Washington State
House of Representatives
Office of Program Research

Local Government Committee

BILL ANALYSIS
HB 2467

TITLE OF THE BILL: Allowing additional small-scale businesses in rural areas.

Brief Summary:

- Authorizes rural counties to allow expansion of small-scale businesses that conform to the area's rural character.
- Authorizes rural counties to allow new businesses on rural area sites previously occupied by an existing business if the new business conforms to the area's rural character.
- Defines "rural counties" as counties with population densities fewer than 100 persons per square mile as determined by the Office of Financial Management.
- Defines "small-scale business" as any independent for-profit business entity with 50 or fewer employees.

SPONSORS: Representatives Eickmeyer, Clements, Doumit, Mulliken, Kessler, Haigh, Pennington, Hatfield and Grant.

HEARING DATE: Wednesday, January 26, 2000.

EFFECTIVE DATE: Ninety days after adjournment of session in which bill is passed.

FISCAL NOTE: Not requested.

ANALYSIS PREPARED BY: Caroleen Dineen (786-7156).

BACKGROUND:

The Growth Management Act (GMA) requires a county and its cities to plan if the county:

- has a population of 50,000 or more and had its population increase by at least 17 percent in the past 10 years; or
- has a population of fewer than 50,000 and had its population increase by at least 20 percent in the past 10 years (unless the county adopted or adopts a resolution removing itself from this requirement within the specified time period).

The population and 10-year growth criteria are determined by the Office of Financial Management. Counties not meeting these criteria may choose to plan under the GMA.

The GMA requires all counties and cites in the state to designate and protect critical areas and to designate natural resource lands. The GMA imposes additional requirements on counties and cities planning under RCW 36.70A.040 (GMA jurisdictions), including identification and protection of critical areas; identification and conservation of agricultural, forest, and mineral resource lands; and adoption of county-wide planning policies to coordinate comprehensive planning among counties and their cities.

GMA jurisdictions must designate urban growth areas (UGAs), within which urban growth is encouraged and outside of which urban growth is prohibited. "Urban growth" is defined in the GMA to mean growth making intensive use of land to an extent creating incompatibility with natural resource uses. GMA jurisdictions must also adopt a comprehensive plan which contains planning policies and incorporates these UGA designations. A GMA jurisdiction’s comprehensive plan must include certain required elements:

- a land use element, designating proposed general distribution, location and uses of land;
- a housing element, inventorying available housing and identifying sufficient land for housing;
- a capital facilities plan element, identifying existing capital facilities and forecasting future capital facilities needs and funding;
- a utilities element, describing the general location and capacity of existing and proposed utilities;
- a rural element, specifying policies for land development and uses for lands that are not designated for urban growth, agriculture, forest or mineral resources; and
- a transportation element, implementing the land use element and identifying facilities and service needs, level of service standards, traffic forecasts, demand-management strategies, intergovernmental coordination, and financing.

A GMA jurisdiction also must adopt development regulations to implement the comprehensive plan policies. By September 1, 2002, and every five years thereafter, GMA jurisdictions must review their comprehensive plans and development regulations for consistency with GMA requirements and must revise their plans and regulations if necessary.

Legislation enacted in 1997 (i.e., ESB 6094, enacted as Chapter 429, Laws of 1997) added new standards for the rural element of GMA comprehensive plans. Among other changes, the 1997 legislation:

- defined "rural character," focusing on predominance of natural landscape, fostering traditional rural lifestyles and providing rural landscapes, and being compatible with habitat and prevention of sprawl;

- defined "rural development" to include a variety of uses and densities other than agriculture and forestry that are consistent with rural character;

- amended the definition of urban growth– to provide that a pattern of more intensive rural development is not urban growth;
- included small-scale businesses (not defined) in rural development, and described small-scale businesses and cottage industries as those not required to serve the rural population;
- added "rural development" provisions allowing "infill, development, or redevelopment of existing commercial, industrial, residential, or mixed-use areas" subject to the requirement to "minimize and contain" the existing areas so as not to extend beyond their logical outer boundaries; and
- added "intensification" provisions for rural nonresidential uses or new development of isolated cottage industries and isolated small-scale businesses not principally designed to serve the rural population but offering jobs for rural residents.

SUMMARY:

Rural counties are authorized to allow the expansion of small-scale businesses as long as these businesses conform with the rural character of the area. Rural counties are also authorized to allow new businesses on use sites previously occupied by an existing business if the new business conforms to the area's rural character.

"Rural counties" are defined as those counties with population densities fewer than 100 persons per square mile as determined by the Office of Financial Management. "Small-scale business" is defined as any for-profit business entity (including a sole proprietorship, corporation, partnership, or other legal entity) with 50 or fewer employees that is owned and operated independently from all other businesses.