HOUSE BILL REPORT

HB 1669

As Reported By House Committee on:
Trade & Economic Development

Title: An act relating to growth strategies.

Brief Description: Changing provisions relating to growth strategies.

Sponsor(s): Representatives Cantwell, R. Meyers, Jacobsen, Heavey, Roland, Ferguson, Hine, O'Brien, Rust, Betrozoff, Paris, Scott, Fraser and Wineberry.

Brief History:
Reported by House Committee on:
Trade & Economic Development, March 5, 1991, DPS.

HOUSE COMMITTEE ON
TRADE & ECONOMIC DEVELOPMENT

Majority Report: *That Substitute House Bill No. 1669 be substituted therefor, and the substitute bill do pass.* Signed by 11 members: Representatives Cantwell, Chair; Sheldon, Vice Chair; Forner, Ranking Minority Member; Betrozoff, Assistant Ranking Minority Member; Ferguson; Kremen; Ludwig; Moyer; Rasmussen; Riley; and Roland.

Staff: Charlie Gavigan (786-7340).

Background: The 1990 Growth Management Act (GMA) established a series of goals to guide the planning activities of counties and cities that plan under the act.

Who Must Plan

Certain counties, and the cities located in these counties, are required to comply with various growth management regulations. An excluded county can opt to place itself, and the cities located in the county, under these requirements. Fifteen counties were subject to the GMA, and eight additional counties have opted to become subject to these requirements. Grants and technical assistance are provided to counties and cities that plan under the act.

Natural Resource Lands and Critical Areas

By September 1, 1991, every county and city in the state must designate natural resource lands and critical areas within its planning jurisdiction. The natural resource lands include forest lands, agricultural lands, and mineral resource lands that have long-term commercial importance for forestry, agriculture, or mineral extraction. The critical areas include wetlands, areas with critical recharging effect on aquifers used for potable water, fish and wildlife habitat conservation areas, frequently flooded areas, and geologically hazardous areas. In addition, those counties and cities that plan under the act must protect the designated natural resource lands and critical areas from incompatible land uses by September 1, 1991.

Comprehensive Planning

By July 1, 1993, each county and city that plans under the act must adopt comprehensive plans that include the following:

1. Urban growth areas, which are designated by each county after consultation with cities. If agreement is not reached, the county designates but must justify the designations;

2. Natural resource lands;

3. Critical areas;

4. Various elements, including a land use element, housing element, capital facilities plan element, utilities element, transportation element. Counties must also include a rural element. The transportation element includes specific requirements for the provision of transportation improvements concurrently with development activity.

Regional Planning

Provisions are made for the development of regional transportation plans by Regional Transportation Planning Organizations. Thirty-one counties belong to a regional planning organization.

Encouraging Economic Growth State-wide

Several provisions of the GMA encourage economic development statewide, especially in rural areas experiencing little or no growth. These provisions focused on building local capacity for economic growth in rural areas, developing rural-urban links, and studying ways to make state economic development services more effective and more accessible, particularly in rural communities. The economic development provisions include:

1. The Small Business Export Finance Assistance Center must develop rural-urban links and encourage exports in both rural and urban areas;

2. A grant program is administered by the Department of Community Development to build local economic capacity in rural communities focusing on rural-urban links;

3. The departments of Trade and Economic Development and Community Development are to encourage growth state-wide and to prioritize assistance to communities with the greatest needs and fewest resources;

4. The Associate Development Organizations (ADOs) are formalized in statute and provided with training and staff assistance by the Department of Trade and Economic Development;

5. The Service Delivery Task Force was created to review the delivery of state services to local communities and to make recommendations for improving the delivery of these services;

6. The Community Economic Revitalization Board, the Development Loan Fund, and the Public Works Assistance Fund are required to consider the relative economic benefit of a project to a community, not just the total number of jobs created; and

7. State agencies are required to expeditiously process state permits.

Summary of Substitute Bill: The 1990 Growth Management Act (GMA) is modified and expanded.

Goals and Planning

Two new planning goals are added to ensure the fair siting of regional and state public facilities and to protect water resources, particularly availability. The nature of the planning goals is altered from being a guide for developing comprehensive plans to being substantive policies that must be conformed with by counties, cities, special districts, and state agencies.

Economic development planning is a mandatory element of comprehensive plans of counties and cities planning under the GMA.

In addition to conforming to the goals of the GMA, state agencies must conform to the comprehensive plans and development regulations of applicable counties and cities.

Regional Planning

Regional planning is mandatory for the siting of regional and state public facilities and for economic development. Regional planning is optional for open space. Regions are the same as counties unless two or more counties voluntarily form a multi-county region.

State Agency Coordinating Council

A state agency coordinating council is established. The council is comprised of the heads of the following state agencies: Transportation; Community Development; Ecology; Trade and Economic Development; Agriculture; Public Lands; Parks and Recreation; Wildlife; and Fisheries. The state treasurer and the director of the Office of Financial Management are also members of the council. The governor chairs the council.

The council is to: (1) make recommendations regarding a state capital investment strategy, including catching up and keeping up with infrastructure needs, creating a new growth management financing account, and providing incentives for counties and cities to comply with the GMA; (2) identify priority development areas for the purposes of regional planning; (3) coordinate state agencies in delivering economic development services; (4) advise the governor on growth management issues; and (5) mediate disputes among state agencies regarding siting of regional and state public facilities.

State Review of Local Plans and Regulations.

Counties and cities must submit the adopted comprehensive plans and regulations to the Department of Community Development for review. The department may challenge the plans and regulations as not meeting the requirements of the GMA by appealing to the Growth Management Hearings Board.

The Growth Management Hearings Board is established to hear challenges by: (1) the Department of Community Development (DCD) to local government plans or regulations; (2) local governments to state actions; (3) DCD or local governments regarding interjurisdictional coordination; (4) citizens who have officially commented on the plan or regulation being challenged; and (5) citizens who receive certification from the governor. The hearings board is part of the Environmental Hearings Office. The Growth Management Hearings Board is comprised of three full-time members and two part-time members, appointed by the governor and confirmed by the Senate.

Enforcement of the Act.

If a county or city does not comply with the timeframes in the GMA, or if the Growth Management Hearings Board finds that a state agency, county, or city does not conform to the GMA and the state agency or local government has not complied with the board's order within one year, the governor can impose sanctions. The governor can withhold specified tax revenues from counties or cities; state agency allotments can be reduced.

Other Provisions

State agencies must be more responsive to businesses by designating a staff person to provide information regarding which agency rules apply to specific businesses. The Business Assistance Center, when requested, shall consolidate agency lists of regulations that apply to specific businesses. Businesses are given more notice of and input in agency rulemaking.

State agencies, counties, cities, and special districts must review their proposed regulations to ensure the regulations do not constitute an unconstitutional taking of private property.

Substitute Bill Compared to Original Bill: Economic development planning is made a mandatory, rather than optional, element of the comprehensive plan and must be done by regional planning organizations. A State Agency Coordinating Council is created. The Growth Management

Hearings Board is changed: (1) there are three full-time members and two part-time members appointed by the governor and confirmed by the Senate, rather than six full-time members appointed by the governor; and (2) standing is altered regarding citizens to provide that a citizen has standing before the board if the citizen has, in addition to having testified at a hearing, been certified by the governor, or is an aggrieved party regarding a local permit decision.

The Rural and Urban Arterial Trust Accounts, the Transportation Improvement Account, and the gas tax replace the Motor Vehicle Excise Tax as possible sanctions for non-compliance with the GMA.

Fiscal Note: Requested March 5, 1991.

Appropriation: Yes.

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

Testimony For: Economic planning must be integrated with growth management, particularly related to rural economic development. State agencies should be required to plan and follow the GMA. A compliance on enforcement mechanism should be enacted, and sanctions should be available when state agencies and local governments are unreasonable regarding compliance with the GMA.

Testimony Against: None.

Witnesses: Chuck Clarke, Director, Department of Community Development (pro); Mike McCormick, Department of Community Development (pro); Steve Hodes, Office of Financial Management (pro); Conrad Hermstad (pro); Dave William and Joe Tovar, Association of Washington Cities (pro); Enid Layes, Association of Washington Business, (con); Lawrence Gaydeski, Commissioner, Clallam County (pro); Scott Taylor, Washington Association of Public Ports (pro); Joe Quintana for Tim Hill, King County, (pro); Pat McElroy, Department of Natural Resources (pro); and Paul Parker, Washington Association of Counties (pro with concerns).