

# HOUSE BILL REPORT

## HB 1395

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**As Reported by House Committee On:**  
Local Government & Housing

**Title:** An act relating to job retention in rural counties.

**Brief Description:** Encouraging retention and enhancement of the job base in rural counties.

**Sponsors:** Representatives Eickmeyer, Buck, Sump, Doumit, Kessler, Jackley, Van Luven, Haigh, Dunn, Murray, Edwards, Veloria, Romero, Hatfield, Pennington, Hunt, Ruderman, Linville, O'Brien, Conway and Santos.

**Brief History:**

**Committee Activity:**

Local Government & Housing: 1/28/02, 1/30/02 [DPS].

**Brief Summary of Substitute Bill**

- Allows rural counties to allow expansion of small-scale businesses and siting of new small-scale businesses on existing business sites if compatible in size and scale with land use and development patterns in the rural element.

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### HOUSE COMMITTEE ON LOCAL GOVERNMENT & HOUSING

**Majority Report:** The substitute bill be substituted therefor and the substitute bill 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:** Scott MacColl (786-7106).

**Background:**

The Growth Management Act (GMA) requires a county and its cities to plan under its major requirements if the county meets certain population and growth criteria. The GMA allows counties not meeting those criteria to choose to plan. Currently, 29 of 39 Washington counties plan under the major GMA requirements (GMA jurisdictions).

The GMA requires GMA jurisdictions to adopt comprehensive plans with certain required elements. Those elements include land use, housing, a capital facilities plan, utilities, transportation, and a rural element.

The GMA comprehensive plan's rural element is to include lands that are not designated for urban growth, agriculture, forest, or mining resources. Legislation enacted in 1997 made numerous changes to rural element provisions including: (1) defining "rural character" to focus on predominance of natural landscape, fostering of traditional rural lifestyles, provision of rural landscapes, and compatibility with habitat and prevention of sprawl; (2) defining "rural development" to include a variety of uses and densities, other than agriculture and forestry, that are consistent with rural character; (3) amending the definition of "urban growth" to provide that a pattern of more intensive rural development is not urban growth; (4) including small-scale businesses (not defined) in rural development and describing small-scale businesses and cottage industries as those not required to serve the rural population; (5) adding "rural development" provisions, including 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 (6) adding 'intensification' provisions for rural nonresidential uses or new development of isolated cottage industries and small scale businesses not principally designed to serve the rural population but that provide job opportunities for rural residents.

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### **Summary of Substitute Bill:**

Rural counties that are GMA jurisdictions may allow the expansion of small-scale businesses and the siting of new small-scale businesses on existing business sites if these businesses are compatible in size and scale with land use and development patterns in the rural element of the comprehensive plan.

Rural counties are defined to be counties with population densities of less than 100 people per square mile as determined each year by the Office of Financial Management. Currently, 31 of Washington's 39 counties qualify under this definition.

A small-scale business is defined to be any business that is owned or operated independently and that is of a size and scale that is compatible with adjacent land uses and existing or planned infrastructure, and if in a rural area, is consistent with the rural character of the area as defined by the rural element of the comprehensive plan. If the business is outside the rural area, the business must be consistent with the neighborhood character, as established by the local government in which it is located.

### **Substitute Bill Compared to Original Bill:**

The definitions of small scale business and the new definition for rural counties are

removed.

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**Appropriation:** None.

**Fiscal Note:** Not Requested.

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

**Testimony For:** (In support) The Governor's Small Business Task Force traveled the state, and put the spotlight on the difference between the urban and rural areas of the state. Rural areas and rural businesses weren't taken into account when the Growth Management Act (GMA) was passed. By amending the GMA with this bill, the weakness of the GMA regarding rural economies can be accommodated. People aren't driving into Shelton in the mornings, they are driving outside of the Shelton urban growth area to go to work.

These decisions have been supported in the past. This bill is aimed at the Western Growth Hearings Board past decisions that called into question businesses that want to change ownership in rural areas. The definition section in the bill is perhaps crafted too narrowly to address the issue. Hoodspout, Mason County for example, has limited area of rural development. If a company wanted to come in and take over a owner operated business, under this definition it couldn't be done.

**Testimony Against:** (Concerns) There is some concern for the economic vitality of small cities. Increased development in rural areas may draw businesses away from the city/urban growth area.

**Testified:** (In support) Representative Eickmeyer, prime sponsor; Paul Parker, Washington State Association of Counties; and Dave Williams, Association of Washington Cities.