establish a program, consistent with 16 rules adopted by the department, for the administration and enforcement 17 of the permit system provided in this section. The administration of 18 the system so established shall be performed exclusively by the local 19 government.

(4) Except as otherwise specifically provided in subsection (11) of this section, the local government shall require notification of the public of all applications for permits governed by any permit system established pursuant to subsection (3) of this section by ensuring that notice of the application is given by at least one of the following methods:

(a) Mailing of the notice to the latest recorded real property owners as shown by the records of the county assessor within at least three hundred feet of the boundary of the property upon which the substantial development is proposed;

30 (b) Posting of the notice in a conspicuous manner on the property 31 upon which the project is to be constructed; or

32 (c) Any other manner deemed appropriate by local authorities to 33 accomplish the objectives of reasonable notice to adjacent landowners 34 and the public.

The notices shall include a statement that any person desiring to submit written comments concerning an application, or desiring to receive notification of the final decision concerning an application as expeditiously as possible after the issuance of the decision, may

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submit the comments or requests for decisions to the local government within thirty days of the last date the notice is to be published pursuant to this subsection. The local government shall forward, in a timely manner following the issuance of a decision, a copy of the decision to each person who submits a request for the decision.

6 If a hearing is to be held on an application, notices of such a 7 hearing shall include a statement that any person may submit oral or 8 written comments on an application at the hearing.

9 (5) The system shall include provisions to assure that construction 10 pursuant to a permit will not begin or be authorized until twenty-one 11 days from the date ((of receipt)) the permit decision was filed as 12 provided in subsection (6) of this section; or until all review 13 proceedings are terminated if the proceedings were initiated within 14 twenty-one days from the date of ((receipt)) filing as defined in 15 subsection (6) of this section except as follows:

16 (a) In the case of any permit issued to the state of Washington, 17 department of transportation, for the construction and modification of 18 SR 90 (I-90) on or adjacent to Lake Washington, the construction may 19 begin after thirty days from the date of filing, and the permits are 20 valid until December 31, 1995;

21 (b) Construction may be commenced no sooner than thirty days after 22 the date of the appeal of the board's decision is filed if a permit is 23 granted by the local government and (i) the granting of the permit is 24 appealed to the shorelines hearings board within twenty-one days of the date of ((receipt)) filing, (ii) the hearings board approves the 25 26 granting of the permit by the local government or approves a portion of 27 the substantial development for which the local government issued the permit, and (iii) an appeal for judicial review of the hearings board 28 29 decision is filed pursuant to chapter 34.05 RCW. The appellant may 30 request, within ten days of the filing of the appeal with the court, a hearing before the court to determine whether construction pursuant to 31 32 the permit approved by the hearings board or to a revised permit issued pursuant to the order of the hearings board should not commence. 33 If. at the conclusion of the hearing, the court finds that construction 34 35 pursuant to such a permit would involve a significant, irreversible 36 damaging of the environment, the court shall prohibit the permittee 37 from commencing the construction pursuant to the approved or revised permit until all review proceedings are final. Construction pursuant 38

to a permit revised at the direction of the hearings board may begin 1 only on that portion of the substantial development for which the local 2 government had originally issued the permit, and construction pursuant 3 to such a revised permit on other portions of the substantial 4 5 development may not begin until after all review proceedings are terminated. In such a hearing before the court, the burden of proving 6 7 whether the construction may involve significant irreversible damage to 8 the environment and demonstrating whether such construction would or would not be appropriate is on the appellant; 9

10 (c) If the permit is for a substantial development meeting the 11 requirements of subsection (11) of this section, construction pursuant 12 to that permit may not begin or be authorized until twenty-one days 13 from the date ((of receipt)) the permit decision was filed as provided 14 in subsection (6) of this section.

If a permittee begins construction pursuant to ((subsections)) (a), 15 (b), or (c) of this subsection, the construction is begun at the 16 17 permittee's own risk. If, as a result of judicial review, the courts order the removal of any portion of the construction or the restoration 18 of any portion of the environment involved or require the alteration of 19 any portion of a substantial development constructed pursuant to a 20 21 permit, the permittee is barred from recovering damages or costs 22 involved in adhering to such requirements from the local government that granted the permit, the hearings board, or any appellant or 23 24 intervener.

(6) Any decision on an application for a permit under the authority of this section, whether it is an approval or a denial, shall, concurrently with the transmittal of the ruling to the applicant, be ((transmitted to)) filed with the department and the attorney general. <u>This shall be accomplished by return receipt requested mail.</u> A petition for review of such a decision must be commenced within twentyone days from the date of ((receipt)) filing of the decision.

32 <u>(a)</u> With regard to a permit other than a permit governed by 33 subsection (10) of this section, "date of ((receipt" as used herein 34 refers to the date that the applicant receives written notice from the 35 department that the department has received the decision. With regard 36 to a permit for a variance or a conditional use, "date of receipt" 37 means the date a local government or applicant receives the written 38 decision of the department rendered on the permit pursuant to

1 subsection (10) of this section. For the purposes of this subsection, 2 the term "date of receipt" has the same meaning as provided in RCW 3 43.21B.001)) filing" as used in this section refers to the date of 4 actual receipt by the department of the local government's decision.

5 (b) With regard to a permit for a variance or a conditional use 6 governed by subsection (10) of this section, "date of filing" means the 7 date the decision of the department is transmitted by the department to 8 the local government.

9 (c) When a local government simultaneously transmits to the 10 department its decision on a shoreline substantial development with its 11 approval of either a shoreline conditional use permit or variance, or 12 both, "date of filing" has the same meaning as defined in (b) of this 13 subsection.

14 (d) The department shall notify the local government and the 15 applicant on the date of filing by telephone or electronic means, 16 followed by written communication as necessary, to ensure that the 17 applicant has received the full written decision.

18 (7) Applicants for permits under this section have the burden of 19 proving that a proposed substantial development is consistent with the 20 criteria that must be met before a permit is granted. In any review of 21 the granting or denial of an application for a permit as provided in 22 RCW 90.58.180 (1) and (2), the person requesting the review has the 23 burden of proof.

(8) Any permit may, after a hearing with adequate notice to the 24 permittee and the public, be rescinded by the issuing authority upon 25 26 the finding that a permittee has not complied with conditions of a 27 permit. If the department is of the opinion that noncompliance exists, 28 the department shall provide written notice to the local government and 29 the permittee. If the department is of the opinion that the 30 noncompliance continues to exist thirty days after the date of the notice, and the local government has taken no action to rescind the 31 32 permit, the department may petition the hearings board for a rescission of the permit upon written notice of the petition to the local 33 government and the permittee if the request by the department is made 34 35 to the hearings board within fifteen days of the termination of the 36 thirty-day notice to the local government.

37 (9) The holder of a certification from the governor pursuant to

chapter 80.50 RCW shall not be required to obtain a permit under this
 section.

3 (10) Any permit for a variance or a conditional use <u>issued with</u>
4 <u>approval</u> by <u>a</u> local government under <u>their</u> approved master program((s))
5 must be submitted to the department for its approval or disapproval.

6 (11)(a) An application for a substantial development permit for a 7 limited utility extension or for the construction of a bulkhead or 8 other measures to protect a single family residence and its appurtenant 9 structures from shoreline erosion shall be subject to the following 10 procedures:

(i) The public comment period under subsection (4) of this section shall be twenty days. The notice provided under subsection (4) of this section shall state the manner in which the public may obtain a copy of the local government decision on the application no later than two days following its issuance;

(ii) The local government shall issue its decision to grant or deny
the permit within twenty-one days of the last day of the comment period
specified in (a)(i) of this subsection; and

(iii) If there is an appeal of the decision to grant or deny the
permit to the local government legislative authority, the appeal shall
be finally determined by the legislative authority within thirty days.

(b) For purposes of this section, a limited utility extension meansthe extension of a utility service that:

(i) Is categorically exempt under chapter 43.21C RCW for one or more of the following: Natural gas, electricity, telephone, water, or sewer;

(ii) Will serve an existing use in compliance with this chapter;and

29 (iii) Will not extend more than twenty-five hundred linear feet 30 within the shorelines of the state.

31 **Sec. 4.** RCW 90.58.180 and 2010 c 210 s 37 are each amended to read 32 as follows:

(1) Any person aggrieved by the granting, denying, or rescinding of a permit on shorelines of the state pursuant to RCW 90.58.140 may((except as otherwise provided in chapter 43.21L RCW,)) seek review from the shorelines hearings board by filing a petition for review within twenty-one days of the date of ((receipt)) filing of the decision as ((provided for)) defined in RCW 90.58.140(6).

Within seven days of the filing of any petition for review with the 3 4 board as provided in this section pertaining to a final decision of a local government, the petitioner shall serve copies of the petition on 5 the department, the office of the attorney general, and the local 6 7 government. The department and the attorney general may intervene to 8 protect the public interest and ensure that the provisions of this chapter are complied with at any time within fifteen days from the date 9 10 of the receipt by the department or the attorney general of a copy of the petition for review filed pursuant to this section. The shorelines 11 12 hearings board shall schedule review proceedings on the petition for 13 review without regard as to whether the period for the department or 14 the attorney general to intervene has or has not expired.

15 (2) The department or the attorney general may obtain review of any 16 final decision granting a permit, or granting or denying an application 17 for a permit issued by a local government by filing a written petition 18 with the shorelines hearings board and the appropriate local government 19 within twenty-one days from the date ((of receipt)) the final decision 20 was filed as provided in RCW 90.58.140(6).

21 (3) The review proceedings authorized in subsections (1) and (2) of 22 this section are subject to the provisions of chapter 34.05 RCW pertaining to procedures in adjudicative proceedings. Judicial review 23 24 of such proceedings of the shorelines hearings board is governed by The board shall issue its decision on the appeal 25 chapter 34.05 RCW. 26 authorized under subsections (1) and (2) of this section within one 27 hundred eighty days after the date the petition is filed with the board 28 or a petition to intervene is filed by the department or the attorney 29 general, whichever is later. The time period may be extended by the 30 board for a period of thirty days upon a showing of good cause or may 31 be waived by the parties.

32 (4) Any person may appeal any rules, regulations, or guidelines 33 adopted or approved by the department within thirty days of the date of 34 the adoption or approval. The board shall make a final decision within 35 sixty days following the hearing held thereon.

(5) The board shall find the rule, regulation, or guideline to be
 valid and enter a final decision to that effect unless it determines
 that the rule, regulation, or guideline:

1 (a) Is clearly erroneous in light of the policy of this chapter; or

2 (b) Constitutes an implementation of this chapter in violation of 3 constitutional or statutory provisions; or

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(c) Is arbitrary and capricious; or

5 (d) Was developed without fully considering and evaluating all 6 material submitted to the department during public review and comment; 7 or

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(e) Was not adopted in accordance with required procedures.

(6) If the board makes a determination under subsection (5)(a)9 10 through (e) of this section, it shall enter a final decision declaring the rule, regulation, or guideline invalid, remanding the rule, 11 12 regulation, or guideline to the department with a statement of the 13 reasons in support of the determination, and directing the department to adopt, after a thorough consultation with the affected local 14 government and any other interested party, a new rule, regulation, or 15 guideline consistent with the board's decision. 16

(7) A decision of the board on the validity of a rule, regulation, or guideline shall be subject to review in superior court, if authorized pursuant to chapter 34.05 RCW. A petition for review of the decision of the shorelines hearings board on a rule, regulation, or guideline shall be filed within thirty days after the date of final decision by the shorelines hearings board.

23 Sec. 5. RCW 90.58.190 and 2010 c 211 s 14 and 2010 c 210 s 38 are 24 each reenacted and amended to read as follows:

(1) The appeal of the department's decision to adopt a master
program or amendment pursuant to RCW 90.58.070(2) or 90.58.090(5) is
governed by RCW 34.05.510 through 34.05.598.

(2)(a) The department's final decision to approve or reject a 28 29 proposed master program or master program amendment by a local government planning under RCW 36.70A.040 shall be appealed to the 30 31 growth management hearings board by filing a petition ((within sixty 32 days from the date of the department's written notice to the local 33 government of the department's final decision to approve or reject a 34 proposed master program or master program amendment,)) as provided in 35 RCW 36.70A.290. ((The department's written notice must conspicuously 36 and plainly state that it is the department's final decision and that 37 there will be no further modifications under RCW 90.58.090(2).))

(b) If the appeal to the growth management hearings board concerns 1 2 shorelines, the growth management hearings board shall review the proposed master program or amendment solely for compliance with the 3 4 requirements of this chapter, the policy of RCW 90.58.020 and the applicable guidelines, the internal consistency provisions of RCW 5 6 36.70A.070, 36.70A.040(4), 35.63.125, and 35A.63.105, and chapter 7 43.21C RCW as it relates to the adoption of master programs and 8 amendments under chapter 90.58 RCW.

9 (c) If the appeal to the growth management hearings board concerns 10 a shoreline of statewide significance, the board shall uphold the decision by the department unless the board, by clear and convincing 11 12 evidence, determines that the decision of the department is 13 inconsistent with the policy of RCW 90.58.020 and the applicable 14 guidelines.

15 (d) The appellant has the burden of proof in all appeals to the 16 growth management hearings board under this subsection.

(e) Any party aggrieved by a final decision of the growth
management hearings board under this subsection may appeal the decision
to superior court as provided in RCW 36.70A.300.

20 (3)(a) The department's final decision to approve or reject a 21 proposed master program or master program amendment by a local 22 government not planning under RCW 36.70A.040 shall be appealed to the 23 shorelines hearings board by filing a petition within thirty days of 24 the date ((of the department's written notice to the local government 25 of the department's final decision to approve or reject a proposed 26 master program or master program amendment. The department's written 27 notice must conspicuously and plainly state that it is the department's final decision and that there will be no further modifications under 28 RCW 90.58.090(2))) that the department publishes notice of its final 29 30 decision under RCW 90.58.090(8).

(b) In an appeal relating to shorelines, the shorelines hearings board shall review the proposed master program or master program amendment and, after full consideration of the presentations of the local government and the department, shall determine the validity of the local government's master program or amendment in light of the policy of RCW 90.58.020 and the applicable guidelines.

37 (c) In an appeal relating to shorelines of statewide significance,38 the shorelines hearings board shall uphold the decision by the

1 department unless the board determines, by clear and convincing 2 evidence that the decision of the department is inconsistent with the 3 policy of RCW 90.58.020 and the applicable guidelines.

(d) Review by the shorelines hearings board shall be considered an
adjudicative proceeding under chapter 34.05 RCW, the administrative
procedure act. The aggrieved local government shall have the burden of
proof in all such reviews.

8 (e) Whenever possible, the review by the shorelines hearings board 9 shall be heard within the county where the land subject to the proposed 10 master program or master program amendment is primarily located. The 11 department and any local government aggrieved by a final decision of 12 the hearings board may appeal the decision to superior court as 13 provided in chapter 34.05 RCW.

14 (4) A master program amendment shall become effective after the 15 approval of the department or after the decision of the shorelines 16 hearings board to uphold the master program or master program 17 amendment, provided that the board may remand the master program or 18 master program adjustment to the local government or the department for 19 modification prior to the final adoption of the master program or 20 master program amendment.

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