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. The department
may contract for expertise to accomplish any of the following tasks.
Recommendations developed under this subsection must:

(a) Identify opportunities for cities, counties, and the state to
achieve significant benefits through using transfer of development
rights programs and the value in modifying criteria by which capital
budget funds are allocated, including but not limited to, existing
state grant programs to provide incentives for local governments to
implement 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 notify the governor and the appropriate committees of the legislature of any recommended actions for advancing the purposes of this act.

(2) By December 1, 2008, the department shall notify the governor and the appropriate committees of the legislature of findings and legislative recommendations to implement a regional transfer of development rights program.

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

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