AN ACT Relating to the creation of a regional transfer of
development rights program; adding a new chapter to Title 43 RCW; and
creating a new section.

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

NEW SECTION. Sec. 1. The legislature finds that current concern
over the rapid and increasing loss of rural, agricultural, and forested
land has led to the exploration of creative approaches to preserving
these important lands. The legislature finds also that the creation of
a regional transfer of development rights marketplace will assist in
slowing the conversion of these lands.

The legislature further finds that transferring development rights
is a market-based technique that encourages the voluntary transfer of
growth from places where a community would like to see less
development, referred to as sending areas, to places where a community
would like to see more development, referred to as receiving areas.
Under this technique, permanent deed restrictions are placed on the
sending area properties to ensure that the land will be used only for
approved activities such as farming, forest management, conservation,
or passive recreation. Also under this technique, the costs of purchasing the recorded development restrictions are borne by the developers who receive the building credit or bonus.

Accordingly, the legislature has determined that it is good public policy to build upon existing transfer of development rights programs, pilot projects, and private initiatives that foster effective use of transferred development rights through the creation of a market-based program that focuses on the central Puget Sound region.

NEW SECTION. Sec. 2. The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Department" means the department of community, trade, and economic development.

(2) "Nongovernmental entities" includes nonprofit or membership organizations with experience or expertise in transferring development rights.

(3) "Transfer of development rights" includes methods for protecting land from development by voluntarily removing the development rights from a sending area and transferring them to a receiving area for the purpose of increasing development density in the receiving area.

NEW SECTION. Sec. 3. Subject to the availability of amounts appropriated for this specific purpose, the department shall fund a process to develop a regional transfer of development rights program that comports with chapter 36.70A RCW that:

(1) Encourages King, Kitsap, Pierce, and Snohomish counties, and the cities within these counties, to participate in the development and implementation of regional frameworks and mechanisms that make transfer of development rights programs viable and successful. The department shall encourage and embrace the efforts in any of these counties or cities to develop local transfer of development rights programs. In fulfilling the requirements of this chapter, the department shall work with the Puget Sound regional council and its growth management policy board to develop a process that satisfies the requirements of this chapter. The department shall also work with an advisory committee to develop a regional transfer of development rights marketplace that includes, but is not limited to, supporting strategies for financing
infrastructure and conservation. The department shall establish an
advisory committee of seven stakeholders with representatives of the
following interests:
  (a) Two qualified nongovernmental organizations with expertise in
the transfer of development rights. At least one organization must
have a statewide expertise in growth management planning and in the
transfer of development rights and at least one organization must have
a local perspective on market-based conservation strategies and
transfer of development rights;
  (b) Two representatives from real estate and development;
  (c) One representative with a county government perspective; and
  (d) Two representatives from cities of different sizes and
geographic areas within the four-county region; and
(2) Allows the department to utilize recommendations of the
interested local governments, nongovernmental entities, and the Puget
Sound regional council to develop recommendations and strategies for a
regional transfer of development rights marketplace with supporting
strategies for financing infrastructure and conservation that
represents the consensus of the governmental and nongovernmental
parties engaged in the process. However, if agreement between the
parties cannot be reached, the department shall make recommendations to
the legislature that seek to balance the needs and interests of the
interested governmental and nongovernmental parties. Recommendations
developed under this subsection must:
  (a) Identify opportunities for cities to achieve significant
benefits through using transfer of development rights programs and the
value in modifying existing state grant programs to provide incentives
for local governments to adopt transfer of development rights programs;
  (b) Address challenges to the creation of an efficient and
transparent transfer of development rights market, including the
creation of a transfer of development rights bank, brokerage, or direct
buyer-seller exchange;
  (c) Address issues of certainty to buyers and sellers of
development rights that address long-term environmental benefits and
perceived inequities in land values and permitting processes;
  (d) Address the means for assuring that appropriate values are
recognized and updated, as well as specifically addressing the need to
maintain the quality of life in receiving neighborhoods and the protection of environmental values over time;

(e) Identify opportunities and challenges that, if resolved, would result in cities throughout the Puget Sound region participating in a transfer of development rights market; and

(f) Compare the uses of a regional transfer of development rights program to other existing land conservation strategies to protect rural and resource lands and implement the growth management act.

NEW SECTION. Sec. 4. The department shall submit recommendations, findings, and legislative recommendations according to the following schedule:

(1) By December 1, 2007, the department shall submit a report to the governor and appropriate committees of the legislature on the progress of the regional transfer of development rights program. The report must also include identification of other candidate transfer of development areas and proposals to modify grant criteria for local governments;

(2) By December 1, 2008, the department shall submit a final report to the governor and the appropriate committees of the legislature on the progress of the regional transfer of development rights program; and

(3) By December 1, 2008, the department shall submit findings and legislative recommendations to the appropriate committees of the legislature to implement the recommendations and strategies identified in the final report.

NEW SECTION. Sec. 5. Sections 1 through 3 of this act constitute a new chapter in Title 43 RCW.

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