

CERTIFICATION OF ENROLLMENT

**SUBSTITUTE HOUSE BILL 1395**

Chapter 212, Laws of 2002

57th Legislature  
2002 Regular Session

RURAL COUNTIES--BUSINESS DEVELOPMENT

EFFECTIVE DATE: 6/13/02

Passed by the House February 6, 2002  
Yeas 97 Nays 0

FRANK CHOPP  
**Speaker of the House of  
Representatives**

Passed by the Senate March 8, 2002  
Yeas 46 Nays 0

BRAD OWEN  
**President of the Senate**

Approved March 28, 2002

GARY LOCKE  
**Governor of the State of Washington**

CERTIFICATE

I, Cynthia Zehnder, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **SUBSTITUTE HOUSE BILL 1395** as passed by the House of Representatives and the Senate on the dates hereon set forth.

CYNTHIA ZEHNDER  
**Chief Clerk**

FILED

March 28, 2002 - 8:45 a.m.

**Secretary of State  
State of Washington**

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**SUBSTITUTE HOUSE BILL 1395**

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Passed Legislature - 2002 Regular Session

**State of Washington**

**57th Legislature**

**2002 Regular Session**

**By** House Committee on Local Government & Housing (originally sponsored by Representatives Eickmeyer, Buck, Sump, Doumit, Kessler, Jackley, Van Luven, Haigh, Dunn, Murray, Edwards, Voloria, Romero, Hatfield, Pennington, Hunt, Ruderman, Linville, O'Brien, Conway and Santos)

Read first time 01/30/2002. Referred to Committee on .

1 AN ACT Relating to job retention in rural counties; amending RCW  
2 36.70A.070; and adding a new section to chapter 36.70A RCW.

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

4 NEW SECTION. **Sec. 1.** A new section is added to chapter 36.70A RCW  
5 to read as follows:

6 The legislature finds that this chapter is intended to recognize  
7 the importance of rural lands and rural character to Washington's  
8 economy, its people, and its environment, while respecting regional  
9 differences. Rural lands and rural-based economies enhance the  
10 economic desirability of the state, help to preserve traditional  
11 economic activities, and contribute to the state's overall quality of  
12 life.

13 The legislature finds that to retain and enhance the job base in  
14 rural areas, rural counties must have flexibility to create  
15 opportunities for business development. Further, the legislature finds  
16 that rural counties must have the flexibility to retain existing  
17 businesses and allow them to expand. The legislature recognizes that  
18 not all business developments in rural counties require an urban level

1 of services; and that many businesses in rural areas fit within the  
2 definition of rural character identified by the local planning unit.

3 Finally, the legislature finds that in defining its rural element  
4 under RCW 36.70A.070(5), a county should foster land use patterns and  
5 develop a local vision of rural character that will: Help preserve  
6 rural-based economies and traditional rural lifestyles; encourage the  
7 economic prosperity of rural residents; foster opportunities for small-  
8 scale, rural-based employment and self-employment; permit the operation  
9 of rural-based agricultural, commercial, recreational, and tourist  
10 businesses that are consistent with existing and planned land use  
11 patterns; be compatible with the use of the land by wildlife and for  
12 fish and wildlife habitat; foster the private stewardship of the land  
13 and preservation of open space; and enhance the rural sense of  
14 community and quality of life.

15 **Sec. 2.** RCW 36.70A.070 and 1998 c 171 s 2 are each amended to read  
16 as follows:

17 The comprehensive plan of a county or city that is required or  
18 chooses to plan under RCW 36.70A.040 shall consist of a map or maps,  
19 and descriptive text covering objectives, principles, and standards  
20 used to develop the comprehensive plan. The plan shall be an  
21 internally consistent document and all elements shall be consistent  
22 with the future land use map. A comprehensive plan shall be adopted  
23 and amended with public participation as provided in RCW 36.70A.140.

24 Each comprehensive plan shall include a plan, scheme, or design for  
25 each of the following:

26 (1) A land use element designating the proposed general  
27 distribution and general location and extent of the uses of land, where  
28 appropriate, for agriculture, timber production, housing, commerce,  
29 industry, recreation, open spaces, general aviation airports, public  
30 utilities, public facilities, and other land uses. The land use  
31 element shall include population densities, building intensities, and  
32 estimates of future population growth. The land use element shall  
33 provide for protection of the quality and quantity of ground water used  
34 for public water supplies. Where applicable, the land use element  
35 shall review drainage, flooding, and storm water run-off in the area  
36 and nearby jurisdictions and provide guidance for corrective actions to  
37 mitigate or cleanse those discharges that pollute waters of the state,  
38 including Puget Sound or waters entering Puget Sound.

1 (2) A housing element ensuring the vitality and character of  
2 established residential neighborhoods that: (a) Includes an inventory  
3 and analysis of existing and projected housing needs; (b) includes a  
4 statement of goals, policies, objectives, and mandatory provisions for  
5 the preservation, improvement, and development of housing, including  
6 single-family residences; (c) identifies sufficient land for housing,  
7 including, but not limited to, government-assisted housing, housing for  
8 low-income families, manufactured housing, multifamily housing, and  
9 group homes and foster care facilities; and (d) makes adequate  
10 provisions for existing and projected needs of all economic segments of  
11 the community.

12 (3) A capital facilities plan element consisting of: (a) An  
13 inventory of existing capital facilities owned by public entities,  
14 showing the locations and capacities of the capital facilities; (b) a  
15 forecast of the future needs for such capital facilities; (c) the  
16 proposed locations and capacities of expanded or new capital  
17 facilities; (d) at least a six-year plan that will finance such capital  
18 facilities within projected funding capacities and clearly identifies  
19 sources of public money for such purposes; and (e) a requirement to  
20 reassess the land use element if probable funding falls short of  
21 meeting existing needs and to ensure that the land use element, capital  
22 facilities plan element, and financing plan within the capital  
23 facilities plan element are coordinated and consistent.

24 (4) A utilities element consisting of the general location,  
25 proposed location, and capacity of all existing and proposed utilities,  
26 including, but not limited to, electrical lines, telecommunication  
27 lines, and natural gas lines.

28 (5) Rural element. Counties shall include a rural element  
29 including lands that are not designated for urban growth, agriculture,  
30 forest, or mineral resources. The following provisions shall apply to  
31 the rural element:

32 (a) Growth management act goals and local circumstances. Because  
33 circumstances vary from county to county, in establishing patterns of  
34 rural densities and uses, a county may consider local circumstances,  
35 but shall develop a written record explaining how the rural element  
36 harmonizes the planning goals in RCW 36.70A.020 and meets the  
37 requirements of this chapter.

38 (b) Rural development. The rural element shall permit rural  
39 development, forestry, and agriculture in rural areas. The rural

1 element shall provide for a variety of rural densities, uses, essential  
2 public facilities, and rural governmental services needed to serve the  
3 permitted densities and uses. In order to achieve a variety of rural  
4 densities and uses, counties may provide for clustering, density  
5 transfer, design guidelines, conservation easements, and other  
6 innovative techniques that will accommodate appropriate rural densities  
7 and uses that are not characterized by urban growth and that are  
8 consistent with rural character.

9 (c) Measures governing rural development. The rural element shall  
10 include measures that apply to rural development and protect the rural  
11 character of the area, as established by the county, by:

12 (i) Containing or otherwise controlling rural development;

13 (ii) Assuring visual compatibility of rural development with the  
14 surrounding rural area;

15 (iii) Reducing the inappropriate conversion of undeveloped land  
16 into sprawling, low-density development in the rural area;

17 (iv) Protecting critical areas, as provided in RCW 36.70A.060, and  
18 surface water and ground water resources; and

19 (v) Protecting against conflicts with the use of agricultural,  
20 forest, and mineral resource lands designated under RCW 36.70A.170.

21 (d) Limited areas of more intensive rural development. Subject to  
22 the requirements of this subsection and except as otherwise  
23 specifically provided in this subsection (5)(d), the rural element may  
24 allow for limited areas of more intensive rural development, including  
25 necessary public facilities and public services to serve the limited  
26 area as follows:

27 (i) Rural development consisting of the infill, development, or  
28 redevelopment of existing commercial, industrial, residential, or  
29 mixed-use areas, whether characterized as shoreline development,  
30 villages, hamlets, rural activity centers, or crossroads developments.  
31 A commercial, industrial, residential, shoreline, or mixed-use area  
32 shall be subject to the requirements of (d)(iv) of this subsection, but  
33 shall not be subject to the requirements of (c)(ii) and (iii) of this  
34 subsection. An industrial area is not required to be principally  
35 designed to serve the existing and projected rural population;

36 (ii) The intensification of development on lots containing, or new  
37 development of, small-scale recreational or tourist uses, including  
38 commercial facilities to serve those recreational or tourist uses, that  
39 rely on a rural location and setting, but that do not include new

1 residential development. A small-scale recreation or tourist use is  
2 not required to be principally designed to serve the existing and  
3 projected rural population. Public services and public facilities  
4 shall be limited to those necessary to serve the recreation or tourist  
5 use and shall be provided in a manner that does not permit low-density  
6 sprawl;

7 (iii) The intensification of development on lots containing  
8 isolated nonresidential uses or new development of isolated cottage  
9 industries and isolated small-scale businesses that are not principally  
10 designed to serve the existing and projected rural population and  
11 nonresidential uses, but do provide job opportunities for rural  
12 residents. Rural counties may allow the expansion of small-scale  
13 businesses as long as those small-scale businesses conform with the  
14 rural character of the area as defined by the local government  
15 according to RCW 36.70A.030(14). Rural counties may also allow new  
16 small-scale businesses to utilize a site previously occupied by an  
17 existing business as long as the new small-scale business conforms to  
18 the rural character of the area as defined by the local government  
19 according to RCW 36.70A.030(14). Public services and public facilities  
20 shall be limited to those necessary to serve the isolated  
21 nonresidential use and shall be provided in a manner that does not  
22 permit low-density sprawl;

23 (iv) A county shall adopt measures to minimize and contain the  
24 existing areas or uses of more intensive rural development, as  
25 appropriate, authorized under this subsection. Lands included in such  
26 existing areas or uses shall not extend beyond the logical outer  
27 boundary of the existing area or use, thereby allowing a new pattern of  
28 low-density sprawl. Existing areas are those that are clearly  
29 identifiable and contained and where there is a logical boundary  
30 delineated predominately by the built environment, but that may also  
31 include undeveloped lands if limited as provided in this subsection.  
32 The county shall establish the logical outer boundary of an area of  
33 more intensive rural development. In establishing the logical outer  
34 boundary the county shall address (A) the need to preserve the  
35 character of existing natural neighborhoods and communities, (B)  
36 physical boundaries such as bodies of water, streets and highways, and  
37 land forms and contours, (C) the prevention of abnormally irregular  
38 boundaries, and (D) the ability to provide public facilities and public  
39 services in a manner that does not permit low-density sprawl;

1 (v) For purposes of (d) of this subsection, an existing area or  
2 existing use is one that was in existence:

3 (A) On July 1, 1990, in a county that was initially required to  
4 plan under all of the provisions of this chapter;

5 (B) On the date the county adopted a resolution under RCW  
6 36.70A.040(2), in a county that is planning under all of the provisions  
7 of this chapter under RCW 36.70A.040(2); or

8 (C) On the date the office of financial management certifies the  
9 county's population as provided in RCW 36.70A.040(5), in a county that  
10 is planning under all of the provisions of this chapter pursuant to RCW  
11 36.70A.040(5).

12 (e) Exception. This subsection shall not be interpreted to permit  
13 in the rural area a major industrial development or a master planned  
14 resort unless otherwise specifically permitted under RCW 36.70A.360 and  
15 36.70A.365.

16 (6) A transportation element that implements, and is consistent  
17 with, the land use element.

18 (a) The transportation element shall include the following  
19 subelements:

20 (i) Land use assumptions used in estimating travel;

21 (ii) Estimated traffic impacts to state-owned transportation  
22 facilities resulting from land use assumptions to assist the department  
23 of transportation in monitoring the performance of state facilities, to  
24 plan improvements for the facilities, and to assess the impact of land-  
25 use decisions on state-owned transportation facilities;

26 (iii) Facilities and services needs, including:

27 (A) An inventory of air, water, and ground transportation  
28 facilities and services, including transit alignments and general  
29 aviation airport facilities, to define existing capital facilities and  
30 travel levels as a basis for future planning. This inventory must  
31 include state-owned transportation facilities within the city or  
32 county's jurisdiction boundaries;

33 (B) Level of service standards for all locally owned arterials and  
34 transit routes to serve as a gauge to judge performance of the system.  
35 These standards should be regionally coordinated;

36 (C) For state-owned transportation facilities, level of service  
37 standards for highways, as prescribed in chapters 47.06 and 47.80 RCW,  
38 to gauge the performance of the system. The purposes of reflecting  
39 level of service standards for state highways in the local

1 comprehensive plan are to monitor the performance of the system, to  
2 evaluate improvement strategies, and to facilitate coordination between  
3 the county's or city's six-year street, road, or transit program and  
4 the department of transportation's six-year investment program. The  
5 concurrency requirements of (b) of this subsection do not apply to  
6 transportation facilities and services of statewide significance except  
7 for counties consisting of islands whose only connection to the  
8 mainland are state highways or ferry routes. In these island counties,  
9 state highways and ferry route capacity must be a factor in meeting the  
10 concurrency requirements in (b) of this subsection;

11 (D) Specific actions and requirements for bringing into compliance  
12 locally owned transportation facilities or services that are below an  
13 established level of service standard;

14 (E) Forecasts of traffic for at least ten years based on the  
15 adopted land use plan to provide information on the location, timing,  
16 and capacity needs of future growth;

17 (F) Identification of state and local system needs to meet current  
18 and future demands. Identified needs on state-owned transportation  
19 facilities must be consistent with the statewide multimodal  
20 transportation plan required under chapter 47.06 RCW;

21 (iv) Finance, including:

22 (A) An analysis of funding capability to judge needs against  
23 probable funding resources;

24 (B) A multiyear financing plan based on the needs identified in the  
25 comprehensive plan, the appropriate parts of which shall serve as the  
26 basis for the six-year street, road, or transit program required by RCW  
27 35.77.010 for cities, RCW 36.81.121 for counties, and RCW 35.58.2795  
28 for public transportation systems. The multiyear financing plan should  
29 be coordinated with the six-year improvement program developed by the  
30 department of transportation as required by RCW 47.05.030;

31 (C) If probable funding falls short of meeting identified needs, a  
32 discussion of how additional funding will be raised, or how land use  
33 assumptions will be reassessed to ensure that level of service  
34 standards will be met;

35 (v) Intergovernmental coordination efforts, including an assessment  
36 of the impacts of the transportation plan and land use assumptions on  
37 the transportation systems of adjacent jurisdictions;

38 (vi) Demand-management strategies.

1 (b) After adoption of the comprehensive plan by jurisdictions  
2 required to plan or who choose to plan under RCW 36.70A.040, local  
3 jurisdictions must adopt and enforce ordinances which prohibit  
4 development approval if the development causes the level of service on  
5 a locally owned transportation facility to decline below the standards  
6 adopted in the transportation element of the comprehensive plan, unless  
7 transportation improvements or strategies to accommodate the impacts of  
8 development are made concurrent with the development. These strategies  
9 may include increased public transportation service, ride sharing  
10 programs, demand management, and other transportation systems  
11 management strategies. For the purposes of this subsection (6)  
12 "concurrent with the development" shall mean that improvements or  
13 strategies are in place at the time of development, or that a financial  
14 commitment is in place to complete the improvements or strategies  
15 within six years.

16 (c) The transportation element described in this subsection (6),  
17 and the six-year plans required by RCW 35.77.010 for cities, RCW  
18 36.81.121 for counties, RCW 35.58.2795 for public transportation  
19 systems, and RCW 47.05.030 for the state, must be consistent.

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Passed the Senate March 8, 2002.

Approved by the Governor March 28, 2002.

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