## HOUSE BILL 2880

State of Washington 65th Legislature 2018 Regular Session

By Representatives Fey, Jinkins, Kirby, Griffey, and Sawyer
Read first time 01/19/18. Referred to Committee on Local Government.

- 1 AN ACT Relating to the redevelopment of an area overlapping the
- 2 boundary between two adjacent cities; and amending RCW 35.10.217,
- 3 35.13.178, and 36.93.105.

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- 4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 5 **Sec. 1.** RCW 35.10.217 and 1986 c 253 s 1 are each amended to 6 read as follows:
- 7 The following methods are available for the annexation of all or 8 a part of a city or town to another city or town:
  - (1) A petition for an election to vote upon the annexation, which proposed annexation is approved by the legislative body of the city or town from which the territory will be taken, may be submitted to the legislative body of the city or town to which annexation is proposed. An annexation under this subsection shall otherwise conform with the requirements for and procedures of a petition and election method of annexing unincorporated territory under chapter 35.13 RCW, except for the requirement for the approval of the annexation by the city or town from which the territory would be taken.
  - (2) The legislative body of a city or town may on its own initiative by resolution indicate its desire to be annexed to a city or town either in whole or in part, or the legislative body of a city or town proposing to annex all or part of another city or town may

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initiate the annexation by adopting a resolution indicating that 1 desire. In case such resolution is passed, such resolution shall be 2 transmitted to the other affected city or town. The annexation is 3 4 effective if the other city or town adopts a resolution concurring in the annexation, unless the owners of property in the area proposed to 5 6 be annexed, equal in value to sixty percent or more of the assessed 7 valuation of the property in the area, protest the proposed annexation in writing to the legislative body of the city or town 8 proposing to annex the area, within thirty days of the adoption of 9 10 the second resolution accepting the annexation. Notices of the public 11 hearing at which the second resolution is adopted shall be mailed to 12 the owners of the property within the area proposed to be annexed in the same manner that notices of a hearing on a proposed local 13 improvement district are required to be mailed by a city or town as 14 provided in chapter 35.43 RCW. An annexation under this subsection 15 16 shall be potentially subject to review by a boundary review board or 17 other annexation review board after the adoption of the initial resolution, and the second resolution may not be adopted until the 18 19 proposed annexation has been approved by the board.

- (3) The owners of property located in a city or town may petition for annexation to another city or town. An annexation under this subsection shall conform with the requirements for and procedures of a direct petition method of annexing unincorporated territory( $(\tau)$ ). Except ((that)) as provided in subsection (4) of this section, the legislative body of the city or town from which the territory would be taken must approve the annexation under this subsection (3) before it may proceed.
- (4)(a) For annexations conducted under subsection (3) of this section, approval by the legislative body of the city or town from which the territory would be taken is not required if all of the conditions of (a)(i) and (ii) of this subsection (4) are met:
  - (i) The area to be annexed:

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- (A) Is fifty or fewer acres;
- 34 <u>(B) Is part of a master planned development project for which an</u> 35 <u>environmental impact statement has been issued under chapter 43.21C</u> 36 <u>RCW;</u>
- 37 (C) Is less than fifty percent of the total area of the master 38 planned development project, as described in the final environmental 39 impact statement;

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1 (D) Includes two hundred or more lineal feet of shorelines of the 2 state as defined in RCW 90.58.030 and as determined in the most 3 recent inventory of shoreline conditions conducted under WAC 4 173-26-201(3)(c); and

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- (E) Is designated, in whole or in part, as a superfund site under the federal comprehensive environmental response, compensation, and liability act, 42 U.S.C. Sec. 9601 et seq., as it existed on January 1, 2014, or is subject to remediation under the model toxics control act, chapter 70.105D RCW.
  - (ii) The city to which the territory would be annexed has:
- 11 (A) Incorporated as a first-class city under chapter 35.01 RCW
  12 and has a population of one hundred fifty thousand or more persons
  13 according to the most recent federal decennial census;
- 14 <u>(B) More than fifty percent of the total area of the master</u>
  15 <u>planned development project, as described in the final environmental</u>
  16 <u>impact statement, within its corporate boundaries;</u>
- 17 (C) Acted as the lead agency in conducting the environmental 18 review of the master planned development project under chapter 43.21C 19 RCW;
  - (D) Issued one or more development permits for the master planned development project that is consistent with the final environmental impact statement for the project; and
  - (E) Formed a local improvement district under RCW 35.43.030 that includes, in whole or in part, the property comprising the master planned development project and has issued bonds to fund the construction of local improvements that benefit the entirety or a portion of the property for which annexation is proposed.
  - (b) For annexations conducted in accordance with this subsection (4), upon written agreement of all owners of the property for which annexation is proposed, the city to which the territory would be annexed may adopt a comprehensive plan and applicable land use regulations as part of, and in conjunction with, the public hearing required by RCW 35.13.140. If the city to which the territory would be annexed adopts any land use regulations as provided in this subsection (4)(b), the regulations regarding building height limits must be consistent with those that applied to the territory to be annexed prior to the annexation. If a comprehensive plan and land use regulations are adopted as provided in this subsection (4)(b), no additional public hearings must be held after the initial public hearing required by RCW 35.13.178.

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1 (c) Annexations conducted in accordance with this subsection (4)
2 are not subject to potential review by a local boundary review board
3 or an annexation review board.

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- (d) The annexing city must maintain the master development plan in the annexed area that existed prior to the annexation.
- (e) In order for an annexation to be finalized under this subsection (4), all property owners in the annexed area that owe taxes to the city from which territory will be annexed must become current on all unpaid property taxes.
- (f) The annexing city must continue providing utility services to the city from which the territory is annexed in the same manner that they were provided prior to the annexation.
  - (g) After a petition for annexation is approved by the annexing city by ordinance, the annexing city and the city from which territory is annexed must submit to binding arbitration. If the cities are unable to agree on an arbitrator, a court of competent jurisdiction, on motion of a city, must appoint an arbitrator. The arbitrator must decide the following issues:
- (i) What portion of tax revenues generated by the territory to be annexed will be remitted by the annexing city to the city from which the territory was annexed on an ongoing basis after the annexation is complete. The amount must be sufficient to maintain the city from which the territory is annexed as an economically viable city;
- 24 <u>(ii) How the city from which territory is annexed will be</u> 25 <u>compensated for unpaid permit and inspection fees incurred through</u> 26 development in the annexed area; and
  - (iii) Any other disputes arising from the annexation.
- 28 (h) Annexations may be conducted under this subsection (4) until 29 June 30, 2021.
- 30 (5) All annexations under this section, except for annexations 31 conducted in accordance with subsection (4) of this section, are 32 subject to potential review by the local boundary review board or 33 annexation review board.
- 34 **Sec. 2.** RCW 35.13.178 and 1965 ex.s. c 88 s 2 are each amended 35 to read as follows:
- Except as provided in RCW 35.10.217(4)(b), the legislative body
  of the city or town shall hold two or more public hearings, to be
  held at least thirty days apart, upon the proposed comprehensive
  plan, giving notice of the time and place thereof by publication in a

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- 1 newspaper of general circulation in the annexing city or town and the
- 2 area to be annexed. A copy of the ordinance or resolution adopting or
- 3 embodying such proposed plan or any part thereof or any amendment
- 4 thereto, duly certified as a true copy by the clerk of the annexing
- 5 city or town, shall be filed with the county auditor. A like
- 6 certified copy of any map or plat referred to or adopted by the
- 7 ordinance or resolution shall likewise be filed with the county
- 8 auditor. The auditor shall record the ordinance or resolution and
- 9 keep on file the map or plat.
- 10 **Sec. 3.** RCW 36.93.105 and 1999 c 153 s 46 are each amended to
- 11 read as follows:
- The following actions shall not be subject to potential review by
- 13 a boundary review board:
- 14 (1) Annexations of territory to a water-sewer district pursuant
- 15 to RCW 36.94.410 through 36.94.440;
- 16 (2) Annexations of all or part of a city or town pursuant to RCW
- 17 35.10.217(4);
- 18 (3) Revisions of city or town boundaries pursuant to RCW
- 19 35.21.790 or 35A.21.210;
- 20  $((\frac{3}{3}))$  Adjustments to city or town boundaries pursuant to
- 21 RCW 35.13.340; and
- $((\frac{4}{1}))$  (5) Adjustments to city and town boundaries pursuant to
- 23 RCW 35.13.300 through 35.13.330.

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