

# HOUSE BILL REPORT

## HB 1336

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

**Title:** An act relating to allowing the use of federal census data to determine the resident population of annexed territory.

**Brief Description:** Allowing the use of federal census data to determine the resident population of annexed territory.

**Sponsors:** Representatives Springer, Goodman, Kagi, Hunter, Rodne, Eddy, Asay, Ryu, Fitzgibbon, Stanford and Kenney.

#### **Brief History:**

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

Local Government: 1/26/11, 2/15/11 [DPS].

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

- Authorizes cities to use 2010 federal decennial census data, as updated by the Office of Financial Management (OFM) pursuant to RCW 43.62.030, to account for the resident population of complete federal census blocks located in territory to be annexed, if the date of annexation occurs within 18 months after the release of the 2010 census data.
- Specifies that if, during the timeframe in which the use of federal decennial census data to account for a resident population is authorized, the OFM confirms a known census error within a complete federal census block, the population determination may include an enumeration of the population of certain group quarters, mobile home parks, and apartment complexes within that block.
- Requires cities to use actual enumeration to account for the resident population of any partial census block located within the annexed territory, and for the entire resident population of the annexed territory if the date of annexation occurs more than 18 months from the date of release of federal decennial census data.

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#### HOUSE COMMITTEE ON LOCAL GOVERNMENT

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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.*

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 9 members: Representatives Takko, Chair; Tharinger, Vice Chair; Angel, Ranking Minority Member; Asay, Assistant Ranking Minority Member; Fitzgibbon, Rodne, Smith, Springer and Upthegrove.

**Staff:** Heather Emery (786-7136).

**Background:**

Annexations and Population Determinations.

Annexations by cities and towns and annexations by code cities, while governed by separate statutes, share a common requirement for the annexing jurisdiction to determine the resident population of the territory to be annexed. Such population determinations must be accomplished using the practice of actual enumeration, conducted in accordance with the practices and policies, and subject to the approval of, the Office of Financial Management (OFM), which uses the information supplied through the annexation process in annually calculating the population of all cities and towns in the state.

State-shared revenues from the gasoline tax, liquor board profits, and the liquor excise tax are distributed to cities on the basis of population as determined by the OFM. For a city to have its population adjusted for an annexation for purposes of state-shared revenue distributions, the OFM must certify the annexation, after which it notifies the appropriate state agencies of the population change.

For purposes of state-shared revenues, the revised city boundaries and the new population are not recognized until the date that the OFM approves the annexation certificate submitted to it by the city.

Federal Census Blocks.

The United States (U.S.) Census counts every resident in the U.S. It is mandated by Article I, section 2 of the U.S. Constitution, takes place every 10 years, and must be accomplished using actual enumeration. Among other purposes, decennial census data is used to determine the distribution of congressional seats to states, to make decisions about what community services to provide, and to distribute federal funds to local, state, and tribal governments.

Census blocks are the smallest geographic area for which the U.S. Census Bureau (Bureau) collects and tabulates decennial census data. Generally, they are formed by streets, roads, railroads, streams and other bodies of water, other visible physical and cultural features, and the legal boundaries shown on Bureau maps.

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**Summary of Substitute Bill:**

Actual enumeration must be used to account for the population of the entire territory to be annexed if:

- the territory to be annexed consists entirely of one or more partial census blocks; or
- the annexation does not occur within the 18 months immediately following release of the 2010 federal decennial census data.

An annexing city may always choose to use actual enumeration to determine the population of territory to be annexed. However, within the 18 months immediately following the release of the 2010 federal decennial census data, an annexing city or code city's population determination of the area to be annexed may consist of:

- relevant 2010 federal decennial census data, as updated by the office, pertaining to the population of any complete census block located within the territory to be annexed;
- an actual enumeration of any population residing within the annexed territory but outside any complete census block or blocks; and
- an actual enumeration of group quarters, mobile home parks, or certain apartment buildings located within a complete census block, if the office confirms the existence of a known census error within the complete census block, and if it identifies one or more of these structures or complexes as the source of the error.

An actual enumeration must be conducted pursuant to the policies and procedures of the office, and the annexing city is responsible for the full cost of determining the population of the territory to be annexed.

**Substitute Bill Compared to Original Bill:**

The timeframe in which a city is authorized to use federal decennial census data is limited to 18 months after the release of the 2010 federal decennial census data.

Circumstances are described under which a population determination for an annexation occurring within 18 months of the release of 2010 federal decennial census data may include an actual enumeration of group quarters, mobile home parks, and certain apartment buildings located in complete census blocks within the territory to be annexed.

An actual enumeration must be conducted pursuant to the policies and procedures of the office. However, it is not subject to the approval of the office.

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**Appropriation:** None.

**Fiscal Note:** Requested on January 19, 2011.

**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) This bill is an efficiency measure that helps cities live up to Growth Management Act requirements to annex unincorporated urban areas. Annexation is an

expensive process, and cities rarely come out ahead. Nevertheless, cities are stepping up to the challenge, despite the economic challenges they are facing. For one municipality, the cost of an enumeration of approximately 14,000 inhabitants was over \$81,000. Within a year, another municipality may incur about \$225,000 to enumerate the population of territory to be annexed. The process of actual enumeration is expensive, complex, and thorough — which is a good thing. However, using federal census data released within a short timeframe before annexation occurs is reasonable. The bill allows cities to use the same update process that the OFM would go through to update the population determination if there were not an annexation. This is a good government, common sense bill.

(With concerns) Population determinations affect statewide resource distributions. The OFM takes these numbers very seriously, but tries to balance cost to annexing jurisdictions with a need for accuracy. The current federal census data is not accurate. Over 100 annexations per year occur in Washington, and the data gathered through the enumeration process related to these annexations is important to improving the accuracy of statewide numbers.

(Opposed) None.

**Persons Testifying:** (In support) Representative Springer, prime sponsor; Kurt Triplett, City of Kirkland; and Mike Martin, City of Burien.

(With concerns) Marc Baldwin, Office of Financial Management.

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