
HOUSE BILL 2901

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By Representatives Heavey, Sheldon, Forner, Horn, Cooper, Lisk, Bowman, Wynne, Winsley, Wood, Hochstatter, May, Mitchell and P. Johnson

Read first time 01/31/92. Referred to Committee on Local Government.

1 AN ACT Relating to the effect of rules and ordinances on business;
2 adding a new section to chapter 35.63 RCW; adding a new section to
3 chapter 35A.63 RCW; adding a new section to chapter 36.70 RCW; and
4 creating new sections.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 NEW SECTION. **Sec. 1.** (1) The department of trade and economic
7 development shall compile the methods and procedures used by local
8 governments under RCW 43.21H.020 to ensure that economic values are
9 given appropriate consideration in the ordinance-making process.

10 (2) The department of trade and economic development shall also
11 develop recommendations for methods and procedures to be used under RCW
12 43.21H.020 to insure that economic values are given appropriate
13 consideration in the rule-making and ordinance-making processes. The

1 recommended methods and procedures shall be based on the following
2 economic values:

3 (a) The economic health of small business is recognized as a
4 significant indicator of state and local economic health and fiscal
5 stability, and should be a priority when state agencies and local
6 governments consider new rules that are not health or safety related;

7 (b) Decent, safe, and affordable housing is an economic indicator
8 for business growth. Without available housing for median-income wage
9 earners, small business cannot start up, expand, or be retained;

10 (c) Land costs should be identified as a primary indicator for
11 location decisions. Urban sprawl, inefficient public services, and
12 artificially escalated land prices occur when state agencies and local
13 governments do not recognize the impact of their rules on the value of
14 land. Expedited permit tracking and relaxed zoning measures should be
15 procedures and methods used to respond when local governments want to
16 impose new rules that are not related to health or safety and that
17 increase the cost of land;

18 (d) The majority of builders in Washington state are small business
19 builders who respond to burdensome taxes which come in the form of late
20 comer fees, general facilities charges, impact fees, and permit
21 processing fees. If it is determined that small businesses are unable
22 to pay unreasonable combined upfront fees without going out of
23 business, then local government must provide a method of relief;

24 (e) The burdensome taxes described in (d) of this subsection are
25 financed over the life of a home loan. Existing homeowners have not
26 paid the same share of taxes for the same infrastructure. Unfair tax
27 treatment of state residents should be avoided to improve median wage
28 earners' access to housing; and

29 (f) Costly public subsidies are an inefficient use of tax dollars
30 to provide affordable housing and should be kept to a minimum.

1 As used in this section, "small business" has the meaning given in
2 RCW 43.31.025(4).

3 (3) The department of trade and economic development shall report
4 its findings and recommendations under this section to the legislature
5 on or before January 1, 1993.

6 NEW SECTION. **Sec. 2.** The department of trade and economic
7 development shall conduct a study of state agency rules and local
8 government ordinances that affect small businesses in this state.
9 Based on its findings, the department of trade and economic development
10 shall develop recommendations for changes in statutes and rules, such
11 as impact fees, to provide relief to small businesses, in accordance
12 with principles stated in chapters 19.85 and 43.21H RCW. The
13 department of trade and economic development shall report its findings
14 and recommendations to the legislature under this section on or before
15 January 1, 1993.

16 NEW SECTION. **Sec. 3.** A new section is added to chapter 35.63 RCW
17 to read as follows:

18 (1) If, on the effective date of this act, a city or town does not
19 have written methods and procedures under RCW 43.21H.020 to ensure that
20 economic values are given appropriate consideration in the ordinance-
21 making process, the city or town is prohibited from adopting new
22 ordinances that would increase the cost of housing.

23 (2) Subsection (1) of this section does not apply when the health
24 or safety of the community is at risk.

25 (3) A moratorium under subsection (1) of this section shall
26 continue until (a) the department of trade and economic development
27 submits recommended methods and procedures to implement RCW 43.21H.020

1 to the legislature under section 1(2) of this act and (b) the city or
2 town adopts written methods and procedures to implement RCW 43.21H.020.

3 NEW SECTION. **Sec. 4.** A new section is added to chapter 35A.63 RCW
4 to read as follows:

5 (1) If, on the effective date of this act, a city does not have
6 written methods and procedures under RCW 43.21H.020 to ensure that
7 economic values are given appropriate consideration in the ordinance-
8 making process, the city is prohibited from adopting new ordinances
9 that would increase the cost of housing.

10 (2) Subsection (1) of this section does not apply when the health
11 or safety of the community is at risk.

12 (3) A moratorium under subsection (1) of this section shall
13 continue until (a) the department of trade and economic development
14 submits recommended methods and procedures to implement RCW 43.21H.020
15 to the legislature under section 1(2) of this act and (b) the city
16 adopts written methods and procedures to implement RCW 43.21H.020.

17 NEW SECTION. **Sec. 5.** A new section is added to chapter 36.70 RCW
18 to read as follows:

19 (1) If, on the effective date of this act, a county does not have
20 written methods and procedures under RCW 43.21H.020 to ensure that
21 economic values are given appropriate consideration in the ordinance-
22 making process, the county is prohibited from adopting new ordinances
23 that would increase the cost of housing.

24 (2) Subsection (1) of this section does not apply when the health
25 or safety of the community is at risk.

26 (3) A moratorium under subsection (1) of this section shall
27 continue until (a) the department of trade and economic development
28 submits recommended methods and procedures to implement RCW 43.21H.020

1 to the legislature under section 1(2) of this act and (b) the county
2 adopts written methods and procedures to implement RCW 43.21H.020.