

# HOUSE BILL REPORT

## HB 2777

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### As Reported by House Committee On:

Local Government

Appropriations Subcommittee on General Government & Audit Review

**Title:** An act relating to assisting small communities in planning for new growth and development.

**Brief Description:** Creating a grant program to assist small communities in planning for new growth and development.

**Sponsors:** Representatives Clibborn, Ericksen, Ericks, Hinkle, O'Brien, Morrell, Sells, Sullivan, McIntire, Loomis, Haigh, Simpson and Kelley.

### Brief History:

#### Committee Activity:

Local Government: 1/31/08, 2/5/08 [DPS];

Appropriations Subcommittee on General Government & Audit Review: 2/7/08[DP2S(w/o sub LG)].

#### Brief Summary of Second Substitute Bill

- Establishes a small communities infrastructure planning grant program (grant program) to be administered by the Department of Community, Trade and Economic Development.
- Creates a new account in the State Treasury for the grant program.
- Adds counties with a population of 15,000 or less to the eligibility provisions of the grant program.
- Limits the provision language under the creation and funding of the account for the grant program.

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## HOUSE COMMITTEE ON LOCAL GOVERNMENT

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 7 members: Representatives Simpson, Chair; Takko, Vice Chair; Warnick, Ranking Minority Member; Schindler, Assistant Ranking Minority Member; Eddy, Nelson and Schmick.

**Staff:** Lyset Cadena (786-7291).

**Background:**

Among other duties, the Department of Community, Trade and Economic Development (DCTED) assists small, rural communities that are simultaneously struggling with economic viability and compliance with health and environmental regulations.

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**Summary of Substitute Bill:**

The DCTED is instructed to create and monitor a small communities infrastructure planning grant program.

Cities and towns with a population of less than 7,500 that are located in rural areas and counties with a population of 15,000 or less are eligible to receive grant awards under the program. Eligible activities for cities, towns, and counties that receive grant awards include:

- (1) transportation, utility, and capital facilities planning;
- (2) multi-jurisdictional infrastructure planning, including joint planning between local jurisdictions and the private sector;
- (3) updating comprehensive plans and development regulations consistent with the grant program; and
- (4) other planning and technical assistance activities consistent with the grant program.

Priority must be given to applicants seeking funding for activities (1) and (2).

The DCTED must submit an annual report to the transportation and local government committees of the Legislature that identifies the number of applicants received, the communities selected to receive a grant award, the activity or activities for which each grant award was made, and the amount of each grant award.

A new account is created in the State Treasury for the grant program. For purposes relating to this act, receipts from the proceeds of bond, sales, tax revenues, budget transfers, federal appropriations, gifts, or any other lawful source must be deposited in the account. The DCTED must provide management services for the account and establish procedures for account management.

**Substitute Bill Compared to Original Bill:**

Counties with a population of 15,000 or less are eligible to receive grant awards under the program. For purposes of this act, receipts from the proceeds of bond sales, tax revenues,

budget transfers, federal appropriations, gifts, or any other lawful source must be deposited in the account.

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**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date of Substitute Bill:** The bill takes effect 90 days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony:**

(In support) Small towns and cities are struggling to keep up with the demand of high growth. A small tax base makes it difficult for small towns and cities to plan and prepare for new growth. A small communities infrastructure grant program would help local governments plan and prepare for the new growth.

(Other) Small counties also lack the resources necessary to adequately plan and prepare for essential infrastructure needed to accommodate new growth. Small counties should be eligible for the small communities infrastructure planning grant program.

**Persons Testifying:** (In support) Representative Clibborn, prime sponsor; and Dave Williams, Association of Washington Cities.

(Other) Eric Johnson, Washington State Association of Counties.

**Persons Signed In To Testify But Not Testifying:** None.

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**HOUSE COMMITTEE ON APPROPRIATIONS SUBCOMMITTEE ON GENERAL GOVERNMENT & AUDIT REVIEW**

**Majority Report:** The second substitute bill be substituted therefor and the second substitute bill do pass and do not pass the substitute bill by Committee on Local Government. Signed by 14 members: Representatives Linville, Chair; Ericks, Vice Chair; Armstrong, Ranking Minority Member; Skinner, Assistant Ranking Minority Member; Alexander, Blake, Chandler, Kretz, Lantz, Liias, Miloscia, Morris, Nelson and Van De Wege.

**Staff:** Owen Rowe (786-7391).

**Summary of Recommendation of Committee On Appropriations Subcommittee on General Government & Audit Review Compared to Recommendation of Committee On Local Government:**

The substitute bill requires the annual report also be provided to the Capital Budget Committee. Clarifies that only funds specifically designated for purposes relating to this act are deposited into the small communities infrastructure planning account. Removes the requirement that the Department of Community, Trade and Economic Development (DCTED)

would provide management services for the account. Removes the requirement that the DCTED establish procedures for account management.

A null and void clause was added, making the bill null and void unless funded in the budget.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date of Second Substitute Bill:** The bill takes effect 90 days after adjournment of session in which bill is passed. However, the bill is null and void unless funded in the budget.

**Staff Summary of Public Testimony:** None.

**Persons Testifying:** None.

**Persons Signed In To Testify But Not Testifying:** None.