

# HOUSE BILL REPORT

## HB 1598

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### As Reported by House Committee On: Local Government

**Title:** An act relating to providing code cities of a certain size with the ability to annex unincorporated areas without a referendum provision pursuant to a jointly approved interlocal agreement with the county.

**Brief Description:** Providing code cities of a certain size with the ability to annex unincorporated areas without a referendum provision pursuant to a jointly approved interlocal agreement with the county.

**Sponsors:** Representatives Doglio, Dolan, Pollet and Macri.

#### **Brief History:**

##### **Committee Activity:**

Local Government: 1/29/19, 2/6/19 [DPS].

#### **Brief Summary of Substitute Bill**

- Allows counties and cities of a certain size to jointly initiate an annexation process for unincorporated territory by jointly agreeing and adopting an interlocal agreement.

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### HOUSE COMMITTEE ON LOCAL GOVERNMENT

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 4 members: Representatives Pollet, Chair; Peterson, Vice Chair; Appleton and Senn.

**Minority Report:** Do not pass. Signed by 3 members: Representatives Kraft, Ranking Minority Member; Griffey, Assistant Ranking Minority Member; Goehner.

**Staff:** Yvonne Walker (786-7841).

#### **Background:**

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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.*

A code city may annex unincorporated "islands" of territory within the city using certain procedures. The city council may initiate annexation proceedings by resolution if the area of the proposed annexation:

- contains less than 175 acres and all of its boundaries are contiguous to the city; or
- is of any size, contains residential property owners, and at least 80 percent of its boundaries are contiguous to the city. Annexations conducted under this provision must be within the same county and urban growth area as the city, and the city must be planning under the Growth Management Act.

The resolution must describe the boundaries of the area to be annexed, state the number of voters within the subject area, and set a date for a public hearing on the annexation resolution. Notice of the hearing must be given by publication at least once a week for two weeks prior to the date of the hearing in one or more newspapers of general circulation within the code city and within the area to be annexed. At the hearing, residents or property owners of the area to be annexed must be afforded an opportunity to be heard. The city legislative body may then adopt an ordinance annexing the territory; the effective date of this ordinance may not be less than 45 days after its passage. During the 45 days after passage of the ordinance, it is subject to a referendum. If no referendum petition is filed within 45 days after passage of the ordinance, the area annexed becomes part of the city.

Washington's Interlocal Cooperation Act authorizes public agencies to contract with other public agencies via interlocal agreements that enable cooperation among the agencies to perform governmental activities and deliver public services. The purpose of such agreements is to permit local governmental units to make the most efficient use of their powers by enabling them to cooperate with other localities on a basis of mutual advantage and thereby providing services and facilities in a manner and pursuant to forms of governmental organization that will accord best with geographic, economic, population, and other factors influencing the needs and development of local communities. Local governments engage in a wide array of cooperative efforts with each other, state agencies, and other governmental entities, and intergovernmental cooperation can take many forms.

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

A code city may annex unincorporated territory pursuant to an interlocal agreement between the city and the county. The county must have a population of 150,000 or more and the code city must have a population exceeding 20,000.

The legislative bodies of the county and city may jointly initiate an annexation process for unincorporated territory by jointly agreeing and adopting an interlocal agreement. The interlocal agreement must describe the agreed upon boundaries, the effective date of the area to be annexed, and set a date for a public hearing on the annexation. The interlocal agreement may also include phased annexation of territory, and may be amended following the same process as initial approval, including additional territory. If the annexation agreement includes phased annexation of territory, the legislative body must adopt a separate ordinance at the time of annexation of each phase.

A public hearing must be held by each legislative body, separately or jointly, before the agreement is executed. Notice of the hearing must be given by publication at least once a week for two weeks prior to the date of the hearing in one or more newspapers of general circulation within the code city and within the area to be annexed. At the hearing, residents or property owners of the area to be annexed must be afforded an opportunity to be heard. Following the hearing, if the legislative body determines to effect the annexation, the legislative body may then adopt an ordinance annexing the territory and must subsequently file a copy of the certified ordinance with the board of county commissioners where the annexed property is located.

**Substitute Bill Compared to Original Bill:**

A provision is added that authorizes the county and city legislative bodies to adopt an interlocal agreement that may include the phasing in of annexed territory. In addition, if the annexation agreement includes phased annexation of territory, the legislative body must adopt a separate ordinance at the time of annexation of each phase. Lastly, a provision is added which provides that upon the date fixed in the ordinance of annexation the area annexed must become a part of the city.

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**Appropriation:** None.

**Fiscal Note:** Available.

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

**Staff Summary of Public Testimony:**

(In support) Annexation is a complex issue. This bill, which attempts to provide equity, pertains to islands that are surrounded on three sides by 80 percent or more of a city.

The lack of annexations in urban growth areas and the continuation of the creation of new islands is causing financial problems for both cities and counties. There is also confusion among residents as to what level of service to expect and who provides those services. This confusion leads to additional cost for counties and cities.

When the Growth Management Act was originally created, it was expected that unincorporated areas would be annexed and many unincorporated areas of the state have already done so. However, pockets of islands still exist. These islands create challenges to cities and counties in providing services and how to pay for those services.

The benefit of this bill is that it provides an interlocal agreement process that requires cities and counties to find common ground and address the issue of annexing territory and how to provide and charge for services on a more equitable basis. This process between the local jurisdictions will alleviate many disagreements that cities and counties have on annexation proposals.

Local jurisdictions have unique needs and this bill is another tool in the annexation process that would alleviate some of the concerns between city and county governments with the goal of preventing future unincorporated boundaries and islands.

(Opposed) None.

**Persons Testifying:** Representative Doglio, prime sponsor; Paul Jewell, Washington State Association of Counties; Carl Schroeder, Association of Washington Cities; and Jeremy Davis, Thurston County Senior Planner.

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