

HOUSE BILL REPORT

SB 5417

As Passed House - Amended:
April 9, 2013

Title: An act relating to the annexation of unincorporated territory within a code city.

Brief Description: Concerning the annexation of unincorporated territory within a code city.

Sponsors: Senators Mullet, Fain, Hasegawa and Roach.

Brief History:

Committee Activity:

Local Government: 3/21/13, 3/28/13 [DPA].

Floor Activity:

Passed House - Amended: 4/9/13, 87-6.

**Brief Summary of Bill
(As Amended by House)**

- Modifies provisions governing code city annexations of unincorporated "islands" of territory by increasing the maximum amount of territory that can be annexed under specific annexation provisions from fewer than 100 acres to fewer than 175 acres, and by requiring the boundaries of the annexation area to be fully contiguous to the city.
- Removes certain restrictions on a code city's authority to annex unincorporated "islands" of territory.

HOUSE COMMITTEE ON LOCAL GOVERNMENT

Majority Report: Do pass as amended. Signed by 6 members: Representatives Takko, Chair; Taylor, Ranking Minority Member; Kochmar, Assistant Ranking Minority Member; Buys, Liias and Springer.

Minority Report: Do not pass. Signed by 1 member: Representative Upthegrove.

Staff: Ethan Moreno (786-7386).

Background:

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.

Current law authorizes multiple methods for municipal annexations. While code and noncode cities and towns have separate statutory requirements for governance and operation, the annexation methods they may employ are generally similar.

Among other permitted annexation methods, code cities are authorized to conduct certain annexations through a resolution of the city's legislative body. Neither voter nor property owner approvals are necessary for these annexations. An example of this "resolution only" authority is the island annexation method which allows a code city to annex a qualifying unincorporated "island" of territory containing residential property owners if the area:

- contains fewer than 100 acres, with at least 80 percent of the boundaries of the area contiguous to the city; or
- is of any size, with at least 80 percent of the boundaries of the area contiguous to the city if the city existed before June 30, 1994. Annexations conducted through this provision must be for areas that are within the same county and urban growth area, and the city must have been planning under the Growth Management Act as of June 30, 1994.

An annexation resolution for a qualifying unincorporated "island" of territory must describe the boundaries of the area to be annexed, state the number of voters within the subject area, and set a date for a public hearing on the annexation resolution. Specific public notice requirements must also be met, and annexations conducted through this method are subject to referendum.

Summary of Amended Bill:

Provisions governing annexations of unincorporated "islands" of territory by code cities are modified. A qualifying area for the "island" annexation method must comply with one of the following two sets of criteria:

- the area must contain fewer than 175 acres, rather than fewer than 100 acres, with all boundaries of the area contiguous to the city; or
- the area may be of any size, with at least 80 percent of the boundaries of the area contiguous to the city. Annexations conducted through this provision must be for areas that are within the same county and urban growth area. Requirements that the annexing city must have existed before June 30, 1994, and must have been planning under the Growth Management Act as of June 30, 1994, are deleted.

A general requirement specifying that the "island" annexation method may be used by code cities only for areas with residential property owners is deleted.

Appropriation: None.

Fiscal Note: Not requested.

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

Staff Summary of Public Testimony:

(In support) Current law provides that if the area is 100 acres or less, the city can annex through the island annexation method. The City of Maple Valley wants to annex a 155 acre area through this method. Annexation will give Maple Valley zoning control over the area and the ability to implement its land use vision for the area. The city has no intention of shutting down the county-owned road maintenance facility that currently occupies the area. An interlocal agreement for the area that calls for 1,700 residences will expire in 2014. The city wants to downzone the area, but King County has no interest in doing so.

Cities believe that if a city surrounds an area, the applicable city should have the authority to annex that area. Issues regarding annexations of fairgrounds, which require the county's permission, were resolved in a previous session.

Maple Valley and King County really are not talking right now. There are two different visions for the proposed annexation area. As with the county, the city also has fiduciary responsibilities related to its obligations. Right now, the county property cannot be sold in the manner that the city desires. This bill is important Maple Valley.

There are two different visions for the area. Maple Valley wants to create a regional learning center for post high school students. The city is willing to work with King County. The city is looking for security and an understanding that it is in control of long-range planning for the city. The impacts of 1,700 residences, 30 percent of which would be low-income, would be significant to the city.

The interlocal agreement contained a commitment to annexation by December 1, 2012, but the date has come and gone without annexation. The actions of the county have not matched their words. Maple Valley is looking for flexibility to meet the current needs of the community in a way that will also make positive contributions in the future, but that flexibility is not allowed under the current joint plan. The economic downturn has taught cities that they need to be nimble, especially if they plan under the Growth Management Act (GMA).

Tahoma School District is preparing upgrades to address significant overcrowding and the district is supportive of a regional learning center. The property that the district currently has to build a high school on is outside of the urban growth area (UGA), but the district would prefer to build the school in the county-owned "doughnut hole" inside the UGA.

(Opposed) Testimony on the House of Representatives version of this bill largely focused on a single instance, but this bill has the potential to negatively affect counties throughout the state. This bill also has the potential to negatively affect the Grant County fairgrounds, as growth and incorporations have occurred around the fairgrounds. Personalities of local councils often affect local decisions, but we should look 50 years down the road. The issues of this bill could be dealt with locally rather than through legislation. Perhaps the county should have the authority to annex desirable city territory.

King County supports, engages in, and facilitates annexations. The county has worked to cooperatively transition unincorporated lands into incorporated areas. This bill would allow a unilateral annexation of property without the owner's consent. The road maintenance facility that is on the property serves 50,000 people. The county needs to be able to sell the

property for its fair market value. If the city unilaterally annexes the property and attempts to drive the value down through a downzone, this will negatively affect the county's road fund and will prevent the county from having the money needed to build a replacement road maintenance facility. The county's road fund is already insufficient to meet current needs. The issues of this bill should be worked out at the local level in accordance with an existing two-party agreement.

The area is in the UGA and the area is expected to be annexed; this is what is envisioned under the GMA and county plans. The only way the county can afford to leave is if it receives fair market value. The county has engaged in conversations with the city. The interlocal agreement for the joint land-use plan for the area does not expire in 2014, but the county's promise to not vest permits on the site does expire in 2014. If the city unilaterally annexes the property, and if it becomes a nonconforming use, this could raise concerns about the county's ability to process non-street wastes on the site.

Everyone agrees on the need and desire to site a school within the "doughnut hole" and the county is working cooperatively with various parties to make this happen; this bill does not affect those efforts. King County would prefer to bring all the parties together after the session to work out the details for this complex situation. The island method of annexation is simple and ham-fisted, and the county would like to have time to work out the issues locally.

Persons Testifying: (In support) Senator Mullet, prime sponsor; Dave Williams, Association of Washington Cities; Jim Hedrick, Bill Allison, and David Johnston, City of Maple Valley; and Lori Cloud, Tahoma School District.

(Opposed) Laura Merrill, Washington State Association of Counties; Carolann Swartz, Grant County Commissioner's Office; and Councilman Joe McDermott, Genesee Adkins, and Lauren Smith, King County.

Persons Signed In To Testify But Not Testifying: None.