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## SUBSTITUTE SENATE BILL 5399

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State of Washington 63rd Legislature 2013 Regular Session

By Senate Governmental Operations (originally sponsored by Senators Dammeier, Becker, Conway, Fraser, Rivers, and Nelson)

READ FIRST TIME 02/20/13.

- 1 AN ACT Relating to the timing of penalties under the growth
- 2 management act; and amending RCW 36.70A.300, 43.17.250, 43.155.070,
- 3 70.146.070, and 36.70A.200.
- 4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 5 **Sec. 1.** RCW 36.70A.300 and 1997 c 429 s 14 are each amended to 6 read as follows:
  - (1) The board shall issue a final order that shall be based exclusively on whether or not a state agency, county, or city is in compliance with the requirements of this chapter, chapter 90.58 RCW as it relates to adoption or amendment of shoreline master programs, or chapter 43.21C RCW as it relates to adoption of plans, development regulations, and amendments thereto, under RCW 36.70A.040 or chapter
- 13 90.58 RCW.

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- 14 (2)(a) Except as provided in (b) of this subsection, the final
- 15 order shall be issued within one hundred eighty days of receipt of the
- 16 petition for review, or, if multiple petitions are filed, within one
- 17 hundred eighty days of receipt of the last petition that is
- 18 consolidated.

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- (b) The board may extend the period of time for issuing a decision to enable the parties to settle the dispute if additional time is necessary to achieve a settlement, and (i) an extension is requested by all parties, or (ii) an extension is requested by the petitioner and respondent and the board determines that a negotiated settlement between the remaining parties could resolve significant issues in dispute. The request must be filed with the board not later than seven days before the date scheduled for the hearing on the merits of the petition. The board may authorize one or more extensions for up to ninety days each, subject to the requirements of this section.
  - (3) In the final order, the board shall either:

- (a) Find that the state agency, county, or city is in compliance with the requirements of this chapter, chapter 90.58 RCW as it relates to the adoption or amendment of shoreline master programs, or chapter 43.21C RCW as it relates to adoption of plans, development regulations, and amendments thereto, under RCW 36.70A.040 or chapter 90.58 RCW; or
- (b) Find that the state agency, county, or city is not in compliance with the requirements of this chapter, chapter 90.58 RCW as it relates to the adoption or amendment of shoreline master programs, or chapter 43.21C RCW as it relates to adoption of plans, development regulations, and amendments thereto, under RCW 36.70A.040 or chapter 90.58 RCW, in which case the board shall remand the matter to the affected state agency, county, or city. The board shall specify a reasonable time not in excess of one hundred eighty days, or such longer period as determined by the board in cases of unusual scope or complexity, within which the state agency, county, or city shall comply with the requirements of this chapter. The board may require periodic reports to the board on the progress the jurisdiction is making towards compliance.
- (4) (a) Unless the board makes a determination of invalidity ((as provided in)) under RCW 36.70A.302, a finding of noncompliance and an order of remand shall not affect the validity of comprehensive plans and development regulations during the period of remand.
- (b) Unless the board makes a determination of invalidity, state agencies, commissions, and governing boards may not determine a county, city, or town to be ineligible or otherwise penalized in the acceptance of applications or the awarding of state agency grants or loans during the period of remand. This subsection (4)(b) applies only to counties,

cities, and towns that have: (i) Delayed the initial effective date of the action subject to the petition before the board until after the board issues a final determination; or (ii) within thirty days of receiving notice of a petition for review by the board delayed or suspended the effective date of the action subject to the petition before the board until after the board issues a final determination.

- (5) Any party aggrieved by a final decision of the hearings board may appeal the decision to superior court as provided in RCW 34.05.514 or 36.01.050 within thirty days of the final order of the board. Unless the board makes a determination of invalidity under RCW 36.70A.302, state agencies, commissions, or governing boards shall not penalize counties, cities, or towns during the pendency of an appeal as provided in RCW 43.17.250.
- **Sec. 2.** RCW 43.17.250 and 1999 c 164 s 601 are each amended to read as follows:
  - (1) Whenever a state agency is considering awarding grants or loans for a county, city, or town planning under RCW 36.70A.040 to finance public facilities, it shall consider whether the county, city, or town requesting the grant or loan has adopted a comprehensive plan and development regulations as required by RCW 36.70A.040.
  - (2) If a comprehensive plan, development regulation, or an amendment to either the plan or regulation adopted by a county, city, or town has been appealed to the growth management hearings board under RCW 36.70A.280, the county, city, or town may not be determined to be ineligible or otherwise penalized in the acceptance of applications or the awarding of state agency grants or loans during the pendency of the appeal before the board or subsequent judicial appeals. This subsection applies only to counties, cities, and towns that have: (a) Delayed the initial effective date of the action subject to the petition before the board until after the board issues a final determination; or (b) within thirty days of receiving notice of a petition for review by the board delayed or suspended the effective date of the action subject to the petition before the board until after the board until after the board until after
  - (3) When reviewing competing requests from counties, cities, or towns planning under RCW 36.70A.040, a state agency considering awarding grants or loans for public facilities shall accord additional

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- preference to those counties, cities, or towns that have adopted a comprehensive plan and development regulations as required by RCW 36.70A.040. For the purposes of the preference accorded in this section, a county, city, or town planning under RCW 36.70A.040 is deemed to have satisfied the requirements for adopting a comprehensive plan and development regulations specified in RCW 36.70A.040 if the county, city, or town:
  - (a) Adopts or has adopted a comprehensive plan and development regulations within the time periods specified in RCW 36.70A.040;

- (b) Adopts or has adopted a comprehensive plan and development regulations before ((submitting a request for a grant or loan)) the state agency makes a decision regarding award recipients of the grants or loans if the county, city, or town failed to adopt a comprehensive plan and/or development regulations within the time periods specified in RCW 36.70A.040; or
- (c) Demonstrates substantial progress toward adopting a comprehensive plan or development regulations within the time periods specified in RCW 36.70A.040. A county, city, or town that is more than six months out of compliance with the time periods specified in RCW 36.70A.040 shall not be deemed to demonstrate substantial progress for purposes of this section.
- ((+3)) (4) The preference specified in subsection ((+2)) (3) of this section applies only to competing requests for grants or loans from counties, cities, or towns planning under RCW 36.70A.040. A request from a county, city, or town planning under RCW 36.70A.040 shall be accorded no additional preference based on subsection ((+2)) (3) of this section over a request from a county, city, or town not planning under RCW 36.70A.040.
- ((+4+)) (5) Whenever a state agency is considering awarding grants or loans for public facilities to a special district requesting funding for a proposed facility located in a county, city, or town planning under RCW 36.70A.040, it shall consider whether the county, city, or town in whose planning jurisdiction the proposed facility is located has adopted a comprehensive plan and development regulations as required by RCW 36.70A.040 and shall apply the standards in subsection (2) of this section and the preference specified in subsection ((+2+)) (3) of this section and restricted in subsection ((+3+)) (4) of this section.

1 **Sec. 3.** RCW 43.155.070 and 2012 c 196 s 9 are each amended to read 2 as follows:

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- (1) To qualify for loans or pledges under this chapter the board must determine that a local government meets all of the following conditions:
- (a) The city or county must be imposing a tax under chapter 82.46 RCW at a rate of at least one-quarter of one percent;
- (b) The local government must have developed a capital facility plan; and
  - (c) The local government must be using all local revenue sources which are reasonably available for funding public works, taking into consideration local employment and economic factors.
  - (2) Except where necessary to address a public health need or substantial environmental degradation, a county, city, or town planning under RCW 36.70A.040 must have adopted a comprehensive plan, including a capital facilities plan element, and development regulations as required by RCW 36.70A.040. A county, city, or town that has adopted a comprehensive plan and development regulations as provided in RCW 36.70A.040 may request a grant or loan for public works projects. This subsection does not require any county, city, or town planning under RCW 36.70A.040 to adopt a comprehensive plan or development regulations before requesting ((or receiving)) a loan or loan guarantee under this chapter ((if such request is made before the expiration of the time periods specified in RCW 36.70A.040)). A county, city, or town planning under RCW 36.70A.040 ((which)) that has not adopted a comprehensive plan and development regulations within the time periods specified in RCW 36.70A.040 is not prohibited from receiving a loan or loan guarantee under this chapter if the comprehensive plan and development regulations are adopted as required by RCW 36.70A.040 before ((submitting a request for a loan or loan guarantee)) executing a contractual agreement for financial assistance with the board.
  - (3) In considering awarding loans for public facilities to special districts requesting funding for a proposed facility located in a county, city, or town planning under RCW 36.70A.040, the board must consider whether the county, city, or town planning under RCW 36.70A.040 in whose planning jurisdiction the proposed facility is located has adopted a comprehensive plan and development regulations as required by RCW 36.70A.040.

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(4) The board must develop a priority process for public works projects as provided in this section. The intent of the priority process is to maximize the value of public works projects accomplished with assistance under this chapter. The board must attempt to assure a geographical balance in assigning priorities to projects. The board must consider at least the following factors in assigning a priority to a project:

- (a) Whether the local government receiving assistance has experienced severe fiscal distress resulting from natural disaster or emergency public works needs;
- (b) Except as otherwise conditioned by RCW 43.155.110, whether the entity receiving assistance is a Puget Sound partner, as defined in RCW 90.71.010;
- (c) Whether the project is referenced in the action agenda developed by the Puget Sound partnership under RCW 90.71.310;
  - (d) Whether the project is critical in nature and would affect the health and safety of a great number of citizens;
  - (e) Whether the applicant's permitting process has been certified as streamlined by the office of regulatory assistance;
  - (f) Whether the applicant has developed and adhered to guidelines regarding its permitting process for those applying for development permits consistent with section 1(2), chapter 231, Laws of 2007;
  - (g) The cost of the project compared to the size of the local government and amount of loan money available;
    - (h) The number of communities served by or funding the project;
  - (i) Whether the project is located in an area of high unemployment, compared to the average state unemployment;
  - (j) Whether the project is the acquisition, expansion, improvement, or renovation by a local government of a public water system that is in violation of health and safety standards, including the cost of extending existing service to such a system;
- (k) Except as otherwise conditioned by RCW 43.155.120, and effective one calendar year following the development of model evergreen community management plans and ordinances under RCW 35.105.050, whether the entity receiving assistance has been recognized, and what gradation of recognition was received, in the evergreen community recognition program created in RCW 35.105.030;

- (1) The relative benefit of the project to the community, considering the present level of economic activity in the community and the existing local capacity to increase local economic activity in communities that have low economic growth; and
  - (m) Other criteria that the board considers advisable.

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- (5) Existing debt or financial obligations of local governments may not be refinanced under this chapter. Each local government applicant must provide documentation of attempts to secure additional local or other sources of funding for each public works project for which financial assistance is sought under this chapter.
- (6) Before November 1st of each even-numbered year, the board must develop and submit to the appropriate fiscal committees of the senate and house of representatives a description of the loans made under RCW 43.155.065, 43.155.068, and subsection (9) of this section during the preceding fiscal year and a prioritized list of projects which are recommended for funding by the legislature, including one copy to the staff of each of the committees. The list must include, but not be limited to, a description of each project and recommended financing, the terms and conditions of the loan or financial guarantee, the local government jurisdiction and unemployment rate, demonstration of the jurisdiction's critical need for the project and documentation of local funds being used to finance the public works project. The list must also include measures of fiscal capacity for each jurisdiction recommended for financial assistance, compared to authorized limits and state averages, including local government sales taxes; real estate excise taxes; property taxes; and charges for or taxes on sewerage, water, garbage, and other utilities.
- (7) The board may not sign contracts or otherwise financially obligate funds from the public works assistance account before the legislature has appropriated funds for a specific list of public works projects. The legislature may remove projects from the list recommended by the board. The legislature may not change the order of the priorities recommended for funding by the board.
- (8) Subsection (7) of this section does not apply to loans made under RCW 43.155.065, 43.155.068, and subsection (9) of this section.
- (9) Loans made for the purpose of capital facilities plans are exempted from subsection (7) of this section.

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(10) To qualify for loans or pledges for solid waste or recycling facilities under this chapter, a city or county must demonstrate that the solid waste or recycling facility is consistent with and necessary to implement the comprehensive solid waste management plan adopted by the city or county under chapter 70.95 RCW.

- (11) After January 1, 2010, any project designed to address the effects of storm water or wastewater on Puget Sound may be funded under this section only if the project is not in conflict with the action agenda developed by the Puget Sound partnership under RCW 90.71.310.
- **Sec. 4.** RCW 70.146.070 and 2008 c 299 s 26 are each amended to 11 read as follows:
- 12 (1) When making grants or loans for water pollution control 13 facilities, the department shall consider the following:
  - (a) The protection of water quality and public health;
- 15 (b) The cost to residential ratepayers if they had to finance water 16 pollution control facilities without state assistance;
  - (c) Actions required under federal and state permits and compliance orders;
    - (d) The level of local fiscal effort by residential ratepayers since 1972 in financing water pollution control facilities;
    - (e) Except as otherwise conditioned by RCW 70.146.110, whether the entity receiving assistance is a Puget Sound partner, as defined in RCW 90.71.010;
    - (f) Whether the project is referenced in the action agenda developed by the Puget Sound partnership under RCW 90.71.310;
    - (g) Except as otherwise provided in RCW 70.146.120, and effective one calendar year following the development and statewide availability of model evergreen community management plans and ordinances under RCW 35.105.050, whether the project is sponsored by an entity that has been recognized, and what gradation of recognition was received, in the evergreen community recognition program created in RCW 35.105.030;
    - (h) The extent to which the applicant county or city, or if the applicant is another public body, the extent to which the county or city in which the applicant public body is located, has established programs to mitigate nonpoint pollution of the surface or subterranean water sought to be protected by the water pollution control facility named in the application for state assistance; and

(i) The recommendations of the Puget Sound partnership, created in RCW 90.71.210, and any other board, council, commission, or group established by the legislature or a state agency to study water pollution control issues in the state.

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- (2) Except where necessary to address a public health need or 5 6 substantial environmental degradation, a county, city, or town planning 7 under RCW 36.70A.040 may not receive a grant or loan for water 8 pollution control facilities unless it has adopted a comprehensive plan, including a capital facilities plan element, and development 9 10 regulations as required by RCW 36.70A.040. A county, city, or town that has adopted a comprehensive plan and development regulations as 11 provided in RCW 36.70A.040 may request a grant or loan for water 12 13 pollution control facilities. This subsection does not require any county, city, or town planning under RCW 36.70A.040 to adopt a 14 15 comprehensive plan or development regulations before requesting ((or receiving)) a grant or loan under this chapter if such request is made 16 before the expiration of the time periods specified in RCW 36.70A.040. 17 18 A county, city, or town planning under RCW 36.70A.040 ((which)) that 19 has not adopted a comprehensive plan and development regulations within 20 the time periods specified in RCW 36.70A.040 is not prohibited from 21 receiving a grant or loan under this chapter if the comprehensive plan 22 and development regulations are adopted as required by RCW 36.70A.040 23 before ((submitting a request for a)) the department executes a 24 contractual agreement for the grant or loan.
  - (3) Whenever the department is considering awarding grants or loans for public facilities to special districts requesting funding for a proposed facility located in a county, city, or town planning under RCW 36.70A.040, it shall consider whether the county, city, or town planning under RCW 36.70A.040 in whose planning jurisdiction the proposed facility is located has adopted a comprehensive plan and development regulations as required by RCW 36.70A.040.
  - (4) After January 1, 2010, any project designed to address the effects of water pollution on Puget Sound may be funded under this chapter only if the project is not in conflict with the action agenda developed by the Puget Sound partnership under RCW 90.71.310.
- 36 **Sec. 5.** RCW 36.70A.200 and 2011 c 60 s 17 are each amended to read 37 as follows:

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(1) The comprehensive plan of each county and city that is planning under RCW 36.70A.040 shall include a process for identifying and siting essential public facilities. Essential public facilities include those facilities that are typically difficult to site, such as airports, state education facilities and state or regional transportation facilities as defined in RCW 47.06.140, regional transit authority facilities as defined in RCW 81.112.020, state and local correctional facilities, solid waste handling facilities, and inpatient facilities including substance abuse facilities, mental health facilities, group homes, and secure community transition facilities as defined in RCW 71.09.020.

- (2) Each county and city planning under RCW 36.70A.040 shall, not later than September 1, 2002, establish a process, or amend its existing process, for identifying and siting essential public facilities and adopt or amend its development regulations as necessary to provide for the siting of secure community transition facilities consistent with statutory requirements applicable to these facilities.
- (3) Any city or county not planning under RCW 36.70A.040 shall, not later than September 1, 2002, establish a process for siting secure community transition facilities and adopt or amend its development regulations as necessary to provide for the siting of such facilities consistent with statutory requirements applicable to these facilities.
- (4) The office of financial management shall maintain a list of those essential state public facilities that are required or likely to be built within the next six years. The office of financial management may at any time add facilities to the list.
- (5) No local comprehensive plan or development regulation may preclude the siting of essential public facilities.
- (6) No person may bring a cause of action for civil damages based on the good faith actions of any county or city to provide for the siting of secure community transition facilities in accordance with this section and with the requirements of chapter 12, Laws of 2001 2nd sp. sess. For purposes of this subsection, "person" includes, but is not limited to, any individual, agency as defined in RCW 42.17A.005, corporation, partnership, association, and limited liability entity.
- (7) Counties or cities siting facilities pursuant to subsection (2) or (3) of this section shall comply with RCW 71.09.341.

1 (8) The failure of a county or city to act by the deadlines 2 established in subsections (2) and (3) of this section is not:

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- (a) A condition that would disqualify the county or city for grants, loans, or pledges under RCW 43.155.070 or 70.146.070;
- (b) A consideration for grants or loans provided under RCW  $43.17.250((\frac{2}{1}))$  (3); or
- 7 (c) A basis for any petition under RCW 36.70A.280 or for any 8 private cause of action.

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