

# HOUSE BILL REPORT

## 2SHB 1158

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**As Passed House:**  
March 9, 2013

**Title:** An act relating to the annexation of property owned by the state for military purposes.

**Brief Description:** Concerning the annexation of property owned by the state for military purposes.

**Sponsors:** House Committee on Appropriations Subcommittee on General Government (originally sponsored by Representatives Kirby, Green, O'Ban, Sawyer, Ryu and Morrell).

**Brief History:**

**Committee Activity:**

Local Government: 1/24/13, 1/31/13 [DPS];

Appropriations Subcommittee on General Government: 2/20/13, 2/23/13, 2/25/13 [DP2S (w/o sub LG)].

**Floor Activity:**

Passed House: 3/9/13, 97-0.

**Brief Summary of Second Substitute Bill**

- Authorizes the Director of Financial Management to file direct petitions for annexation of real property owned by the state for military purposes to cities or towns, provided that the Legislature first approves any petition requiring state expenditures.
- Authorizes the Legislature to approve or reject direct petitions for annexation of state military property that require state expenditures within the Omnibus Appropriations Act.

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### HOUSE COMMITTEE ON LOCAL GOVERNMENT

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 8 members: Representatives Takko, Chair; Fitzgibbon, Vice Chair; Taylor, Ranking Minority Member; Kochmar, Assistant Ranking Minority Member; Buys, Liias, Springer and Upthegrove.

**Staff:** Michaela Murdock (786-7289).

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

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## HOUSE COMMITTEE ON APPROPRIATIONS SUBCOMMITTEE ON GENERAL GOVERNMENT

**Majority Report:** The second substitute bill be substituted therefor and the second substitute bill do pass and do not pass the substitute bill by Committee on Local Government. Signed by 6 members: Representatives Hudgins, Chair; Buys, Dunshee, Hunt, Pedersen and Springer.

**Minority Report:** Do not pass. Signed by 3 members: Representatives Parker, Ranking Minority Member; Chandler and Taylor.

**Staff:** Danielle Cruver (786-7157).

### **Background:**

#### Director of Financial Management.

The Office of Financial Management (OFM) is a division within the Office of the Governor. The OFM has numerous statutory powers and duties, including:

- providing technical assistance to the Governor and the Legislature in identifying needs and in planning to meet those needs through state programs and a plan for expenditures;
- carrying out statutory provisions relating to the state census;
- certifying annexations, incorporations, or disincorporations to the United States Bureau of the Census;
- providing fiscal notes depicting the expected fiscal impact of proposed legislation; and
- estimating and managing the cash flow of all public funds.

The executive head of the OFM is the Director of Financial Management (director), who is appointed by the Governor with the consent of the Senate and serves at the pleasure of the Governor. The director's powers and duties are also enumerated in statute, and include supervising and administering the activities of the OFM, exercising all powers and performing all duties prescribed by law with respect to the administration of the state budget and accounting system, and advising the Governor and the Legislature with respect to matters affecting program management and planning.

#### Annexation of Unincorporated Areas by Non-Code Cities.

Current law authorizes annexation of unincorporated areas by non-code cities and towns through several annexation methods, including the method of direct petition for annexation.

Under the direct petition method authorized for non-code cities, a petition for annexation of an unincorporated area may be submitted to the legislative body of the city or town to which annexation is desired. The initiating party or parties must: (1) comprise not less than 10 percent of the residents of the area to be annexed; or (2) own not less than 10 percent, in assessed value, of the area to be annexed. The law provides that if all of the property sought to be annexed is property of a school district, the district school board may be the sole

initiating party. Prior to circulating the petition for annexation, the initiating party or parties must give written notice to the legislative body of the intent to commence annexation proceedings.

Direct petitions for annexation by non-code cities generally must be signed by the owners of at least 60 percent of the land value of the property proposed for annexation. However, if all of the land sought to be annexed is property of a school district, the school district board of directors may alone sign and file the petition. After a petition with the required number of signatures has been filed, the legislative body must satisfy public hearing and notification requirements. If the legislative body decides to annex all or any portion of the property described in the petition, it must do so by adoption of an ordinance.

#### Annexation of Unincorporated Areas by Code Cities.

Similar to non-code cities, code cities may also annex unincorporated areas using a direct petition method of annexation. The code city direct petition method has some differences, though.

For code cities, the annexation process may be commenced by filing with the legislative body a petition signed by the property owners of the area proposed to be annexed. Prior to circulating the petition, the initiating parties (*i.e.*, the owners of not less than 10 percent in assessed value of the area to be annexed) must give written notice of their intent to commence annexation proceedings to the legislative body. The code city may accept, reject, or modify the annexation proposal, and may require adoption of a proposed zoning regulation or the assumption of existing city indebtedness by the area proposing annexation.

The annexation petition filed with the code city must be signed by the owners of not less than 60 percent, or in some circumstances 50 percent, in assessed value of the area to be annexed. After public hearing on the annexation petition, the legislative body of the code city may grant the annexation by adoption of an ordinance.

#### **Summary of Second Substitute Bill:**

The director may file a direct petition for annexation to have real property owned by the state for military purposes annexed to a city or town, provided that the state military property constitutes all of the property to be annexed. State military property is exempt from the statutory requirement that a percentage of residents or landowners in the area to be annexed sign the notice and petition for annexation. Instead, the director alone may initiate and sign the petition for annexation.

Prior to filing a petition that will require state expenditures, the Governor must submit a request for funds as part of the biennial or supplemental Omnibus Appropriations Act. The Legislature must then approve or reject the petition as part of the Omnibus Appropriations Act.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.

**Staff Summary of Public Testimony (Local Government):**

(In support) The bill seeks to resolve an issue that the City of Lakewood has been dealing with for some time. Lakewood is directly adjacent to Camp Murray and Joint Base Lewis-McChord (JBLM). Lakewood would like to annex Camp Murray, which is state-owned property situated in unincorporated Pierce County. Lakewood and Camp Murray have discussed annexation, but the law is unclear as to who has the authority to sign an annexation petition on behalf of Camp Murray. As a result, no one is willing to step forward. The Legislature needs to clarify the law so that annexations like this can move forward.

The Adjutant General is appointed by the Governor and confirmed by the Senate. Accordingly, not only does the Adjutant General seem to be an appropriate figure to vest with the authority to sign a petition for annexation, but also the Adjutant General would have oversight by and accountability to the executive branch. The City of Lakewood has no preference as to who is given the authority to sign the annexation petition; it just wants some person to have the authority.

Camp Murray is an island within Lakewood's urban growth area that is penned in by federal land, Interstate 5, and American Lake. As a result, Lakewood has been unable to expand into that portion of its urban growth area. Also, Lakewood already provides some services to Camp Murray. For example, Lakewood patrols a boat launch on state property that is isolated and dark and requires police patrolling. This job falls to Lakewood even though the area is outside of Lakewood's jurisdiction.

Currently, the Pierce County Sheriff's Office provides primary police protection to Camp Murray; however, the JBLM also provides security and Lakewood provides back-up. The JBLM provides fire protection services. Water-sewer services are, and will continue to be provided by the JBLM. Electricity, gas, cable, and telephone are provided by a number of providers and that would not change. Lakewood's utilities are also provided by a variety of providers, and Lakewood pays a utility tax. Maintaining utilities for Camp Murray and avoiding imposition of Lakewood's utility tax on Camp Murray can and will be addressed through an interlocal agreement. Negotiations between the parties have tried to make an annexation as revenue neutral as possible.

The bill would merely be an enabling statute that would authorize but not require the Adjutant General to file a petition for annexation of Camp Murray to Lakewood. Unless those parties can reach a mutually agreeable arrangement as to utilities and other matters, an annexation will not occur.

(Opposed) None.

**Staff Summary of Public Testimony (Appropriations Subcommittee on General Government):**

(In support) The genesis of this bill comes from the City of Lakewood. For the past five years, Lakewood has discussed the annexation of Camp Murray. A question arose as to who is the correct official to file the petition. After discussions with the Military Department and the Governor, it was decided that legislation would be required to clarify who has authority. This bill attempts to make annexation revenue neutral. The proposed amendment that changes authority to the Office of Financial Management was previously discussed and is supported by Lakewood. The city has concerns about going through the legislative process, and is happy to work with members to move the bill forward.

(Opposed) None.

**Persons Testifying** (Local Government): Representative Kirby, prime sponsor; and Don Anderson and Dave Bugher, City of Lakewood.

**Persons Testifying** (Appropriations Subcommittee on General Government): Briahna Taylor, City of Lakewood.

**Persons Signed In To Testify But Not Testifying** (Local Government): None.

**Persons Signed In To Testify But Not Testifying** (Appropriations Subcommittee on General Government): None.