

HOUSE BILL REPORT

EHB 2623

As Passed Legislature

Title: An act relating to adjusting the dollar threshold for substantial development under the shoreline management act.

Brief Description: Adjusting the monetary threshold for "substantial development" under the shoreline management act.

Sponsors: By Representatives Grant, Cairnes, Reardon, Orcutt, Hatfield, Esser, Doumit, Anderson, Linville, Schoesler, Kessler, Jarrett, Berkey, Pflug, Alexander, Jackley, O'Brien, Nixon, Edwards, Mulliken and Haigh.

Brief History:

Committee Activity:

Local Government & Housing: 2/5/02, 2/6/02 [DP].

Floor Activity:

Passed House: 2/12/02, 97-0.

Senate Amended.

Passed Senate: 3/7/02, 43-3.

House Concurred.

Passed House: 3/11/02, 94-0.

Passed Legislature.

Brief Summary of Engrossed Bill

- Amends the current dollar threshold amount for what constitutes "substantial development" under the Shoreline Management Act from \$2,500 to \$5,000.
- Directs the Office of Financial Management to readjust the dollar threshold amount for inflation every five years, beginning July 1, 2007, based upon the consumer price index during that time period, and to transmit the new amount to the code reviser for publication in the Washington State Register at least one month before the new dollar threshold is to take effect.

HOUSE COMMITTEE ON LOCAL GOVERNMENT & HOUSING

Majority Report: Do pass. Signed by 11 members: Representatives Dunshee, Chair; Edwards, Vice Chair; Mulliken, Ranking Minority Member; Berkey, Crouse, DeBolt, Dunn, Hatfield, Kirby, Mielke and Sullivan.

Staff: Amy Wood (786-7127).

Background:

The Shoreline Management Act ("SMA"), enacted in 1971, governs uses of state shorelines. The SMA includes specific legislative "findings" that pressures on shoreline uses and the impacts of unrestricted development on public and private shoreline property create the need to coordinate planning for shoreline development activities. The SMA also finds these pressures create the need to protect "private property rights consistent with the public interest."

The Shoreline Management Act applies to all "shorelines of the state," which include both "shorelines" and "shorelines of state-wide significance." The SMA applies to all marine water areas of the state, together with the lands underlying them, to the western boundary of the state in the Pacific Ocean, to streams with a mean annual flow of 20 cubic feet per second or more, to lakes larger than 20 acres in area and to reservoirs.

The SMA requires counties and cities with shorelines of the state to adopt local shoreline master programs ("master programs") regulating land use activities in shoreline areas of the state and to enforce those programs within their jurisdictions. All 39 counties and more than 200 cities have enacted master programs.

The SMA's basic regulatory device is the prohibition of any development on the shorelines of the state not consistent with the SMA's policy and applicable Shoreline Management Master Program. The basic mechanism for enforcing the law is a permit system, which requires permits issued by local governments for most activities in the shoreline zone. There are three types of shoreline permits, substantial development permits, conditional use permits, and variance permits. No "substantial development" can be undertaken without first obtaining a permit from the local government in which the shoreline zone is located.

"Substantial development" means "any development of which the total cost or fair market value exceeds two thousand five dollars [\$2500], or any development which materially interferes with the normal public use of the water or shorelines of the state." Certain developments, identified by statute, are exempt from the definition of substantial developments, and therefore the permit requirements of the SMA.

Summary of Engrossed Bill:

The SMA is amended to modify the current dollar threshold amount for what constitutes substantial development under the SMA from \$2,500 to \$5,000. In addition, the act provides that the office of financial management ("OFM") shall readjust the dollar threshold amount for inflation every five years, beginning July 1, 2007, based upon the

consumer price index during that time period.

The OFM is directed to calculate the new dollar threshold amount and transmit it to the office of the code reviser for publication in the Washington State Register at least one month before the new dollar threshold is to take effect.

Appropriation: None.

Fiscal Note: Requested on February 6, 2002.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: This is a common sense, straight forward bill which raises for inflation the threshold amount from \$2,500 to \$12,500, and readjusts the threshold amount every five years. The increase reflects the actual inflation increase since the last threshold increase from \$1,000 to \$2,500. This brings the SMA into the modern day era. It does not change any standards or exemptions. It is merely based on the fact that construction costs have risen over time. And, it provides an opportunity to make necessary changes without reviewing the entire SMA. This will create substantial savings for local governments.

Testimony Against: The threshold amount should be based on the cost of the impact, not the cost of the project. Single family homes, bulkheads, etc., create very serious impacts. Rather than basing the threshold on the value of the project, the legislature should base the threshold on the cost of the impact. Even small, low cost projects can have significant impacts. Do not want to see unpermitted development expanded.

Testified: (In support) Representative Grant, prime sponsor; Randy Lewis, city of Westport, Kristin Sawin, Association of Washington Business; Jodi Slavik, Business Industry of Washington; Larry Stout, Association of Realtors; Paul Parker, Washington State Association of Counties; and Gordon White, Department of Ecology.

(Opposed) Bruce Wishart, People for Puget Sound.