
SUBSTITUTE HOUSE BILL 1015

State of Washington 52nd Legislature 1991 Regular Session

By House Committee on Local Government (originally sponsored by Representatives Haugen, Ferguson, Roland, Horn, Zellinsky, Phillips, Winsley, Nealey, Nelson, Fraser and Rayburn).

Read first time March 6, 1991.

1 AN ACT Relating to local government service agreements; adding a
2 new chapter to Title 36 RCW; adding a new section to chapter 36.93 RCW;
3 adding new sections to chapter 43.63A RCW; adding a new section to
4 chapter 46.68 RCW; adding a new section to chapter 66.08 RCW; adding
5 new sections to chapter 82.14 RCW; adding a new section to chapter
6 82.44 RCW; and providing a contingent effective date.

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

8 NEW SECTION. **Sec. 1.** The purpose of this act is to partially
9 implement the provisions of Article XI, section ... (HJR ...), of the
10 Washington state Constitution, by establishing a process by which local
11 government service agreements can be established between local
12 governments to determine which local governments should provide various
13 local government services and facilities within specified geographic
14 areas.

1 NEW SECTION. **Sec. 2.** Unless the context clearly requires
2 otherwise, the definitions in this section apply throughout this
3 chapter.

4 (1) "City" means a city or town, including a city operating under
5 Title 35A RCW.

6 (2) "Department" means the department of community development.

7 (3) "Governmental service" includes a service provided by local
8 government, and any facilities and equipment related to the provision
9 of such services, including utility services, health services, social
10 services, law enforcement services, fire prevention and suppression
11 services, community development activities, environmental protection
12 activities, economic development activities, and transportation
13 services and facilities, but shall not include the generation,
14 conservation, or distribution of electrical energy nor maritime
15 shipping activities.

16 (4) "Local government" means a county, city, or special district.

17 (5) "Local government service agreements" means agreements between
18 local governments established pursuant to this chapter.

19 (6) "Special district" means a municipal or quasi-municipal
20 corporation in the state, other than a county, city, or school
21 district.

22 NEW SECTION. **Sec. 3.** (1) Local government service agreements
23 concerning one or more governmental service may be established for a
24 designated geographic area as provided in this section. A local
25 governmental service agreement shall have a term of ten or fewer years,
26 and may be extended at the end of the term in the same manner by which
27 such an agreement is established.

28 (2) A local government service agreement must describe: (a) The
29 governmental service or services addressed by the agreement; (b) the

1 geographic area covered by the agreement; (c) which local government or
2 local governments are to provide each of the governmental services
3 addressed by the agreement within the geographic area covered by the
4 agreement; and (d) the term of the agreement.

5 (3) A local government service agreement becomes effective when
6 approved by: (a) The county legislative authority of each county that
7 includes territory located within the geographic area covered by the
8 agreement; (b) the governing body or bodies of at least a simple
9 majority of the total number of cities that includes territory located
10 within the geographic area covered by the agreement, which cities
11 include at least seventy-five percent of the total population of all
12 cities that includes territory located within the geographic area
13 covered by the agreement; and (c) for each governmental service
14 addressed by the agreement, the governing body or bodies of at least a
15 simple majority of the special districts that include territory located
16 within the geographic area covered by the agreement and which provide
17 the governmental service within such territory. A copy of each local
18 government service agreement must be submitted to the department within
19 thirty days of its final approval.

20 (4) A local government service agreement may cover a geographic
21 area that includes territory located in more than a single county.

22 NEW SECTION. **Sec. 4.** A local government service agreement may
23 include, but is not limited to, any or all of the following matters:

24 (1) A dispute resolution arrangement, including use of mediation
25 services made available by the department pursuant to section 10 of
26 this act, that can be used to resolve disputes over any identified
27 subject matters;

1 (2) How joint land-use planning and zoning controls by the county
2 and a city or cities, or by two or more cities, may be established,
3 made binding, and enforced;

4 (3) How common development standards between the county and a city
5 or cities, or between two or more cities, may be established, made
6 binding, and enforced;

7 (4) How capital improvement plans of the county, cities, and
8 special districts shall be coordinated;

9 (5) A transfer of revenues between local governments in
10 relationship to their obligations for providing governmental services.
11 Such transfers of revenue may include, but not be limited to: (a) Tax-
12 base sharing; (b) reallocating the distribution of state collected tax
13 receipts that are distributed to the county and cities within the
14 county pursuant to RCW 46.68.100 through 46.68.124, 66.08.200,
15 66.08.210, and 82.44.150; (c) reallocating the sales tax equalization
16 receipts provided for in RCW 82.14.200 and 82.14.210 for which the
17 county and cities within the county are eligible; (d) altering or
18 eliminating the percentage of a city's sales and use tax receipts that
19 are distributed to the county pursuant to RCW 82.14.030(2); and (e)
20 altering the rate of a city sales and use tax that is imposed under RCW
21 82.14.030(1), not to exceed a rate of five-tenths of one percent;

22 (6) The establishment of urban area definitions to include all
23 areas that are urban or designated to become urban, and which should be
24 eventually located within a city or cities;

25 (7) The designation of additional area-wide governmental services
26 to be provided by the county.

27 NEW SECTION. **Sec. 5.** (1) The county legislative authority of
28 every county with a population of one hundred thousand or more shall
29 convene a meeting on or before March 1, 1992, to consider the

1 establishment of local government service agreements. Invitations to
2 attend this meeting shall be sent to the governing body of each city
3 located in the county, and to the governing body of each special
4 district located in the county that provides one or more of the
5 governmental services as defined in section 2(3) of this act.

6 On or before January 1, 1994, at least one local government service
7 agreement must be in effect in each county with a population of one
8 hundred thousand or more or the county legislative authority must
9 submit an explanation to the department detailing why a local
10 government service agreement was not made.

11 (2) This section shall not be effective unless money is
12 appropriated to the department for purposes of making grants to
13 counties under section 8 of this act during the biennium ending June
14 30, 1993.

15 NEW SECTION. **Sec. 6.** It is the intent of the legislature to
16 permit the creation of a flexible process to establish local government
17 service agreements and that local governments possess broad authority
18 to shape a variety of local government service agreements to meet their
19 local needs and local circumstances. However, it is noted that in
20 general, cities are the unit of local government most appropriate to
21 provide urban governmental services, counties are the unit of local
22 government most appropriate to provide area-wide governmental services,
23 some special districts are the units of local government most
24 appropriate to provide those governmental services transitionally
25 required by a growing population and not otherwise available from
26 counties or cities in a given area, and that those economic development
27 efforts performed by local governments should be concentrated in that
28 unit of local government best able to focus its resources on job
29 creation and retention.

1 The process to establish local government service agreements should
2 assure that all directly affected local governments, and Indian tribes
3 at their option, are allowed to be heard on issues relevant to them.

4 NEW SECTION. **Sec. 7.** A new section is added to chapter 36.93 RCW
5 to read as follows:

6 A boundary review board in a county shall be abolished if all of
7 the following occur:

8 (1) The director of the department of community development
9 certifies that a local government service agreement has been adopted
10 formally for the county that is in conformance with the requirements of
11 chapter 36.-- RCW (sections 1 through 6 of this act) that includes a
12 dispute resolution arrangement adequate to resolve disputes over
13 matters within the purview of a boundary review board. Final decisions
14 or agreements that are reached over matters referred under the dispute
15 resolution arrangement process must be in writing, and must include
16 findings that address the factors listed in RCW 36.93.170. In addition
17 to the factors listed in RCW 36.93.170, the economic impact to the
18 jurisdictions covered by the agreement shall also be considered. Any
19 final decision or agreement reached pursuant to the dispute resolution
20 arrangement process shall be consistent with the objectives listed in
21 RCW 36.93.180; and

22 (2) Resolutions providing for the dissolution of the boundary
23 review board have been adopted by the county legislative authority and
24 the governing body or bodies of the city or cities that constitute at
25 least fifty percent of the population of the county residing within
26 cities.

27 A boundary review board that is so dissolved shall retain
28 jurisdiction over any matter over which it has taken jurisdiction prior

1 to the adoption of these resolutions and the certification by the
2 director of community development.

3 NEW SECTION. **Sec. 8.** A new section is added to chapter 43.63A RCW
4 to read as follows:

5 The department shall make grants from the moneys appropriated for
6 such purpose to assist in the development of local government service
7 agreements. Such grants shall be made to a county for this purpose
8 only if the director certifies that any agreement addresses services
9 within the included area on a comprehensive basis.

10 The department shall make rules concerning such grants pursuant to
11 chapter 34.05 RCW.

12 NEW SECTION. **Sec. 9.** A new section is added to chapter 43.63A RCW
13 to read as follows:

14 The department shall design, and make available to local
15 governments, a financial methodology or methodologies to assist local
16 governments in assessing the need for, and the appropriate extent of,
17 financial adjustments between local governments that arise from
18 implementing local government service agreements or from annexations or
19 incorporations of areas by cities.

20 NEW SECTION. **Sec. 10.** A new section is added to chapter 43.63A
21 RCW to read as follows:

22 The department shall develop the capacity for and provide mediation
23 services to local governments participating in the local government
24 service agreement process, which may include a hearings officer, to
25 resolve disputes between local governments arising over any matters
26 addressed in a local government service agreement.

1 NEW SECTION. **Sec. 11.** A new section is added to chapter 43.63A
2 RCW to read as follows:

3 The department may undertake one or more demonstration projects
4 with cities, counties, and special districts to carry out the purposes
5 of chapter 36.-- RCW (sections 1 through 6 of this act). If one or
6 more demonstration projects are to be undertaken, preference shall be
7 given based upon the percentage of local government matching
8 contributions on a per capita basis.

9 NEW SECTION. **Sec. 12.** A new section is added to chapter 46.68 RCW
10 to read as follows:

11 Funds that are distributed to counties, cities, or towns pursuant
12 to this chapter may be transferred by the recipient county, city, or
13 town to another unit of local government pursuant to a local government
14 service agreement as provided in sections 3 and 4 of this act.

15 NEW SECTION. **Sec. 13.** A new section is added to chapter 66.08 RCW
16 to read as follows:

17 Funds that are distributed to counties, cities, or towns pursuant
18 to this chapter may be transferred by the recipient county, city, or
19 town to another unit of local government pursuant to a local government
20 service agreement as provided in sections 3 and 4 of this act.

21 NEW SECTION. **Sec. 14.** A new section is added to chapter 82.14 RCW
22 to read as follows:

23 The rate of sales and use tax imposed by a city under RCW
24 82.14.030(1) may be altered not to exceed a rate of five-tenths of one
25 percent of the selling price, in the case of a sales tax, or value, in
26 the case of a use tax, pursuant to a local government service agreement
27 as provided in sections 3 and 4 of this act.

1 NEW SECTION. **Sec. 15.** A new section is added to chapter 82.14 RCW
2 to read as follows:

3 The percentage of a city's sales and use tax receipts that a county
4 receives under RCW 82.14.030(2) may be altered or eliminated pursuant
5 to a local government service agreement as provided in sections 3 and
6 4 of this act.

7 NEW SECTION. **Sec. 16.** A new section is added to chapter 82.14 RCW
8 to read as follows:

9 Funds that are distributed to counties or cities pursuant to RCW
10 82.14.200 or 82.14.210 may be transferred by the recipient county or
11 city to another unit of local government pursuant to a local government
12 service agreement as provided in sections 3 and 4 of this act.

13 NEW SECTION. **Sec. 17.** A new section is added to chapter 82.44 RCW
14 to read as follows:

15 Funds that are distributed to cities or towns pursuant to RCW
16 82.44.150 may be transferred by the recipient city or town to another
17 unit of local government pursuant to a local government service
18 agreement as provided in sections 3 and 4 of this act.

19 NEW SECTION. **Sec. 18.** This act shall take effect on the same
20 date as the proposed amendment to Article XI of the state Constitution
21 takes effect authorizing the legislature to establish processes by
22 which citizens and local officials can alter their local governments,
23 if the proposed amendment is validly submitted and is approved and
24 ratified by the voters of the state at a general election held in
25 November 1991. If this proposed constitutional amendment is not so
26 approved and ratified, this act shall be null and void in its entirety.

1 NEW SECTION. **Sec. 19.** Sections 1 through 6 of this act shall
2 constitute a new chapter in Title 36 RCW.