

**RCW 35A.14.472 Annexation of unincorporated territory within urban growth areas—Interlocal agreement, when authorized—**

**Requirements.** (1) A code city as provided in RCW 35A.14.296(2) may collaborate with the county or counties where the code city is located to form an interlocal agreement regarding annexation of unincorporated territory within the urban growth area boundary. The interlocal agreement formation process must include procedures for public participation. The procedures must provide for broad dissemination of proposals and alternatives, opportunity for written comments, public meetings after effective notice, and consideration of and response to public comments. The interlocal agreement may only be executed after notice of availability of the agreement is posted on the website of each legislative body for four weeks and a public hearing by each legislative body, separately or jointly. This method of annexation shall be an alternative method and is additional to all other methods provided for in this chapter.

(2) An interlocal agreement under this section may include use of a sales tax credit for annexed areas should such a credit be reinstated by the legislature.

(3) The agreement or plan under this section must address the following:

(a) A balancing of annexations of commercial, industrial, and residential properties so that any potential loss or gain is considered and distributed fairly as determined by tax revenue;

(b) Development, ownership, and maintenance of infrastructure;

(c) The potential for revenue-sharing agreements.

(4) In addressing the items in subsection (3)(a) through (c) of this section, the parties must also address the balancing of factors and objectives for annexation review in RCW 36.93.170 and 36.93.180.

(5) By December 1, 2021, the association of Washington cities and the Washington state association of counties shall report to the legislature, in compliance with RCW 43.01.036, on how a sales tax credit may be utilized to encourage appropriate annexations and what limits should be associated with such a credit if reinstated. [2021 c 312 § 1.]