

FINAL BILL REPORT

2SSB 5368

PARTIAL VETO

C 312 L 21

Synopsis as Enacted

Brief Description: Encouraging rural economic development.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Short, Fortunato and Wilson, L.).

Senate Committee on Housing & Local Government

Senate Committee on Ways & Means

House Committee on Local Government

House Committee on Appropriations

Background: Growth Management Act. The Growth Management Act (GMA) is the comprehensive land use planning framework for counties and cities in Washington. The GMA sets forth three broad planning obligations for those counties and cities who plan fully under the GMA: the county legislative authority must adopt a countywide planning policy; the county, and the cities within the county, must adopt comprehensive plans and designate critical areas, agricultural lands, forestlands, and mineral resource lands, and adopt development regulations accordingly; and the county must designate and take other actions related to urban growth areas (UGAs).

Urban Growth Areas. Counties that fully plan under the GMA must designate UGAs, within which urban growth must be encouraged and outside of which growth may occur only if it is not urban in nature. Planning jurisdictions must include within their UGAs sufficient areas and densities to accommodate projected urban growth for the succeeding 20-year period. In addition, cities must include sufficient areas to accommodate the broad range of needs and uses that will accompany the projected urban growth, including, as appropriate, medical, governmental, institutional, commercial, service, retail, and other nonresidential uses.

Summary: Annexation. A code city may collaborate with the county or counties where the code city is located to form an interlocal agreement regarding annexation of

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unincorporated territory within the UGA boundary. The interlocal agreement must be formed consistent with planning requirements. An interlocal agreement for annexation will qualify the city for the annexation sales tax credit should such a credit be reinstated by the Legislature. By December 1, 2021, the Association of Washington Cities and the Washington State Association of Counties must report to the Legislature on how sales tax credit may be utilized to encourage annexation and what limits should be associated with the credit. The agreement or plan must address the following:

- balancing annexations of commercial, industrial, and residential properties so any potential loss or gain is considered and distributed fairly as determined by tax revenue;
- development, ownership, and maintenance of infrastructure; and
- the potential for revenue-sharing agreements.

Agreements must include procedures for public participation including opportunity for written comments and public meetings.

Growth Management Act—Noncompliance. The Growth Management Hearings Board may, after finding a jurisdiction out of compliance with the GMA, refer the finding of noncompliance to the Department of Commerce (Commerce). The purpose of the referral is for Commerce to provide technical assistance to facilitate speedy resolution of the finding of noncompliance. In addition, Commerce must offer training to assist rural counties in understanding findings of noncompliance and applying prior decisions of the Board to ongoing planning efforts to avoid findings of noncompliance. Commerce may award grants to a public agency with expertise and funded by local governments to provide the training.

Votes on Final Passage:

Senate	44	4	
House	93	5	(House amended)
Senate	48	1	(Senate concurred)

Effective: July 25, 2021

Partial Veto Summary:

Portions of the bill that provided that the Public Works Board need not require a county, city, or town to be in compliance with the GMA in order to receive financial assistance in the form of grants and loans for certain broadband projects and that the Community Economic Revitalization Board, the Utilities and Transportation Commission, and Commerce may not consider whether a county, city, or town is compliant with the GMA when considering applications for broadband funding were vetoed.