

CERTIFICATION OF ENROLLMENT

**SENATE BILL 5324**

Chapter 438, Laws of 2023

68th Legislature  
2023 Regular Session

DEFENSE COMMUNITY COMPATIBILITY ACCOUNT—MODIFICATION

EFFECTIVE DATE: July 23, 2023

Passed by the Senate April 17, 2023  
Yeas 48 Nays 0

DENNY HECK

**President of the Senate**

Passed by the House April 6, 2023  
Yeas 97 Nays 0

Laurie Jinkins

**Speaker of the House of  
Representatives**

Approved May 11, 2023 10:06 AM

JAY INSLEE

**Governor of the State of Washington**

CERTIFICATE

I, Sarah Bannister, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SENATE BILL 5324** as passed by the Senate and the House of Representatives on the dates hereon set forth.

SARAH BANNISTER

**Secretary**

FILED

May 11, 2023

**Secretary of State  
State of Washington**

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**SENATE BILL 5324**

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AS AMENDED BY THE HOUSE

Passed Legislature - 2023 Regular Session

**State of Washington**

**68th Legislature**

**2023 Regular Session**

**By** Senators Conway, Nobles, Lovick, Fortunato, Hunt, Wagoner, Randall, and C. Wilson; by request of Department of Commerce

Read first time 01/12/23. Referred to Committee on State Government & Elections.

1 AN ACT Relating to the defense community compatibility account;  
2 and amending RCW 43.330.515 and 43.330.520.

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

4 **Sec. 1.** RCW 43.330.515 and 2019 c 404 s 1 are each amended to  
5 read as follows:

6 (1) The defense community compatibility account is created in the  
7 state treasury. Revenues to the account consist of appropriations by  
8 the legislature, private contributions, and all other sources  
9 deposited in the account.

10 (2)(a) Expenditures from the account may only be used for grants  
11 to local governments, federally recognized Indian tribes, or entities  
12 who have entered into an agreement with a military installation in  
13 the state under the United States department of defense readiness and  
14 environmental protection integration program for purposes of the  
15 programs established in subsection (3) of this section, including  
16 administrative expenses. (~~Priority must be given for grant  
17 applications accompanied by express support from nonprofit community  
18 or neighborhood-based organizations, public development authorities,  
19 federally recognized Indian tribes in the state, or other community  
20 partners.~~) Only the director or the director's designee((~~r~~)) may  
21 authorize expenditures. In order for the director or the director's

1 designee to authorize an expenditure for the purpose identified in  
2 subsection (3) of this section, both (~~federal~~) nonstate and  
3 applicant funds must be committed to the same purposes or project as  
4 the state expenditure.

5 (b) An applicant must submit an application to the department in  
6 order to be eligible for funding under this subsection, and the  
7 department may not expend money on a project for which an applicant  
8 has not applied to the department to carry out the project.

9 (3)(a) The department may expend moneys from the account to  
10 provide state funds for capital projects identified by applicants to  
11 address incompatible development connected to Washington state  
12 military installations. For purposes of this section, "incompatible  
13 development" includes land development and military operations that  
14 impact the economy, environment, or quality of life opportunities for  
15 local communities.

16 (b) The department must evaluate and rank applications using  
17 objective criteria such as a community cost-benefit analysis, must  
18 consider recommendations from a citizens advisory commission  
19 comprised of representatives of community stakeholders impacted by  
20 military installations or their operations, must hold public hearings  
21 at least ninety days prior to any funding decision, and may consider  
22 the degree to which each project is compatible with the criteria  
23 established in the United States department of defense's readiness  
24 and environmental protection integration program. When ranking  
25 applications, the department must give priority to grant  
26 applications:

27 (i) That have secured federal or other nonstate funding for the  
28 project;

29 (ii) That leverage a higher proportion of federal or other  
30 nonstate funding;

31 (iii) In which the federal grant requires state match in a timely  
32 manner; or

33 (iv) Accompanied by express support from nonprofit community or  
34 neighborhood-based organizations, public development authorities,  
35 federally recognized Indian tribes in the state, or other community  
36 partners.

37 (c) Eligible projects may include:

38 (i) Acquisition of real property or real property interests to  
39 eliminate an existing incompatible use;

1 (ii) Projects to jointly assist in the recovery or protection of  
2 endangered species dependent on military installation property for  
3 habitat;

4 (iii) Projects (~~(or programs)~~) to increase the availability of  
5 housing affordable to enlisted military personnel and nonmilitary  
6 residents in the local community;

7 (iv) Projects to retrofit existing uses to increase their  
8 compatibility with existing or future military operations;

9 (v) Projects to enable local communities heavily dependent on a  
10 nearby military installation to diversify the local economy so as to  
11 reduce the economic dependence on the military base;

12 (vi) Projects that aid communities to replace jobs lost in the  
13 event of a reduction of the military presence; and

14 (vii) Projects that improve or enhance aspects of the local  
15 economy, environment, or quality of life impacted by the presence of  
16 military activities.

17 (4) The department may adopt rules to implement this section.

18 **Sec. 2.** RCW 43.330.520 and 2021 c 332 s 7039 are each amended to  
19 read as follows:

20 (1) The department must produce a biennial report identifying a  
21 list of projects to address incompatible developments near military  
22 installations.

23 (a) The list must include a description of each project, the  
24 estimated cost of the project, the amount of recommended state  
25 funding, and the amount of any federal or local funds documented to  
26 be available to be used for the project.

27 (b) Projects on the list must be prioritized with consideration  
28 given to:

29 (i) The recommendations of the recent United States department of  
30 defense base realignment and closure (BRAC) processes, joint land use  
31 studies, or other federally initiated land use processes; and

32 (ii) Whether a branch of the United States armed forces has  
33 identified the project as increasing the viability of military  
34 installations for current or future missions.

35 (c) The department may consult with the commanders of United  
36 States military installations in Washington to understand impacts and  
37 identify the viability of community identified projects to reduce  
38 incompatibility.

1           (2) The department must submit the report to appropriate  
2 committees of the house of representatives and the senate, including  
3 the joint committee on veterans' and military affairs and the house  
4 of representatives capital budget committee, by (~~January 1, 2020~~)  
5 November 1, 2024, and every two years thereafter.

6           (~~(3) For the 2021-2023 fiscal biennium, the department shall~~  
7 ~~develop the report in subsection (2) of this section by November 1,~~  
8 ~~2022, rather than by January 1, 2022.~~)

Passed by the Senate April 17, 2023.

Passed by the House April 6, 2023.

Approved by the Governor May 11, 2023.

Filed in Office of Secretary of State May 11, 2023.

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