clearly ongoing and operating in nature. I am directing the Department of Community Development to explore opportunities to provide training and technical assistance to community based organizations serving low income rural and urban areas.

Section 306(26)

Subsection 26 provides for a review of state supported advanced technology and technology transfer economic development activities. While I applaud the Legislature for examining these important issues, the language contained in section 76 of Engrossed House Bill 2929 is overly prescriptive given the size of the appropriation to support the review. I am directing the Department of Trade and Economic Development to utilize the available funds to evaluate existing state supported applied research and technology transfer activities in the state. I am also directing the Department of Trade and Economic Development to conduct an initial examination of opportunities for collaboration between higher education, industry and the state as a way to increase the economic competitiveness of the state.

Section 705

This section forgives loans made to the cities of Federal Way and Sea Tac that were supported by an Emergency Fund allocation to the Department of Community Development for that purpose. In modifying the Executive's decision in the matter of the allocation to the Department of Community Development in this way, the Legislature makes an unacceptable encroachment into gubernatorial authority and responsibility for the Governor's Emergency Fund.

With the exceptions of sections 116(1), 120(5), 206(1)(a)(iv), 207(1)(g), 208(14), 218(7), 223(8), 225(25), 225(27), 229(2)(c), 229(11)(b), 302(20), 302(25), 306(13), 306(18), 306(19), 306(26) and 705, Substitute Senate Bill No. 6407 is approved."

CHAPTER 17

[Substitute House Bill No. 2929]

GROWTH MANAGEMENT

AN ACT Relating to growth; amending RCW 35A.40.210, 36.94.040, 56.08.020, 57.16.010, 82.46.010, 82.46.030, 82.46.040, 82.46.050, 82.46.060, 82.02.020, 58.17.060, 58.17.110, 36.81.121, 35.77.010, 35.58.2795, 76.09.050, 76.09.060, 43.210.010, 43.210.020, 43.31.005, 43.31.035, 43.63A.065, 43.160.060, 43.168.050, 43.155.070, and 43.63A.078; adding new sections to chapter 43.63A RCW; adding a new section to chapter 35.63 RCW; adding a new section to chapter 35A.63 RCW; adding a new section to chapter 36.70 RCW; adding a new section to chapter 35.22 RCW; adding a new section to chapter 35.23 RCW; adding a new section to chapter 36.32 RCW; adding a new section to chapter 36.77 RCW; adding a new section to chapter 35.13 RCW; adding a new section to chapter 35A.14 RCW; adding a new section to chapter 43.62 RCW; adding a new section to chapter 82.46 RCW; adding new sections to chapter 82.02 RCW; adding new sections to chapter 59.18 RCW; adding a new section to chapter 19.27 RCW; adding new sections to chapter 43.31 RCW; adding a new section to chapter 43.17 RCW; adding a new section to chapter 43.19 RCW; adding a new section to chapter 82.32 RCW; adding a new chapter to Title 36 RCW; adding a new chapter to Title 47 RCW; and creating new sections.

Be it enacted by the Legislature of the State of Washington:

NEW SECTION. Sec. 1. FINDINGS AND INTENT. The legislature finds that uncoordinated and unplanned growth, together with a lack of common goals expressing the public's interest in the conservation and the wise use of our lands, pose a threat to the environment, sustainable economic development, and the health, safety, and high quality of life enjoyed

by residents of this state. It is in the public interest that citizens, communities, local governments, and the private sector cooperate and coordinate with one another in comprehensive land use planning. Further, the legislature finds that it is in the public interest that economic development programs be shared with communities experiencing insufficient economic growth.

PART I
GOALS AND PLANNING

NEW SECTION. Sec. 2. PLANNING GOALS. The following goals are adopted to guide the development and adoption of comprehensive plans and development regulations of those counties and cities that are required or choose to plan under section 4 of this act. The following goals are not listed in order of priority and shall be used exclusively for the purpose of guiding the development of comprehensive plans and development regulations:

(1) Urban growth. Encourage development in urban areas where adequate public facilities and services exist or can be provided in an efficient manner.

(2) Reduce sprawl. Reduce the inappropriate conversion of undeveloped land into sprawling, low-density development.

(3) Transportation. Encourage efficient multimodal transportation systems that are based on regional priorities and coordinated with county and city comprehensive plans.

(4) Housing. Encourage the availability of affordable housing to all economic segments of the population of this state, promote a variety of residential densities and housing types, and encourage preservation of existing housing stock.

(5) Economic development. Encourage economic development throughout the state that is consistent with adopted comprehensive plans, promote economic opportunity for all citizens of this state, especially for unemployed and for disadvantaged persons, and encourage growth in areas experiencing insufficient economic growth, all within the capacities of the state's natural resources, public services, and public facilities.

(6) Property rights. Private property shall not be taken for public use without just compensation having been made. The property rights of landowners shall be protected from arbitrary and discriminatory actions.

(7) Permits. Applications for both state and local government permits should be processed in a timely and fair manner to ensure predictability.

(8) Natural resource industries. Maintain and enhance natural resource-based industries, including productive timber, agricultural, and fisheries industries. Encourage the conservation of productive forest lands and productive agricultural lands, and discourage incompatible uses.

(9) Open space and recreation. Encourage the retention of open space and development of recreational opportunities, conserve fish and wildlife habitat, increase access to natural resource lands and water, and develop parks.

(10) Environment. Protect the environment and enhance the state's high quality of life, including air and water quality, and the availability of water.

(11) Citizen participation and coordination. Encourage the involvement of citizens in the planning process and ensure coordination between communities and jurisdictions to reconcile conflicts.

(12) Public facilities and services. Ensure that those public facilities and services necessary to support development shall be adequate to serve the development at the time the development is available for occupancy and use without decreasing current service levels below locally established minimum standards.

(13) Historic preservation. Identify and encourage the preservation of lands, sites, and structures, that have historical or archaeological significance.

NEW SECTION. Sec. 3. DEFINITIONS. Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) "Adopt a comprehensive land use plan" means to enact a new comprehensive land use plan or to update an existing comprehensive land use plan.

(2) "Agricultural land" means land primarily devoted to the commercial production of horticultural, viticultural, floricultural, dairy, apiary, vegetable, or animal products or of berries, grain, hay, straw, turf, seed, Christmas trees not subject to the excise tax imposed by RCW 84.33.100 through 84.33.140, or livestock, and that has long-term commercial significance for agricultural production.

(3) "City" means any city or town, including a code city.

(4) "Comprehensive land use plan," "comprehensive plan," or "plan" means a generalized coordinated land use policy statement of the governing body of a county or city that is adopted pursuant to this chapter.

(5) "Critical areas" include the following areas and ecosystems: (a) Wetlands; (b) areas with a critical recharging effect on aquifers used for potable water; (c) fish and wildlife habitat conservation areas; (d) frequently flooded areas; and (e) geologically hazardous areas.

(6) "Department" means the department of community development.

(7) "Development regulations" means any controls placed on development or land use activities by a county or city, including, but not limited to, zoning ordinances, official controls, planned unit development ordinances, subdivision ordinances, and binding site plan ordinances.

(8) "Forest land" means land primarily useful for growing trees, including Christmas trees subject to the excise tax imposed under RCW 84.33.100 through 84.33.140, for commercial purposes, and that has long-term commercial significance for growing trees commercially.

(9) "Geologically hazardous areas" means areas that because of their susceptibility to erosion, sliding, earthquake, or other geological events, are not suited to the siting of commercial, residential, or industrial development consistent with public health or safety concerns.

(10) "Long-term commercial significance" includes the growing capacity, productivity, and soil composition of the land for long-term commercial production, in consideration with the land's proximity to population areas, and the possibility of more intense uses of the land.

(11) "Minerals" include gravel, sand, and valuable metallic substances.

(12) "Public facilities" include streets, roads, highways, sidewalks, street and road lighting systems, traffic signals, domestic water systems, storm and sanitary sewer systems, parks and recreational facilities, and schools.

(13) "Public services" include fire protection and suppression, law enforcement, public health, education, recreation, environmental protection, and other governmental services.

(14) "Urban growth" refers to growth that makes intensive use of land for the location of buildings, structures, and impermeable surfaces to such a degree as to be incompatible with the primary use of such land for the production of food, other agricultural products, or fiber, or the extraction of mineral resources. When allowed to spread over wide areas, urban growth typically requires urban governmental services. "Characterized by urban growth" refers to land having urban growth located on it, or to land located in relationship to an area with urban growth on it as to be appropriate for urban growth.

(15) "Urban growth areas" means those areas designated by a county pursuant to section 11 of this act.

(16) "Urban governmental services" include those governmental services historically and typically delivered by cities, and include storm and sanitary sewer systems, domestic water systems, street cleaning services, fire and police protection services, public transit services, and other public utilities associated with urban areas and normally not associated with nonurban areas.

(17) "Wetland" or "wetlands" means areas that are inundated or saturated by surface water or ground water at a frequency and duration sufficient to support, and that under normal circumstances do support, a prevalence of vegetation typically adapted for life in saturated soil conditions. Wetlands generally include swamps, marshes, bogs, and similar areas. Wetlands do not include those artificial wetlands intentionally created from nonwetland sites, including, but not limited to, irrigation and drainage

ditches, grass-lined swales, canals, detention facilities, wastewater treatment facilities, farm ponds, and landscape amenities. However, wetlands may include those artificial wetlands intentionally created from nonwetland areas created to mitigate conversion of wetlands, if permitted by the county or city.

NEW SECTION. Sec. 4. WHO MUST PLAN. (1) Each county that has both a population of fifty thousand or more and has had its population increase by more than ten percent in the previous ten years, and the cities located within such county, and any other county regardless of its population that has had its population increase by more than twenty percent in the previous ten years, and the cities located within such county, shall adopt comprehensive land use plans and development regulations under this chapter. However, the county legislative authority of such a county with a population of less than fifty thousand population may adopt a resolution removing the county, and the cities located within the county, from the requirements of adopting comprehensive land use plans and development regulations under this chapter if this resolution is adopted and filed with the department by December 31, 1990. Once a county meets either of these criteria, the requirement to conform with sections 4 through 16 of this act remains in effect, even if the county no longer meets one of these criteria.

(2) The county legislative authority of any county that does not meet the requirements of subsection (1) of this section may adopt a resolution indicating its intention to have subsection (1) of this section apply to the county. Each city, located in a county that chooses to plan under this subsection, shall adopt a comprehensive land use plan in accordance with this chapter. Once such a resolution has been adopted, the county cannot remove itself from the requirements of this chapter.

(3) Any county or city that is required to adopt a comprehensive land use plan under subsection (1) of this section shall adopt the plan on or before July 1, 1993. Any county or city that is required to adopt a comprehensive land use plan under subsection (2) of this section shall adopt the plan not later than three years from the date the county legislative body takes action as required by subsection (2) of this section.

(4) If the office of financial management certifies that the population of a county has changed sufficiently to meet the requirements of subsection (1) of this section, and the county legislative authority has not adopted a resolution removing the county from these requirements as provided in subsection (1) of this section, the county and each city within such county shall adopt: (a) Development regulations under section 6 of this act within one year of the certification by the office of financial management; (b) a comprehensive land use plan under this chapter within three years of the certification by the office of financial management; and (c) development regulations pursuant to this chapter within one year of having adopted its comprehensive land use plan.

NEW SECTION. Sec. 5. GUIDELINES TO CLASSIFY AGRICULTURE, FOREST, AND MINERAL LANDS AND CRITICAL AREAS. (1) Subject to the definitions provided in section 3 of this act, the department shall adopt guidelines, under chapter 34.05 RCW, no later than September 1, 1990, to guide the classification of: (a) Agricultural lands; (b) forest lands; (c) mineral resource lands; and (d) critical areas. The department shall consult with the department of agriculture regarding guidelines for agricultural lands, the department of natural resources regarding forest lands and mineral resource lands, and the department of ecology regarding critical areas.

(2) In carrying out its duties under this section, the department shall consult with interested parties, including but not limited to: (a) Representatives of cities; (b) representatives of counties; (c) representatives of developers; (d) representatives of builders; (e) representatives of owners of agricultural lands, forest lands, and mining lands; (f) representatives of local economic development officials; (g) representatives of environmental organizations; (h) representatives of special districts; (i) representatives of the governor's office and federal and state agencies; and (j) representatives of Indian tribes. In addition to the consultation required under this subsection, the department shall conduct public hearings in the various regions of the state. The department shall consider the public input obtained at such public hearings when adopting the guidelines.

(3) The guidelines under subsection (1) of this section shall be minimum guidelines that apply to all jurisdictions, but also shall allow for regional differences that exist in Washington state. The intent of these guidelines is to assist counties and cities in designating the classification of agricultural lands, forest lands, mineral resource lands, and critical areas under section 17 of this act.

(4) The guidelines established by the department under this section regarding classification of forest lands shall not be inconsistent with guidelines adopted by the department of natural resources.

NEW SECTION. Sec. 6. NATURAL RESOURCE LANDS AND CRITICAL AREAS——DEVELOPMENT REGULATIONS. (1) Each county that is required or chooses to plan under section 4 of this act, and each city within such county, shall adopt development regulations on or before September 1, 1991, to assure the conservation of agricultural, forest, and mineral resource lands designated under section 17 of this act. Regulations adopted under this section may not prohibit uses permitted prior to their adoption and shall remain in effect until a county adopts development regulations pursuant to section 12 of this act. Such regulations shall assure that the use of lands adjacent to agricultural, forest, or mineral resource lands shall not interfere with the continued use, in the accustomed manner, of these designated lands for the production of food, agricultural products, or timber, or for the extraction of minerals.

Each county that is required or chooses to plan under section 4 of this act, and each city within such county, shall adopt development regulations on or before September 1, 1991, precluding land uses or development that is incompatible with the critical areas that are required to be designated under section 17 of this act.

(2) Such counties and cities shall review these designations and development regulations when adopting their comprehensive plans under section 4 of this act and implementing development regulations under section 12 of this act and may alter such designations and development regulations to insure consistency.

NEW SECTION. Sec. 7. COMPREHENSIVE PLANS——MANDATORY ELEMENTS. The comprehensive plan of a county or city that is required or chooses to plan under section 4 of this act shall consist of a map or maps, and descriptive text covering objectives, principles, and standards used to develop the comprehensive plan. The plan shall be an internally consistent document and all elements shall be consistent with the future land use map. A comprehensive plan shall be adopted and amended with public participation as provided in section 14 of this act.

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

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

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

(3) A capital facilities plan element consisting of: (a) An inventory of existing capital facilities owned by public entities, showing the locations and capacities of the capital facilities; (b) a forecast of the future needs for such

capital facilities; (c) the proposed locations and capacities of expanded or new capital facilities; (d) at least a six-year plan that will finance such capital facilities within projected funding capacities and clearly identifies sources of public money for such purposes; and (e) a requirement to reassess the land use element if probable funding falls short of meeting existing needs and to ensure that the land use element, capital facilities plan element, and financing plan within the capital facilities plan element are coordinated and consistent.

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

(5) Counties shall include a rural element including lands that are not designated for urban growth, agriculture, forest, or mineral resources. The rural element shall permit land uses that are compatible with the rural character of such lands and provide for a variety of rural densities.

(6) A transportation element that implements, and is consistent with, the land use element. The transportation element shall include the following subelements:

(a) Land use assumptions used in estimating travel;

(b) Facilities and services needs, including:

(i) An inventory of air, water, and land transportation facilities and services, including transit alignments, to define existing capital facilities and travel levels as a basis for future planning;

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

(iii) Specific actions and requirements for bringing into compliance any facilities or services that are below an established level of service standard;

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

(v) Identification of system expansion needs and transportation system management needs to meet current and future demands;

(c) Finance, including:

(i) An analysis of funding capability to judge needs against probable funding resources;

(ii) A multiyear financing plan based on the needs identified in the comprehensive plan, the appropriate parts of which shall serve as the basis for the six-year street, road, or transit program required by RCW 35.77-.010 for cities, RCW 36.81.121 for counties, and RCW 35.58.2795 for public transportation systems;

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

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

(e) Demand-management strategies.

After adoption of the comprehensive plan by jurisdictions required to plan or who choose to plan under section 4 of this act, local jurisdictions must adopt and enforce ordinances which prohibit development approval if the development causes the level of service on a transportation facility to decline below the standards adopted in the transportation element of the comprehensive plan, unless transportation improvements or strategies to accommodate the impacts of development are made concurrent with the development. These strategies may include increased public transportation service, ride sharing programs, demand management, and other transportation systems management strategies. For the purposes of this subsection (6) "concurrent with the development" shall mean that improvements or strategies are in place at the time of development, or that a financial commitment is in place to complete the improvements or strategies within six years.

The transportation element described in this subsection, and the six-year plans required by RCW 35.77.010 for cities, RCW 36.81.121 for counties, and RCW 35.58.2795 for public transportation systems, must be consistent.

NEW SECTION. Sec. 8. OPTIONAL ELEMENTS. (1) A comprehensive plan may include additional elements, items, or studies dealing with other subjects relating to the physical development within its jurisdiction, including, but not limited to:

(a) Conservation;

(b) Solar energy; and

(c) Recreation.

(2) A comprehensive plan may include, where appropriate, subarea plans, each of which is consistent with the comprehensive plan.

NEW SECTION. Sec. 9. INNOVATIVE TECHNIQUES. A comprehensive plan should provide for innovative land use management techniques, including, but not limited to, density bonuses, cluster housing, planned unit developments, and the transfer of development rights.

NEW SECTION. Sec. 10. COMPREHENSIVE PLANS—MUST BE COORDINATED. The comprehensive plan of each county or city that is adopted pursuant to section 4 of this act shall be coordinated with, and consistent with, the comprehensive plans adopted pursuant to section 4 of this act of other counties or cities with which the county or city has, in part, common borders or related regional issues.

NEW SECTION. Sec. 11. COMPREHENSIVE PLANS——URBAN GROWTH AREAS. (1) Each county that is required or chooses to

adopt a comprehensive land use plan under section 4 of this act shall designate an urban growth area or areas within which urban growth shall be encouraged and outside of which growth can occur only if it is not urban in nature. Each city that is located in such a county shall be included within an urban growth area. An urban growth area may include more than a single city. An urban growth area may include territory that is located outside of a city only if such territory already is characterized by urban growth or is adjacent to territory already characterized by urban growth.

(2) Based upon the population forecast made for the county by the office of financial management, the urban growth areas in the county shall include areas and densities sufficient to permit the urban growth that is projected to occur in the county for the succeeding twenty-year period. Each urban growth area shall permit urban densities and shall include greenbelt and open space areas. Within one year of the effective date of this section, each county required to designate urban growth areas shall begin consulting with each city located within its boundaries and each city shall propose the location of an urban growth area. The county shall attempt to reach agreement with each city on the location of an urban growth area within which the city is located. If such an agreement is not reached with each city located within the urban growth area, the county shall justify in writing why it so designated the area an urban growth area. A city may object formally with the department over the designation of the urban growth area within which it is located. Where appropriate, the department shall attempt to resolve the conflicts, including the use of mediation services.

(3) Urban growth should be located first in areas already characterized by urban growth that have existing public facility and service capacities to serve such development, and second in areas already characterized by urban growth that will be served by a combination of both existing public facilities and services and any additional needed public facilities and services that are provided by either public or private sources. Further, it is appropriate that urban government services be provided by cities, and urban government services should not be provided in rural areas.

NEW SECTION. Sec. 12. COMPREHENSIVE PLANS——DEVELOPMENT REGULATIONS AND CAPITAL PLANS——IMPLEMENT IN CONFORMITY. Within one year of the adoption of its comprehensive plan, each county and city that is required or chooses to plan under section 4 of this act shall enact development regulations that are consistent with and implement the comprehensive plan. These counties and cities shall perform their activities and make capital budget decisions in conformity with their comprehensive plans.

NEW SECTION. Sec. 13. COMPREHENSIVE PLANS——AMENDMENTS. (1) Each comprehensive land use plan and development regulations shall be subject to continuing evaluation and review by the county or city that adopted them.

Any amendment or revision to a comprehensive land use plan shall conform to this chapter, and any change to development regulations shall be consistent with and implement the comprehensive plan.

(2) Each county and city shall establish procedures whereby proposed amendments or revisions of the comprehensive plan are considered by the governing body of the county or city no more frequently than once every year. All proposals shall be considered by the governing body concurrently so the cumulative effect of the various proposals can be ascertained. However, a county or city may adopt amendments or revisions to its comprehensive plan that conform with this chapter whenever an emergency exists.

(3) Each county that designates urban growth areas under section 11 of this act shall review, at least every ten years, its designated urban growth area or areas, and the densities permitted within both the incorporated and unincorporated portions of each urban growth area. In conjunction with this review by the county, each city located within an urban growth area shall review the densities permitted within its boundaries, and the extent to which the urban growth occurring within the county has located within each city and the unincorporated portions of the urban growth areas. The county comprehensive plan designating urban growth areas, and the densities permitted in the urban growth areas by the comprehensive plans of the county and each city located within the urban growth areas, shall be revised to accommodate the urban growth projected to occur in the county for the succeeding twenty-year period.

NEW SECTION. Sec. 14. COMPREHENSIVE PLANS——ENSURE PUBLIC PARTICIPATION. Each county and city that is required or chooses to plan under section 4 of this act shall establish procedures providing for early and continuous public participation in the development and amendment of comprehensive land use plans and development regulations implementing such plans. The procedures shall provide for broad dissemination of proposals and alternatives, opportunity for written comments, public meetings after effective notice, provision for open discussion, communication programs, information services, and consideration of and response to public comments. Errors in exact compliance with the established procedures shall not render the comprehensive land use plan or development regulations invalid if the spirit of the procedures is observed.

NEW SECTION. Sec. 15. Each county and city that is required or chooses to prepare a comprehensive land use plan under section 4 of this act shall identify lands useful for public purposes such as utility corridors, transportation corridors, landfills, sewage treatment facilities, recreation, schools, and other public uses. The county shall work with the state and the cities within its borders to identify areas of shared need for public facilities. The jurisdictions within the county shall prepare a prioritized list of lands necessary for the identified public uses including an estimated date by which the acquisition will be needed.

The respective capital acquisition budgets for each jurisdiction shall reflect the jointly agreed upon priorities and time schedule.

NEW SECTION. Sec. 16. Each county and city that is required or chooses to prepare a comprehensive land use plan under section 4 of this act shall identify open space corridors within and between urban growth areas. They shall include lands useful for recreation, wildlife habitat, trails, and connection of critical areas as defined in section 3 of this act.

The city or county may seek to acquire by purchase the fee simple or lesser interests in these open space corridors using funds authorized by RCW 84.34.230 or other sources.

NEW SECTION. Sec. 17. NATURAL RESOURCE LANDS AND CRITICAL AREAS——DESIGNATIONS. (1) On or before September 1, 1991, each county, and each city, shall designate where appropriate:

(a) Agricultural lands that are not already characterized by urban growth and that have long-term significance for the commercial production of food or other agricultural products;

(b) Forest lands that are not already characterized by urban growth and that have long-term significance for the commercial production of timber;

(c) Mineral resource lands that are not already characterized by urban growth and that have long-term significance for the extraction of minerals; and

(d) Critical areas.

(2) In making the designations required by this section, counties and cities shall consider the guidelines established pursuant to section 5 of this act.

***NEW SECTION. Sec. 18. COMPREHENSIVE PLANS——SPECIAL DISTRICTS MUST CONFORM. (1) All special districts shall perform their activities which affect land use, including capital budget decisions, in conformity with the state policy goals and the comprehensive land use plan of the county or city having jurisdiction in the area where the activities occur.**

(2) Not later than one year after the adoption of a comprehensive plan by a county or city pursuant to section 4 of this act, each special district located within such a county or city, that provides one or more of the public facilities or public services listed in this subsection, shall adopt or amend a capital facilities plan for its facilities that is consistent with the comprehensive plan and indicates the existing and projected capital facilities that are necessary to serve the projected growth for the area that is served by the special district. These public facilities or public services are: (a) Sanitary sewers; (b) potable water facilities; (c) park and recreation facilities; (d) fire suppression; (e) libraries; (f) schools; and (g) transportation, including mass transit.

(3) This section shall not apply to port districts or municipal airports.

*Sec. 18 was vetoed, see message at end of chapter.

NEW SECTION. Sec. 19. REPORT ON PLANNING PROGRESS. (1) It is the intent of the legislature that counties and cities required to adopt a comprehensive plan under section 4(1) of this act begin implementing this chapter on or before July 1, 1990, including but not limited to: (a) Inventorying, designating, and conserving agricultural, forest, and mineral resource lands, and critical areas; and (b) considering the modification or adoption of comprehensive land use plans and development regulations implementing the comprehensive land use plans. It is also the intent of the legislature that funds be made available to counties and cities beginning July 1, 1990, to assist them in meeting the requirements of this chapter.

(2) Each county and city that adopts a plan under section 4 (1) or (2) of this act shall report to the department annually for a period of five years, beginning on January 1, 1991, and each five years thereafter, on the progress made by that county or city in implementing this chapter.

NEW SECTION. Sec. 20. TECHNICAL ASSISTANCE, GRANTS, AND MEDIATION SERVICES. (1) The department shall establish a program of technical and financial assistance and incentives to counties and cities to encourage and facilitate the adoption and implementation of comprehensive plans and development regulations throughout the state.

(2) The department shall develop a priority list and establish funding levels for planning and technical assistance grants both for counties and cities that plan under section 4 of this act. Priority for assistance shall be based on a county's or city's population growth rates, commercial and industrial development rates, the existence and quality of a comprehensive plan and development regulations, and other relevant factors.

(3) The department shall develop and administer a grant program to provide direct financial assistance to counties and cities for the preparation of comprehensive plans under this chapter. The department may establish provisions for county and city matching funds to conduct activities under this subsection. Grants may be expended for any purpose directly related to the preparation of a county or city comprehensive plan as the county or city and the department may agree, including, without limitation, the conducting of surveys, inventories and other data gathering and management activities, the retention of planning consultants, contracts with regional councils for planning and related services, and other related purposes.

(4) The department shall establish a program of technical assistance utilizing department staff, the staff of other state agencies, and the technical resources of counties and cities to help in the development of comprehensive plans required under this chapter. The technical assistance may include, but not be limited to, model land use ordinances, regional education and training programs, and information for local and regional inventories.

(5) The department shall provide mediation services to resolve disputes between counties and cities regarding, among other things, coordination of regional issues and designation of urban growth areas.

(6) The department shall provide planning grants to enhance citizen participation under section 14 of this act.

NEW SECTION. Sec. 21. A new section is added to chapter 43.63A RCW to read as follows:

INVENTORYING AND COLLECTING DATA. (1) The department shall assist in the process of inventorying and collecting data on public and private land for the acquisition of data describing land uses, demographics, infrastructure, critical areas, transportation corridors physical features, housing, and other information useful in managing growth throughout the state. For this purpose the department shall contract with the department of information services and shall form an advisory group consisting of representatives from state, local, and federal agencies, colleges and universities, and private firms with expertise in land planning, and geographic information systems.

(2) The department shall establish a sequence for acquiring data, giving priority to rapidly growing areas. The data shall be retained in a manner to facilitate its use in preparing maps, aggregating with data from multiple jurisdictions, and comparing changes over time. Data shall further be retained in a manner which permits its access via computer.

(3) By December 1, 1990, the department shall report to the appropriate committees of the house of representatives and senate on the availability of existing data; specific data which is needed but not currently available; data compatibility across jurisdictions; the suitability of various types of data for retention on computer; the cost of collecting, storing, updating, mapping, and manipulating data on a computer; and recommendations on how to maintain an inventory of data which is accessible to any user and whether to maintain the data at a central repository or decentralized repositories.

(4) The department shall work with other state agencies, local governments, and private organizations that are inventorying public and private lands to ensure close coordination and to ensure that duplication of efforts does not occur.

NEW SECTION. Sec. 22. A new section is added to chapter 35.63 RCW to read as follows:

Beginning July 1, 1992, the development regulations of each city and county that does not plan under section 4 of this act shall not be inconsistent with the city's or county's comprehensive plan. For the purposes of this section, "development regulations" has the same meaning as set forth in section 3 of this act.

NEW SECTION. Sec. 23. A new section is added to chapter 35A.63 RCW to read as follows:

Beginning July 1, 1992, the development regulations of each code city that does not plan under section 4 of this act shall not be inconsistent with the city's comprehensive plan. For the purposes of this section, "development regulations" has the same meaning as set forth in section 3 of this act.

NEW SECTION. Sec. 24. A new section is added to chapter 36.70 RCW to read as follows:

Beginning July 1, 1992, the development regulations of each county that does not plan under section 4 of this act shall not be inconsistent with the county's comprehensive plan. For the purposes of this section, "development regulations" has the same meaning as set forth in section 3 of this act.

NEW SECTION. Sec. 25. A new section is added to chapter 35.22 RCW to read as follows:

CONTRACTS WITH DEVELOPERS AUTHORIZED. Notwithstanding RCW 35.22.620, a first class city may contract with a developer for the construction or improvement of public facilities directly related to the developer's project.

***Sec. 25 was vetoed, see message at end of chapter.**

NEW SECTION. Sec. 26. A new section is added to chapter 35.23 RCW to read as follows:

CONTRACTS WITH DEVELOPERS AUTHORIZED. Notwithstanding RCW 35.23.352, a second class city, third class city, or town may contract with a developer for the construction or improvement of public facilities directly related to the developer's project.

***Sec. 26 was vetoed, see message at end of chapter.**

Sec. 27. Section 3, chapter 89, Laws of 1979 ex. sess. as amended by section 8, chapter 11, Laws of 1989 and RCW 35A.40.210 are each amended to read as follows:

Procedures for any public work or improvement contracts or purchases for code cities shall be governed by the following statutes, as indicated:

(1) For code cities of twenty thousand population or over, RCW 35.22-.620; and

(2) For code cities under twenty thousand population; RCW 35.23.352.

However, a code city may contract with a developer for the construction or improvement of public facilities directly related to the developer's project.

***Sec. 27 was vetoed, see message at end of chapter.**

NEW SECTION. Sec. 28. A new section is added to chapter 36.32 RCW to read as follows:

CONTRACTS WITH DEVELOPERS AUTHORIZED. Notwithstanding RCW 36.32.250, a county may contract with a developer for the construction or improvement of public facilities directly related to the developer's project.

***Sec. 28 was vetoed, see message at end of chapter.**

NEW SECTION. Sec. 29. A new section is added to chapter 36.77 RCW to read as follows:

CONTRACTS WITH DEVELOPERS AUTHORIZED. Notwithstanding RCW 36.77.020 and 36.77.040, a county may contract with a developer for the construction or improvement of county roads directly related to the developer's project.

***Sec. 29 was vetoed, see message at end of chapter.**

NEW SECTION. Sec. 30. A new section is added to chapter 35.13 RCW to read as follows:

COMPREHENSIVE PLANS —ANNEXATIONS BEYOND URBAN GROWTH AREAS PROHIBITED. No city or town located in a county in which urban growth areas have been designated under section 11 of this act may annex territory beyond an urban growth area.

NEW SECTION. Sec. 31. A new section is added to chapter 35A.14 RCW to read as follows:

COMPREHENSIVE PLANS—ANNEXATIONS BEYOND URBAN GROWTH AREAS PROHIBITED. No code city located in a county in which urban growth areas have been designated under section 11 of this act may annex territory beyond an urban growth area.

NEW SECTION. Sec. 32. A new section is added to chapter 43.62 RCW to read as follows:

DETERMINING POPULATION. The office of financial management shall determine the population of each county of the state annually as of April 1st of each year and on or before July 1st of each year shall file a certificate with the secretary of state showing its determination of the population for each county. The office of financial management also shall determine the percentage increase in population for each county over the preceding ten-year period, as of April 1st, and shall file a certificate with the secretary of state by July 1st showing its determination. At least once every ten years the office of financial management shall prepare a twenty-year population forecast required by section 11 of this act for each county that adopts a comprehensive plan under section 4 of this act.

Sec. 33. Section 4, chapter 72, Laws of 1967 and RCW 36.94.040 are each amended to read to read as follows:

The sewerage and/or water general plan must incorporate the provisions of existing comprehensive plans relating to sewerage and water systems of cities, towns, municipalities, and private utilities, to the extent they have been implemented.

((~~In any county in which a metropolitan municipal corporation is authorized to perform the sewerage disposal or water supply function, any sewerage and/or water general plan shall be approved by the metropolitan municipal corporation prior to adoption by the county.~~))

Sec. 34. Section 11, chapter 210, Laws of 1941 as last amended by section 1, chapter 213, Laws of 1982 and RCW 56.08.020 are each amended to read as follows:

The sewer commissioners before ordering any improvements hereunder or submitting to vote any proposition for incurring indebtedness shall adopt a general comprehensive plan for a system of sewers for the district. They shall investigate all portions and sections of the district and select a general comprehensive plan for a system of sewers for the district suitable and adequate for present and reasonably foreseeable future needs thereof. The general comprehensive plan shall provide for treatment plants and other methods for the disposal of sewage and industrial and other liquid wastes now produced or which may reasonably be expected to be produced within the district and shall, for such portions of the district as may then reasonably be served, provide for the acquisition or construction and installation of laterals, trunk sewers, intercepting sewers, syphons, pumping stations, or other sewage collection facilities. The general comprehensive plan shall provide the method of distributing the cost and expense of the sewer system provided therein against the district and against utility local improvement districts within the district, including any utility local improvement district lying wholly or partially within any other political subdivision included in the district; and provide whether the whole or some part of the cost and expenses shall be paid from sewer revenue bonds. The commissioners may employ such engineering and legal services as they deem necessary in carrying out the purposes hereof.

The general comprehensive plan shall be adopted by resolution and submitted to an engineer designated by the legislative authority of the county in which fifty-one percent or more of the area of the district is located, and to the director of health of the county in which the district or any portion thereof is located, and must be approved in writing by the engineer and director of health. The general comprehensive plan shall be approved, conditionally approved, or rejected by the director of health within sixty days of the plan's receipt and by the designated engineer within sixty days of the plan's receipt. However, this sixty-day time limitation may be extended by the director of health or engineer for up to an additional sixty days if sufficient time is not available to review adequately the general comprehensive plans.

Before becoming effective, the general comprehensive plan shall also be submitted to, and approved by resolution of, the legislative authority of every county within whose boundaries all or a portion of the sewer district

lies. The general comprehensive plan shall be approved, conditionally approved, or rejected by each of these county legislative authorities pursuant to the criteria in RCW 56.02.060 for approving the formation, reorganization, annexation, consolidation, or merger of sewer districts, and the resolution, ordinance, or motion of the legislative body which rejects the comprehensive plan or a part thereof shall specifically state in what particular the comprehensive plan or part thereof rejected fails to meet these criteria. The ((~~legislative body may not impose requirements restricting the maximum size of the sewer system facilities provided for in the~~)) general comprehensive plan((~~: PROVIDED, That~~)) shall not provide for the extension or location of facilities that are inconsistent with the requirements of section 11 of this act. Nothing in this chapter shall preclude a county from rejecting a proposed plan because it is in conflict with the criteria in RCW 56.02.060. Each general comprehensive plan shall be deemed approved if the county legislative authority fails to reject or conditionally approve the plan within ninety days of submission to the county legislative authority or within thirty days of a hearing on the plan when the hearing is held within ninety days of the plan's submission to the county legislative authority((~~: PROVIDED, That~~)). However, a county legislative authority may extend this ninety-day time limitation by up to an additional ninety days where a finding is made that ninety days is insufficient to review adequately the general comprehensive plan. In addition, the sewer commissioners and the county legislative authority may mutually agree to an extension of the deadlines in this section.

If the district includes portions or all of one or more cities or towns, the general comprehensive plan shall be submitted also to, and approved by resolution of, the ((~~legislative authority~~)) governing body of such cities and towns before becoming effective. The general comprehensive plan shall be deemed approved by the city or town ((~~legislative authority~~)) governing body if the city or town ((~~legislative authority~~)) governing body fails to reject or conditionally approve the plan within ninety days of the plan's submission to the city or town or within thirty days of a hearing on the plan when the hearing is held within ninety days of submission to the county legislative authority. However, a city or town governing body may extend this time limitation by up to an additional ninety days where a finding is made that insufficient time exists to adequately review the general comprehensive plan within these time limitations. In addition, the sewer commissioners and the city or town governing body may mutually agree to an extension of the deadlines in this section.

Before becoming effective, any amendment to, alteration of, or addition to, a general comprehensive plan shall also be subject to such approval as if it were a new general comprehensive plan: PROVIDED, That only if the amendment, alteration, or addition, affects a particular city or town, shall

the amendment, alteration, or addition be subject to approval by such particular city or town ((~~legislative authority~~)) governing body.

Sec. 35. Section 6, chapter 18, Laws of 1959 as last amended by section 10, chapter 389, Laws of 1989 and RCW 57.16.010 are each amended to read as follows:

The water district commissioners before ordering any improvements hereunder or submitting to vote any proposition for incurring any indebtedness shall adopt a general comprehensive plan of water supply for the district. They shall investigate the several portions and sections of the district for the purpose of determining the present and reasonably foreseeable future needs thereof; shall examine and investigate, determine and select a water supply or water supplies for such district suitable and adequate for present and reasonably foreseeable future needs thereof; and shall consider and determine a general system or plan for acquiring such water supply or water supplies; and the lands, waters and water rights and easements necessary therefor, and for retaining and storing any such waters, erecting dams, reservoirs, aqueducts and pipe lines to convey the same throughout such district. There may be included as part of the system the installation of fire hydrants at suitable places throughout the district, and the purchase and maintenance of necessary fire fighting equipment and apparatus, together with facilities for housing same. The water district commissioners shall determine a general comprehensive plan for distributing such water throughout such portion of the district as may then reasonably be served by means of subsidiary aqueducts and pipe lines, and the method of distributing the cost and expense thereof against such water district and against local improvement districts or utility local improvement districts within such water district for any lawful purpose, and including any such local improvement district or utility local improvement district lying wholly or partially within the limits of any city or town in such district, and shall determine whether the whole or part of the cost and expenses shall be paid from water revenue bonds. After July 23, 1989, when the district adopts a general comprehensive plan or plans for an area annexed as provided for in RCW 57.16.010, the district shall include a long-term plan for financing the planned projects. The commissioners may employ such engineering and legal service as in their discretion is necessary in carrying out their duties.

The general comprehensive plan shall be adopted by resolution and submitted to an engineer designated by the legislative authority of the county in which fifty-one percent or more of the area of the district is located, and to the director of health of the county in which the district or any portion thereof is located, and must be approved in writing by the engineer and director of health. The general comprehensive plan shall be approved, conditionally approved, or rejected by the director of health within sixty days of the plan's receipt and by the designated engineer within sixty days of the plan's receipt. However, this sixty-day time limitation may be

extended by the director of health or engineer for up to an additional sixty days if sufficient time is not available to review adequately the general comprehensive plans.

Before becoming effective, the general comprehensive plan shall also be submitted to, and approved by resolution of, the legislative authority of every county within whose boundaries all or a portion of the water district lies. The general comprehensive plan shall be approved, conditionally approved, or rejected by each of these county legislative authorities pursuant to the criteria in RCW 57.02.040 for approving the formation, reorganization, annexation, consolidation, or merger of water districts, and the resolution, ordinance, or motion of the legislative body which rejects the comprehensive plan or a part thereof shall specifically state in what particular the comprehensive plan or part thereof rejected fails to meet these criteria. The ((~~legislative body may not impose requirements restricting the maximum size of the water supply facilities provided for in the~~)) general comprehensive plan((~~: PROVIDED, That~~)) shall not provide for the extension or location of facilities that are inconsistent with the requirements of section 11 of this act. Nothing in this chapter shall preclude a county from rejecting a proposed plan because it is in conflict with the criteria in RCW 57.02.040. Each general comprehensive plan shall be deemed approved if the county legislative authority fails to reject or conditionally approve the plan within ninety days of the plan's submission to the county legislative authority or within thirty days of a hearing on the plan when the hearing is held within ninety days of submission to the county legislative authority((~~: PROVIDED, That~~)). However, a county legislative authority may extend this ninety-day time limitation by up to an additional ninety days where a finding is made that ninety days is insufficient to review adequately the general comprehensive plan. In addition, the water commissioners and the county legislative authority may mutually agree to an extension of the deadlines in this section.

If the district includes portions or all of one or more cities or towns, the general comprehensive plan shall be submitted also to, and approved by resolution of, the ((~~legislative authority~~)) governing bodies of such cities and towns before becoming effective. The general comprehensive plan shall be deemed approved by the city or town ((~~legislative authority~~)) governing body if the city or town ((~~legislative authority~~)) governing body fails to reject or conditionally approve the plan within ninety days of the plan's submission to the city or town or within thirty days of a hearing on the plan when the hearing is held within ninety days of submission to the county legislative authority. However, a city or town governing body may extend this time limitation by up to an additional ninety days where a finding is

made that insufficient time exists to adequately review the general comprehensive plan within these time limitations. In addition, the sewer commissioners and the city or town governing body may mutually agree to an extension of the deadlines in this section.

Before becoming effective, any amendment to, alteration of, or addition to, a general comprehensive plan shall also be subject to such approval as if it were a new general comprehensive plan: PROVIDED, That only if the amendment, alteration, or addition affects a particular city or town, shall the amendment, alteration or addition be subject to approval by such particular city or town ((~~legislative authority~~)) governing body.

Sec. 36. Section 11, chapter 49, Laws of 1982 1st ex. sess. and RCW 82.46.010 are each amended to read as follows:

(1) ((~~Subject to the enactment into law of the 1982 amendment to RCW 82.02.020 by section 5, chapter 49, Laws of 1982 1st ex. sess.,~~)) The governing body of any county or any city may impose an excise tax on each sale of real property in the unincorporated areas of the county for the county tax and in the corporate limits of the city for the city tax at a rate not exceeding one-quarter of one percent of the selling price. The revenues from this tax shall be used by the respective jurisdictions for local capital improvements, including those listed in RCW 35.43.040.

After the effective date of this section, revenues generated from the tax imposed under this subsection in counties and cities that are required or choose to plan under section 4 of this act shall be used primarily for financing capital projects specified in a capital facilities plan element of a comprehensive plan and housing relocation assistance under sections 49 and 50 of this act. However, revenues (a) pledged by such counties and cities to debt retirement prior to the effective date of this section may continue to be used for that purpose until all outstanding debt is retired, or (b) committed prior to the effective date of this section by such counties or cities to a capital project may continue to be used for that purpose until the project is completed.

(2) ((~~Subject to the enactment into law of the 1982 amendment to RCW 82.02.020 by section 5, chapter 49, Laws of 1982 1st ex. sess.,~~)) In lieu of imposing the tax authorized in RCW 82.14.030(2), the governing body of any county or any city may impose an additional excise tax on each sale of real property in the unincorporated areas of the county for the county tax and in the corporate limits of the city for the city tax at a rate not exceeding one-half of one percent of the selling price.

(3) Taxes imposed under this section shall be collected from persons who are taxable by the state under chapter 82.45 RCW upon the occurrence of any taxable event within the unincorporated areas of the county or within the corporate limits of the city, as the case may be.

(4) Taxes imposed under this section shall comply with all applicable rules, regulations, laws, and court decisions regarding real estate excise taxes as imposed by the state under chapter 82.45 RCW.

(5) As used in this section, "city" means any city or town.

Sec. 37. Section 13, chapter 49, Laws of 1982 1st ex. sess. and RCW 82.46.030 are each amended to read as follows:

(1) The county treasurer shall place one percent of the proceeds of the taxes imposed under RCW 82.46.010 in the county current expense fund to defray costs of collection.

(2) The remaining proceeds from the county tax under RCW 82.46.010(1) shall be placed in a county capital improvements fund. The remaining proceeds from city or town taxes under RCW 82.46.010(1) shall be distributed to the respective cities and towns monthly and placed by the city treasurer in a municipal capital improvements fund. ((~~These capital improvements funds shall be used by the respective jurisdictions for local improvements, including those listed in RCW 35.43.040.~~))

(3) This section does not limit the existing authority of any city, town, or county to impose special assessments on property specially benefited thereby in the manner prescribed by law.

NEW SECTION. Sec. 38. A new section is added to chapter 82.46 RCW to read as follows:

(1) The governing body of any county or any city that plans under section 4(1) of this act may impose an additional excise tax on each sale of real property in the unincorporated areas of the county for the county tax and in the corporate limits of the city for the city tax at a rate not exceeding one-quarter of one percent of the selling price. Any county choosing to plan under section 4(2) of this act and any city within such a county may only adopt an ordinance imposing the excise tax authorized by this section if the ordinance is first authorized by a proposition approved by a majority of the voters of the taxing district voting on the proposition at a general election held within the district or at a special election within the taxing district called by the district for the purpose of submitting such proposition to the voters.

(2) Revenues generated from the tax imposed under subsection (1) of this section shall be used by such counties and cities solely for financing capital projects specified in a capital facilities plan element of a comprehensive plan.

(3) Revenues generated by the tax imposed by this section shall be deposited in a separate account.

(4) As used in this section, "city" means any city or town.

Sec. 39. Section 14, chapter 49, Laws of 1982 1st ex. sess. and RCW 82.46.040 are each amended to read as follows:

Any tax imposed under ((~~RCW 82.46.010~~)) this chapter and any interest or penalties thereon is a specific lien upon each piece of real property sold from the time of sale until the tax is paid, which lien may be enforced in the manner prescribed for the foreclosure of mortgages.

Sec. 40. Section 15, chapter 49, Laws of 1982 1st ex. sess. and RCW 82.46.050 are each amended to read as follows:

The taxes levied under ((~~RCW 82.46.010~~)) this chapter are the obligation of the seller and may be enforced through an action of debt against the seller or in the manner prescribed for the foreclosure of mortgages. Resort to one course of enforcement is not an election not to pursue the other.

Sec. 41. Section 16, chapter 49, Laws of 1982 1st ex. sess. and RCW 82.46.060 are each amended to read as follows:

Any taxes imposed under ((~~RCW 82.46.010~~)) this chapter shall be paid to and collected by the treasurer of the county within which is located the real property which was sold. The treasurer shall act as agent for any city within the county imposing the tax. The county treasurer shall cause a stamp evidencing satisfaction of the lien to be affixed to the instrument of sale or conveyance prior to its recording or to the real estate excise tax affidavit in the case of used mobile home sales. A receipt issued by the county treasurer for the payment of the tax imposed under ((~~RCW 82.46.010~~)) this chapter shall be evidence of the satisfaction of the lien imposed in RCW 82.46.040 and may be recorded in the manner prescribed for recording satisfactions of mortgages. No instrument of sale or conveyance evidencing a sale subject to the tax may be accepted by the county auditor for filing or recording until the tax is paid and the stamp affixed thereto; in case the tax is not due on the transfer, the instrument shall not be accepted until suitable notation of this fact is made on the instrument by the treasurer.

Sec. 42. Section 82.02.020, chapter 15, Laws of 1961 as last amended by section 6, chapter 179, Laws of 1988 and RCW 82.02.020 are each amended to read as follows:

Except only as expressly provided in RCW 67.28.180 and 67.28.190 and the provisions of chapter 82.14 RCW, the state preempts the field of imposing taxes upon retail sales of tangible personal property, the use of tangible personal property, parimutuel wagering authorized pursuant to RCW 67.16.060, conveyances, and cigarettes, and no county, town, or other municipal subdivision shall have the right to impose taxes of that nature. Except as provided in sections 43 through 48 of this act, no county, city, town, or other municipal corporation shall impose any tax, fee, or charge, either direct or indirect, on the construction or reconstruction of residential buildings, commercial buildings, industrial buildings, or on any other building or building space or appurtenance thereto, or on the development, subdivision, classification, or reclassification of land. However, this section does

not preclude dedications of land or easements ((~~pursuant to RCW 58.17.110~~)) within the proposed development or plat which the county, city, town, or other municipal corporation can demonstrate are reasonably necessary as a direct result of the proposed development or plat to which the dedication of land or easement is to apply.

This section does not prohibit voluntary agreements with counties, cities, towns, or other municipal corporations that allow a payment in lieu of a dedication of land or to mitigate a direct impact that has been identified as a consequence of a proposed development, subdivision, or plat. A local government shall not use such voluntary agreements for local off-site transportation improvements within the geographic boundaries of the area or areas covered by an adopted transportation program authorized by chapter 39.92 RCW. Any such voluntary agreement is subject to the following provisions:

(1) The payment shall be held in a reserve account and may only be expended to fund a capital improvement agreed upon by the parties to mitigate the identified, direct impact;

(2) The payment shall be expended in all cases within five years of collection; and

(3) Any payment not so expended shall be refunded with interest at the rate applied to judgments to the property owners of record at the time of the refund; however, if the payment is not expended within five years due to delay attributable to the developer, the payment shall be refunded without interest.

No county, city, town, or other municipal corporation shall require any payment as part of such a voluntary agreement which the county, city, town, or other municipal corporation cannot establish is reasonably necessary as a direct result of the proposed development or plat.

Nothing in this section prohibits cities, towns, counties, or other municipal corporations from collecting reasonable fees from an applicant for a permit or other governmental approval to cover the cost to the city, town, county, or other municipal corporation of processing applications, inspecting and reviewing plans, or preparing detailed statements required by chapter 43.21C RCW.

This section does not limit the existing authority of any county, city, town, or other municipal corporation to impose special assessments on property specifically benefitted thereby in the manner prescribed by law.

Nothing in this section prohibits counties, cities, or towns from imposing or permits counties, cities, or towns to impose water, sewer, natural gas, drainage utility, and drainage system charges: PROVIDED, That no such charge shall exceed the proportionate share of such utility or system's capital costs which the county, city, or town can demonstrate are attributable to the property being charged: PROVIDED FURTHER, That these provisions shall not be interpreted to expand or contract any existing authority of counties, cities, or towns to impose such charges.

Nothing in this section prohibits a transportation benefit district from imposing fees or charges authorized in RCW 36.73.120 nor prohibits the legislative authority of a county, city, or town from approving the imposition of such fees within a transportation benefit district.

Nothing in this section prohibits counties, cities, or towns from imposing transportation impact fees authorized pursuant to chapter 39.92 RCW.

Nothing in this section prohibits counties, cities, or towns from requiring property owners to provide relocation assistance to tenants under sections 49 and 50 of this act.

This section does not apply to special purpose districts formed and acting pursuant to Titles 54, 56, 57, or 87 RCW, nor is the authority conferred by these titles affected.

NEW SECTION. Sec. 43. A new section is added to chapter 82.02 RCW to read as follows:

(1) It is the intent of the legislature:

(a) To ensure that adequate facilities are available to serve new growth and development;

(b) To promote orderly growth and development by establishing standards by which counties, cities, and towns may require, by ordinance, that new growth and development pay a proportionate share of the cost of new facilities needed to serve new growth and development; and

(c) To ensure that impact fees are imposed through established procedures and criteria so that specific developments do not pay arbitrary fees or duplicative fees for the same impact.

(2) Counties, cities, and towns that are required or choose to plan under section 4 of this act are authorized to impose impact fees on development activity as part of the financing for public facilities, provided that the financing for system improvements to serve new development must provide for a balance between impact fees and other sources of public funds and cannot rely solely on impact fees.

(3) The impact fees:

(a) Shall only be imposed for system improvements that are reasonably related to the new development;

(b) Shall not exceed a proportionate share of the costs of system improvements that are reasonably related to the new development; and

(c) Shall be used for system improvements that will reasonably benefit the new development.

(4) Impact fees may be collected and spent only for the public facilities defined in section 48 of this act which are addressed by a capital facilities plan element of a comprehensive land use plan adopted pursuant to the provisions of section 7 of this act or the provisions for comprehensive plan adoption contained in chapter 36.70, 35.63, or 35A.63 RCW. After July 1, 1993, continued authorization to collect and expend impact fees shall be contingent on the county, city, or town adopting or revising a comprehensive

plan in compliance with section 7 of this act, and on the capital facilities plan identifying:

(a) Deficiencies in public facilities serving existing development and the means by which existing deficiencies will be eliminated within a reasonable period of time;

(b) Additional demands placed on existing public facilities by new development; and

(c) Additional public facility improvements required to serve new development.

If the capital facilities plan of the county, city, or town is complete other than for the inclusion of those elements which are the responsibility of a special district, the county, city, or town may impose impact fees to address those public facility needs for which the county, city, or town is responsible.

NEW SECTION. Sec. 44. A new section is added to chapter 82.02 RCW to read as follows:

The local ordinance by which impact fees are imposed:

(1) Shall include a schedule of impact fees which shall be adopted for each type of development activity that is subject to impact fees, specifying the amount of the impact fee to be imposed for each type of system improvement. The schedule shall be based upon a formula or other method of calculating such impact fees. In determining proportionate share, the formula or other method of calculating impact fees shall incorporate, among other things, the following:

(a) The cost of public facilities necessitated by new development;

(b) An adjustment to the cost of the public facilities for past or future payments made or reasonably anticipated to be made by new development to pay for particular system improvements in the form of user fees, debt service payments, taxes, or other payments earmarked for or proratable to the particular system improvement;

(c) The availability of other means of funding public facility improvements;

(d) The cost of existing public facilities improvements; and

(e) The methods by which public facilities improvements were financed;

(2) May provide an exemption for low-income housing, and other development activities with broad public purposes, from these impact fees, provided that the impact fees for such development activity shall be paid from public funds other than impact fee accounts;

(3) Shall provide a credit for the value of any dedication of land for, improvement to, or new construction of any system improvements provided by the developer, to facilities that are identified in the capital facilities plan and that are required by the county, city, or town as a condition of approving the development activity;

(4) Shall allow the county, city, or town imposing the impact fees to adjust the standard impact fee at the time the fee is imposed to consider unusual circumstances in specific cases to ensure that impact fees are imposed fairly;

(5) Shall include a provision for calculating the amount of the fee to be imposed on a particular development that permits consideration of studies and data submitted by the developer to adjust the amount of the fee;

(6) Shall establish one or more reasonable service areas within which it shall calculate and impose impact fees for various land use categories per unit of development;

(7) May provide for the imposition of an impact fee for system improvement costs previously incurred by a county, city, or town to the extent that new growth and development will be served by the previously constructed improvements provided such fee shall not be imposed to make up for any system improvement deficiencies.

***NEW SECTION.** Sec. 45. A new section is added to chapter 82.02 RCW to read as follows:*

(1) Payment of an impact fee in regard to the system improvement for which the impact fee is paid shall constitute full and complete compliance with the county, city, or town requirements for the provision of the particular public facility. No other payment may be required for the same system improvement by any county, city, or town by any other means.

(2) The county, city, or town may determine that a system improvement needs to be constructed prior to final completion of the development activity and may condition the development approval accordingly. Pursuant to an agreement with the county, city, or town, the developer may elect to construct the needed system improvement, provided the developer receives a credit for the costs of the construction that exceed the impact fee which otherwise would have applied.

(3) In the event that a developer enters into an agreement with a county, city, or town to construct, fund, or contribute system improvements such that the amount of the credit created by such construction, funding, or contribution is in excess of the impact fees which would otherwise have been paid for the development project, the developer shall be reimbursed for such excess construction, funding, or contribution from impact fees paid by other development located in the service area which is benefited by such improvements.

(4) Fees shall be collected upon the issuance of a building permit unless the fee is to be used for a system improvement to be undertaken within one year of the development approval, in which case the fee may be collected upon final development approval.

(5) Notwithstanding any other provision of sections 43 through 48 of this act, that portion of a project for which a valid building permit has been issued prior to the effective date of a county, city, or town impact fee ordinance, adopted pursuant to sections 43 through 48 of this act, shall not be subject to impact fees under such ordinance so long as the building permit remains valid and construction is commenced and is pursued according to the terms of the permit.

(6) Prior to adopting an ordinance imposing impact fees, each county, city, or town shall establish an advisory committee composed of not less than six persons, plus a nonvoting chairperson selected by the advisory committee, to advise the governing body on possible features to be included in an impact fees ordinance and to periodically review the ordinance. Half of the members of the advisory committee shall represent the development industry, the building industry, and realtors, while the other half shall represent the environmental community and community groups.

(7) If impact fees are imposed to finance system improvements to be undertaken by a different local government or taxing district than the one collecting the fee, the collecting entity shall enter into an interlocal agreement with that local government or taxing district that will make the service improvements to ensure compliance with the requirements established for impact fees.

**Sec. 45 was vetoed, see message at end of chapter.*

NEW SECTION. Sec. 46. A new section is added to chapter 82.02 RCW to read as follows:

(1) Impact fee receipts shall be earmarked specifically and retained in special interest-bearing accounts. Separate accounts shall be established for each type of public facility for which impact fees are collected. All interest shall be retained in the account and expended for the purpose or purposes for which the impact fees were imposed. Annually, each county, city, or town imposing impact fees shall provide a report on each impact fee account showing the source and amount of all moneys collected, earned, or received and system improvements that were financed in whole or in part by impact fees.

(2) Impact fees for system improvements shall be expended only in conformance with the capital facilities plan element of the comprehensive plan.

(3) Impact fees shall be expended or encumbered for a permissible use within six years of receipt, unless there exists an extraordinary and compelling reason for fees to be held longer than six years. Such extraordinary or compelling reasons shall be identified in written findings by the governing body of the county, city, or town.

(4) Impact fees may be paid under protest in order to obtain a permit or other approval of development activity.

(5) Each county, city, or town that imposes impact fees shall provide for an administrative appeals process for the appeal of an impact fee; the process may follow the appeal process for the underlying development approval or the county, city, or town may establish a separate appeals process. The impact fee may be modified upon a determination that it is proper to do

so based on principles of fairness. The county, city, or town may provide for the resolution of disputes regarding impact fees by arbitration.

NEW SECTION. Sec. 47. A new section is added to chapter 82.02 RCW to read as follows:

(1) The current owner of property on which an impact fee has been paid may receive a refund of such fees if the county, city, or town fails to expend or encumber the impact fees within six years of when the fees were paid or other such period of time established pursuant to section 46(3) of this act on public facilities intended to benefit the development activity for which the impact fees were paid. In determining whether impact fees have been encumbered, impact fees shall be considered encumbered on a first in, first out basis. The county, city, or town shall notify potential claimants by first class mail deposited with the United States postal service at the last known address of claimants.

The request for a refund must be submitted to the county, city, or town governing body in writing within one year of the date the right to claim the refund arises or the date that notice is given, whichever is later. Any impact fees that are not expended within these time limitations, and for which no application for a refund has been made within this one-year period, shall be retained and expended on the indicated capital facilities. Refunds of impact fees under this subsection shall include interest earned on the impact fees.

(2) When a county, city, or town seeks to terminate any or all impact fee requirements, all unexpended or unencumbered funds, including interest earned, shall be refunded pursuant to this section. Upon the finding that any or all fee requirements are to be terminated, the county, city, or town shall place notice of such termination and the availability of refunds in a newspaper of general circulation at least two times and shall notify all potential claimants by first class mail to the last known address of claimants. All funds available for refund shall be retained for a period of one year. At the end of one year, any remaining funds shall be retained by the local government, but must be expended for the indicated public facilities. This notice requirement shall not apply if there are no unexpended or unencumbered balances within an account or accounts being terminated.

(3) A developer may request and shall receive a refund, including interest earned on the impact fees, when the developer does not proceed with the development activity and no impact has resulted.

NEW SECTION. Sec. 48. A new section is added to chapter 82.02 RCW to read as follows:

Unless the context clearly requires otherwise, the following definitions shall apply in sections 43 through 48 of this act:

(1) "Development activity" means any construction or expansion of a building, structure, or use, any change in use of a building or structure, or any changes in the use of land, that creates additional demand and need for public facilities.

(2) "Development approval" means any written authorization from a county, city, or town which authorizes the commencement of development activity.

(3) "Impact fee" means a payment of money imposed upon development as a condition of development approval to pay for public facilities needed to serve new growth and development, and that is reasonably related to the new development that creates additional demand and need for public facilities, that is a proportionate share of the cost of the public facilities, and that is used for facilities that reasonably benefit the new development. "Impact fee" does not include a reasonable permit or application fee.

(4) "Owner" means the owner of record of real property, although when real property is being purchased under a real estate contract, the purchaser shall be considered the owner of the real property if the contract is recorded.

(5) "Proportionate share" means that portion of the cost of public facility improvements that are reasonably related to the service demands and needs of new development.

(6) "Project improvements" mean site improvements and facilities that are planned and designed to provide service for a particular development project and that are necessary for the use and convenience of the occupants or users of the project, and are not system improvements. No improvement or facility included in a capital facilities plan approved by the governing body of the county, city, or town shall be considered a project improvement.

(7) "Public facilities" means the following capital facilities owned or operated by government entities: (a) Public streets and roads; (b) publicly owned parks, open space, and recreation facilities; (c) school facilities; and (d) fire protection facilities in jurisdictions that are not part of a fire district.

(8) "Service area" means a geographic area defined by a county, city, town, or intergovernmental agreement in which a defined set of public facilities provide service to development within the area. Service areas shall be designated on the basis of sound planning or engineering principles.

(9) "System improvements" mean public facilities that are included in the capital facilities plan and are designed to provide service to service areas within the community at large, in contrast to project improvements.

NEW SECTION. Sec. 49. A new section is added to chapter 59.18 RCW to read as follows:

(1) Any city, town, county, or municipal corporation that is required to develop a comprehensive plan under section 4(1) of this act is authorized to require, after reasonable notice to the public and a public hearing, property owners to provide their portion of reasonable relocation assistance to low-income tenants upon the demolition, substantial rehabilitation whether due to code enforcement or any other reason, or change of use of residential

property, or upon the removal of use restrictions in an assisted-housing development. No city, town, county, or municipal corporation may require property owners to provide relocation assistance to low-income tenants, as defined in this chapter, upon the demolition, substantial rehabilitation, upon the change of use of residential property, or upon the removal of use restrictions in an assisted-housing development, except as expressly authorized herein or when authorized or required by state or federal law. As used in this section, "assisted housing development" means a multifamily rental housing development that either receives government assistance and is defined as federally assisted housing in RCW 59.28.020, or that receives other federal, state, or local government assistance and is subject to use restrictions.

(2) As used in this section, "low-income tenants" means tenants whose combined total income per dwelling unit is at or below fifty percent of the median income, adjusted for family size, in the county where the tenants reside.

The department of community development shall adopt rules defining county median income in accordance with the definitions promulgated by the federal department of housing and urban development.

(3) A requirement that property owners provide relocation assistance shall include the amounts of such assistance to be provided to low-income tenants. In determining such amounts, the jurisdiction imposing the requirement shall evaluate, and receive public testimony on, what relocation expenses displaced tenants would reasonably incur in that jurisdiction including:

(a) Actual physical moving costs and expenses;

(b) Advance payments required for moving into a new residence such as the cost of first and last month's rent and security and damage deposits;

(c) Utility connection fees and deposits; and

(d) Anticipated additional rent and utility costs in the residence for one year after relocation.

(4)(a) Relocation assistance provided to low-income tenants under this section shall not exceed two thousand dollars for each dwelling unit displaced by actions of the property owner under subsection (1) of this section. A city, town, county, or municipal corporation may make future annual adjustments to the maximum amount of relocation assistance required under this subsection in order to reflect any changes in the housing component of the consumer price index as published by the United States department of labor, bureau of labor statistics.

(b) The property owner's portion of any relocation assistance provided to low-income tenants under this section shall not exceed one-half of the required relocation assistance under (a) of this subsection in cash or services.

(c) The portion of relocation assistance not covered by the property owner under (b) of this subsection shall be paid by the city, town, county, or municipal corporation authorized to require relocation assistance under subsection (1) of this section. The relocation assistance may be paid from proceeds collected from the excise tax imposed under section 36 of this act.

(5) A city, town, county, or municipal corporation requiring the provision of relocation assistance under this section shall adopt policies, procedures, or regulations to implement such requirement. Such policies, procedures, or regulations shall include provisions for administrative hearings to resolve disputes between tenants and property owners relating to relocation assistance or unlawful detainer actions during relocation, and shall require a decision within thirty days of a request for a hearing by either a tenant or property owner.

Judicial review of an administrative hearing decision relating to relocation assistance may be had by filing a petition, within ten days of the decision, in the superior court in the county where the residential property is located. Judicial review shall be confined to the record of the administrative hearing and the court may reverse the decision only if the administrative findings, inferences, conclusions, or decision is:

(a) In violation of constitutional provisions;

(b) In excess of the authority or jurisdiction of the administrative hearing officer;

(c) Made upon unlawful procedure or otherwise is contrary to law; or

(d) Arbitrary and capricious.

(6) Any city, town, county, or municipal corporation may require relocation assistance, under the terms of this section, for otherwise eligible tenants whose living arrangements are exempted from the provisions of this chapter under RCW 59.18.040(3) and if the living arrangement is considered to be a rental or lease pursuant to RCW 67.28.180(1).

(7)(a) Persons who move from a dwelling unit prior to the application by the owner of the dwelling unit for any governmental permit necessary for the demolition, substantial rehabilitation, or change of use of residential property or prior to any notification or filing required for condominium conversion shall not be entitled to the assistance authorized by this section.

(b) Persons who move into a dwelling unit after the application for any necessary governmental permit or after any required condominium conversion notification or filing shall not be entitled to the assistance authorized by this section if such persons receive written notice from the property owner prior to taking possession of the dwelling unit that specifically describes the activity or condition that may result in their temporary or permanent displacement and advises them of their ineligibility for relocation assistance.

NEW SECTION. Sec. 50. A new section is added to chapter 59.18 RCW to read as follows:

Relocation assistance payments received by tenants under section 50 of this act shall not be considered as income or otherwise affect the eligibility for or amount of assistance paid under any government benefit program.

PART II
SUBDIVISIONS

Sec. 51. Section 6, chapter 271, Laws of 1969 ex. sess. as last amended by section 2, chapter 330, Laws of 1989 and RCW 58.17.060 are each amended to read as follows:

(1) The legislative body of a city, town, or county shall adopt regulations and procedures, and appoint administrative personnel for the summary approval of short plats and short subdivisions or alteration or vacation thereof. When an alteration or vacation involves a public dedication, the alteration or vacation shall be processed as provided in RCW 58.17.212 or 58.17.215. Such regulations shall be adopted by ordinance and shall provide that a short plat and short subdivision may be approved only if written findings that are appropriate, as provided in RCW 58.17.110, are made by the administrative personnel, and may contain wholly different requirements than those governing the approval of preliminary and final plats of subdivisions and may require surveys and monumentations and shall require filing of a short plat, or alteration or vacation thereof, for record in the office of the county auditor: PROVIDED, That such regulations must contain a requirement that land in short subdivisions may not be further divided in any manner within a period of five years without the filing of a final plat, except that when the short plat contains fewer than four parcels, nothing in this section shall prevent the owner who filed the short plat from filing an alteration within the five-year period to create up to a total of four lots within the original short plat boundaries: PROVIDED FURTHER, That such regulations are not required to contain a penalty clause as provided in RCW 36.32.120 and may provide for wholly injunctive relief.

An ordinance requiring a survey shall require that the survey be completed and filed with the application for approval of the short subdivision.

(2) Cities, towns, and counties shall include in their short plat regulations and procedures pursuant to subsection (1) of this section provisions for considering sidewalks and other planning features that assure safe walking conditions for students who walk to and from school.

Sec. 52. Section 11, chapter 271, Laws of 1969 ex. sess. as last amended by section 3, chapter 330, Laws of 1989 and RCW 58.17.110 are each amended to read as follows:

(1) The city, town, or county legislative body shall inquire into the public use and interest proposed to be served by the establishment of the subdivision and dedication. It shall determine: (a) If appropriate provisions are made for, but not limited to, the public health, safety, and general welfare, for open spaces, drainage ways, streets or roads, alleys, other public ways, transit stops, potable water supplies, sanitary wastes, parks and recreation, playgrounds, ((~~sites for~~)) schools and schoolgrounds, and shall consider all other relevant facts, including sidewalks and other planning features that assure safe walking conditions for students who only walk to and from school((~~, and determine~~)); and (b) whether the public interest will be served by the subdivision and dedication. ((~~If it finds that the proposed plat makes~~))

(2) A proposed subdivision and dedication shall not be approved unless the city, town, or county legislative body makes written findings that: (a) Appropriate provisions are made for the public health, safety, and general welfare and for such open spaces, drainage ways, streets or roads, alleys, other public ways, transit stops, potable water supplies, sanitary wastes, parks and recreation, playgrounds, ((~~sites for~~)) schools and schoolgrounds and all other relevant facts, including sidewalks and other planning features that assure safe walking conditions for students who only walk to and from school((~~, and that~~)); and (b) the public use and interest will be served by the platting of such subdivision((~~, then it shall be approved~~)) and dedication. If it finds that the proposed ((~~plat does not~~)) subdivision and dedication make such appropriate provisions ((~~or~~)) and that the public use and interest will ((~~not~~)) be served, then the legislative body ((~~may disapprove~~)) shall approve the proposed ((~~plat~~)) subdivision and dedication. Dedication of land to any public body, provision of public improvements to serve the subdivision, and/or impact fees imposed under sections 43 through 48 of this act may be required as a condition of subdivision approval ((~~and~~)). Dedications shall be clearly shown on the final plat. No dedication, provision of public improvements, or impact fees imposed under sections 43 through 48 of this act shall be allowed that constitutes an unconstitutional taking of private property. The legislative body shall not as a condition to the approval of any ((~~plat~~)) subdivision require a release from damages to be procured from other property owners.

PART III
REGIONAL TRANSPORTATION PLANS

NEW SECTION. Sec. 53. INTENT——TRANSPORTATION PLANNING. The legislature finds that while the transportation system in Washington is owned and operated by numerous public jurisdictions, it should function as one interconnected and coordinated system. Transportation planning, at all jurisdictional levels, should be coordinated with local comprehensive plans. Further, local jurisdictions and the state should cooperate to achieve both state-wide and local transportation goals. To facilitate this coordination and cooperation among state and local jurisdictions, the legislature declares it to be in the state's interest to establish a coordinated planning program for regional transportation systems and facilities throughout the state.

NEW SECTION. Sec. 54. REGIONAL TRANSPORTATION PLANNING ORGANIZATIONS AUTHORIZED. The legislature hereby authorizes creation of regional transportation planning organizations within the state. Each regional transportation planning organization shall be formed through the voluntary association of local governments within a county, or within geographically contiguous counties. Each organization shall:

(1) Encompass at least one complete county;

(2) Have a population of at least one hundred thousand, or contain a minimum of three counties; and

(3) Have as members all counties within the region, and at least sixty percent of the cities and towns within the region representing a minimum of seventy-five percent of the cities' and towns' population.

The state department of transportation must verify that each regional transportation planning organization conforms with the requirements of this section.

In urbanized areas, the regional transportation planning organization is the same as the metropolitan planning organization designated for federal transportation planning purposes.

NEW SECTION. Sec. 55. REGIONAL TRANSPORTATION PLANNING ORGANIZATIONS——DUTIES. (1) Each regional transportation planning organization shall:

(a) Certify that the transportation elements of comprehensive plans adopted by counties, cities, and towns within the region conform with the requirements of section 7 of this act, and are consistent with regional transportation plans as provided for in (b) of this subsection;

(b) Develop and adopt a regional transportation plan that is consistent with county, city, and town comprehensive plans and state transportation plans. Regional transportation planning organizations are encouraged to use county, city, and town comprehensive plans that existed prior to the effective date of this section as the basis of its regional transportation plan whenever possible. Such plans shall address existing or planned transportation facilities and services that exhibit one or more of the following characteristics:

(i) Physically crosses member county lines;

(ii) Is or will be used by a significant number of people who live or work outside the county in which the facility, service, or project is located;

(iii) Significant impacts are expected to be felt in more than one county;

(iv) Potentially adverse impacts of the facility, service, or project can be better avoided or mitigated through adherence to regional policies;

(v) Transportation needs addressed by a project have been identified by the regional transportation planning process and the remedy is deemed to have regional significance;

(c) Designate a lead planning agency to coordinate preparation of the regional transportation plan. The lead planning agency may be a regional council, a county, city, or town agency, or a Washington state department of transportation district;

(d) Review the regional transportation plan biennially for currency; and

(e) Forward the adopted plan, and documentation of the biennial review of it, to the state department of transportation.

(2) All transportation projects within the region that have an impact upon regional facilities or services must be consistent with the plan.

(3) In order to ensure state-wide consistency in the regional transportation planning process, the state department of transportation shall:

(a) In cooperation with regional transportation planning organizations, establish minimum standards for development of a regional transportation plan;

(b) Facilitate coordination between regional transportation planning organizations; and

(c) Through the regional transportation planning process, and through state planning efforts as required by RCW 47.01.071, identify and jointly plan improvements and strategies within those corridors important to moving people and goods on a regional or state-wide basis.

NEW SECTION. Sec. 56. TRANSPORTATION POLICY BOARDS. Each regional transportation planning organization shall create a transportation policy board. Transportation policy boards shall provide policy advice to the regional transportation planning organization and shall allow representatives of major employers within the region, the department of transportation, transit districts, port districts, and member cities, towns, and counties within the region to participate in policy making.

NEW SECTION. Sec. 57. ALLOCATION OF REGIONAL TRANSPORTATION PLANNING FUNDS. Biennial appropriations to the department of transportation to carry out the regional transportation planning program shall set forth the amounts to be allocated as follows:

(1) A base amount per county for each county within each regional transportation planning organization, to be distributed to the lead planning agency;

(2) An amount to be distributed to each lead planning agency on a per capita basis; and

(3) An amount to be administered by the department of transportation as a discretionary grant program for special regional planning projects, including grants to allow counties which have significant transportation interests in common with an adjoining region to also participate in that region's planning efforts.

Sec. 58. Section 20, chapter 49, Laws of 1983 1st ex. sess. as amended by section 8, chapter 167, Laws of 1988 and RCW 36.81.121 are each amended to read as follows:

TRANSPORTATION PLANS MUST CONFORM TO COMPREHENSIVE PLAN. (1) Before July 1st of each year, the legislative authority of each county with the advice and assistance of the county road engineer, and pursuant to one or more public hearings thereon, shall prepare and adopt a comprehensive road program for the ensuing six calendar years. If the county has adopted a comprehensive plan pursuant to chapter 35.63 or 36.70 RCW, the inherent authority of a charter county derived from its charter, or chapter 36.— RCW (sections 1 through 20 of this act), the program shall be consistent with this comprehensive plan.

The program shall include proposed road and bridge construction work, and for those counties operating ferries shall also include a separate section showing proposed capital expenditures for ferries, docks, and related facilities. Copies of the program shall be filed with the county road administration board and with the state secretary of transportation not more than thirty days after its adoption by the legislative authority. The purpose of this section is to assure that each county shall perpetually have available advanced plans looking to the future for not less than six years as a guide in carrying out a coordinated road construction program. The program may at any time be revised by a majority of the legislative authority but only after a public hearing thereon.

(2) The six-year program of each county having an urban area within its boundaries shall contain a separate section setting forth the six-year program for arterial road construction based upon its long-range construction plan and formulated in accordance with regulations of the transportation improvement board. The six-year program for arterial road construction shall be submitted to the transportation improvement board forthwith after its annual revision and adoption by the legislative authority of each county. The six-year program for arterial road construction shall be based upon estimated revenues available for such construction together with such additional sums as the legislative authority of each county may request for urban arterials from the urban arterial trust account or the transportation improvement account for the six-year period. The arterial road construction program shall provide for a more rapid rate of completion of the long-range construction needs of principal arterial roads than for minor and collector arterial roads, pursuant to regulations of the transportation improvement board.

(3) Each six-year program forwarded to the secretary in compliance with subsection (1) of this section shall contain information as to how a county will expend its moneys, including funds made available pursuant to chapter 47.30 RCW, for bicycles, pedestrians, and equestrian purposes.

Sec. 59. Section 35.77.010, chapter 7, Laws of 1965 as last amended by section 6, chapter 167, Laws of 1988 and RCW 35.77.010 are each amended to read as follows:

TRANSPORTATION PLANS MUST CONFORM TO COMPREHENSIVE PLAN. (1) The legislative body of each city and town, pursuant to one or more public hearings thereon, shall prepare and adopt a comprehensive street program for the ensuing six calendar years ((~~and shall file~~)). If the city or town has adopted a comprehensive plan pursuant to chapter 35.63 or 35A.63 RCW, the inherent authority of a first class city derived from its charter, or chapter 36.— RCW (sections 1 through 20 of this act), the program shall be consistent with this comprehensive plan.

The program shall be filed with the secretary of transportation not more than thirty days after its adoption. Annually thereafter the legislative body of each city and town shall review the work accomplished under the program and determine current city street needs. Based on these findings each such legislative body shall prepare and after public hearings thereon adopt a revised and extended comprehensive street program before July 1st of each year, and each one-year extension and revision shall be filed with the secretary of transportation not more than thirty days after its adoption. The purpose of this section is to assure that each city and town shall perpetually have available advanced plans looking to the future for not less than six years as a guide in carrying out a coordinated street construction program. The program may at any time be revised by a majority of the legislative body of a city or town, but only after a public hearing.

The six-year program of each city lying within an urban area shall contain a separate section setting forth the six-year program for arterial street construction based upon its long range construction plan and formulated in accordance with rules of the transportation improvement board. The six-year program for arterial street construction shall be submitted to the transportation improvement board forthwith after its annual revision and adoption by the legislative body of the city. The six-year program for arterial street construction shall be based upon estimated revenues available for such construction together with such additional sums as the legislative authority may request for urban arterials from the urban arterial trust account or the transportation improvement account for the six-year period. The arterial street construction program shall provide for a more rapid rate of completion of the long-range construction needs of principal arterial streets than for minor and collector arterial streets, pursuant to rules of the transportation improvement board: PROVIDED, That urban arterial trust funds made available to the group of incorporated cities lying outside the boundaries of federally approved urban areas within each region need not be divided between functional classes of arterials but shall be available for any designated arterial street.

(2) Each six-year program forwarded to the secretary in compliance with subsection (1) of this section shall contain information as to how a city or town will expend its moneys, including funds made available pursuant to chapter 47.30 RCW, for bicycle, pedestrian, and equestrian purposes.

Sec. 60. Section 1, chapter 396, Laws of 1989 and RCW 35.58.2795 are each amended to read as follows:

TRANSPORTATION PLANS MUST CONFORM TO COMPREHENSIVE PLAN. By April 1st of each year, the legislative authority of each municipality, as defined in RCW 35.58.272, shall prepare a six-year transit development and financial program for that calendar year and the ensuing five years. The program shall be consistent with the comprehensive plans adopted by counties, cities, and towns, pursuant to chapter 35.63, 35A.63, or 36.70 RCW, the inherent authority of a first class city or charter county derived from its charter, or chapter 36.— RCW (sections 1 through 20 of this act). The program shall contain information as to how the municipality intends to meet state and local long-range priorities for public transportation, capital improvements, significant operating changes planned for the system, and how the municipality intends to fund program needs. Each municipality shall file the six-year program with the state department of transportation, the transportation improvement board, and cities, counties, and regional planning councils within which the municipality is located.

In developing its program, the municipality shall consider those policy recommendations affecting public transportation contained in the state transportation policy plan approved by the state transportation commission and, where appropriate, adopted by the legislature. The municipality shall conduct one or more public hearings while developing its program and for each annual update.

PART IV
FOREST PRACTICES AND WATER

Sec. 61. Section 5, chapter 137, Laws of 1974 ex. sess. as last amended by section 47, chapter 36, Laws of 1988 and RCW 76.09.050 are each amended to read as follows:

(1) The board shall establish by rule which forest practices shall be included within each of the following classes:

Class I: Minimal or specific forest practices that have no direct potential for damaging a public resource that may be conducted without submitting an application or a notification;

Class II: Forest practices which have a less than ordinary potential for damaging a public resource that may be conducted without submitting an application and may begin five calendar days, or such lesser time as the department may determine, after written notification by the operator, in the manner, content, and form as prescribed by the department, is received by the department. Class II shall not include forest practices:

(a) On lands platted after January 1, 1960, or being converted to another use;

(b) Which require approvals under the provisions of the hydraulics act, RCW 75.20.100;

(c) Within "shorelines of the state" as defined in RCW 90.58.030; or

(d) Excluded from Class II by the board;

Class III: Forest practices other than those contained in Class I, II, or IV. A Class III application must be approved or disapproved by the department within thirty calendar days from the date the department receives the application;

Class IV: Forest practices other than those contained in Class I or II: (a) On lands platted after January 1, 1960, (b) on lands being converted to another use, (c) on lands which, pursuant to RCW 76.09.070 as now or hereafter amended, are not to be reforested because of the likelihood of future conversion to urban development, and/or (d) which have a potential for a substantial impact on the environment and therefore require an evaluation by the department as to whether or not a detailed statement must be prepared pursuant to the state environmental policy act, chapter 43.21C RCW. Such evaluation shall be made within ten days from the date the department receives the application: PROVIDED, That nothing herein shall be construed to prevent any local or regional governmental entity from determining that a detailed statement must be prepared for an action pursuant to a Class IV forest practice taken by that governmental entity concerning the land on which forest practices will be conducted. A Class IV application must be approved or disapproved by the department within thirty calendar days from the date the department receives the application, unless the department determines that a detailed statement must be made, in which case the application must be approved or disapproved by the department within sixty calendar days from the date the department receives the application, unless the commissioner of public lands, through the promulgation of a formal order, determines that the process cannot be completed within such period.

Forest practices under Classes I, II, and III are exempt from the requirements for preparation of a detailed statement under the state environmental policy act.

(2) No Class II, Class III, or Class IV forest practice shall be commenced or continued after January 1, 1975, unless the department has received a notification with regard to a Class II forest practice or approved an application with regard to a Class III or Class IV forest practice containing all information required by RCW 76.09.060 as now or hereafter amended: PROVIDED, That any person commencing a forest practice during 1974 may continue such forest practice until April 1, 1975, if such person has

submitted an application to the department prior to January 1, 1975: PROVIDED, FURTHER, That in the event forest practices regulations necessary for the scheduled implementation of this chapter and RCW 90.48.420 have not been adopted in time to meet such schedules, the department shall have the authority to regulate forest practices and approve applications on such terms and conditions consistent with this chapter and RCW 90.48.420 and the purposes and policies of RCW 76.09.010 until applicable forest practices regulations are in effect.

(3) If a notification or application is delivered in person to the department by the operator or his agent, the department shall immediately provide a dated receipt thereof. In all other cases, the department shall immediately mail a dated receipt to the operator.

(4) Forest practices shall be conducted in accordance with the forest practices regulations, orders and directives as authorized by this chapter or the forest practices regulations, and the terms and conditions of any approved applications.

(5) The department of natural resources shall notify the applicant in writing of either its approval of the application or its disapproval of the application and the specific manner in which the application fails to comply with the provisions of this section or with the forest practices regulations. Except as provided otherwise in this section, if the department fails to either approve or disapprove an application or any portion thereof within the applicable time limit, the application shall be deemed approved and the operation may be commenced: PROVIDED, That this provision shall not apply to applications which are neither approved nor disapproved pursuant to the provisions of subsection (7) of this section: PROVIDED, FURTHER, That if seasonal field conditions prevent the department from being able to properly evaluate the application, the department may issue an approval conditional upon further review within sixty days: PROVIDED, FURTHER, That the department shall have until April 1, 1975, to approve or disapprove an application involving forest practices allowed to continue to April 1, 1975, under the provisions of subsection (2) of this section. Upon receipt of any notification or any satisfactorily completed application the department shall in any event no later than two business days after such receipt transmit a copy to the departments of ecology, wildlife, and fisheries, and to the county ((~~in which~~)), city, or town in whose jurisdiction the forest practice is to be commenced. Any comments by such agencies shall be directed to the department of natural resources.

(6) If the county, city, or town believes that an application is inconsistent with this chapter, the forest practices regulations, or any local authority consistent with RCW 76.09.240 as now or hereafter amended, it may so notify the department and the applicant, specifying its objections.

(7) The department shall not approve portions of applications to which a county, city, or town objects if:

(a) The department receives written notice from the county, city, or town of such objections within fourteen business days from the time of transmittal of the application to the county, city, or town, or one day before the department acts on the application, whichever is later; and

(b) The objections relate to lands either:

(i) Platted after January 1, 1960; or

(ii) Being converted to another use.

The department shall either disapprove those portions of such application or appeal the county, city, or town objections to the appeals board. If the objections related to subparagraphs (b) (i) and (ii) of this subsection are based on local authority consistent with RCW 76.09.240 as now or hereafter amended, the department shall disapprove the application until such time as the county, city, or town consents to its approval or such disapproval is reversed on appeal. The applicant shall be a party to all department appeals of county, city, or town objections. Unless the county, city, or town either consents or has waived its rights under this subsection, the department shall not approve portions of an application affecting such lands until the minimum time for county, city, or town objections has expired.

(8) In addition to any rights under the above paragraph, the county, city, or town may appeal any department approval of an application with respect to any lands within its jurisdiction. The appeals board may suspend the department's approval in whole or in part pending such appeal where there exists potential for immediate and material damage to a public resource.

(9) Appeals under this section shall be made to the appeals board in the manner and time provided in RCW 76.09.220(8). In such appeals there shall be no presumption of correctness of either the county, city, or town or the department position.

(10) The department shall, within four business days notify the county, city, or town of all notifications, approvals, and disapprovals of an application affecting lands within the county, city, or town, except to the extent the county, city, or town has waived its right to such notice.

(11) A county, city, or town may waive in whole or in part its rights under this section, and may withdraw or modify any such waiver, at any time by written notice to the department.

Sec. 62. Section 6, chapter 137, Laws of 1974 ex. sess. as amended by section 3, chapter 200, Laws of 1975 1st ex. sess. and RCW 76.09.060 are each amended to read as follows:

(1) The department shall prescribe the form and contents of the notification and application. The forest practices regulations shall specify by whom and under what conditions the notification and application shall be signed. The application or notification shall be delivered in person or sent by certified mail to the department. The information required may include, but shall not be limited to:

(a) Name and address of the forest land owner, timber owner, and operator;

(b) Description of the proposed forest practice or practices to be conducted;

(c) Legal description of the land on which the forest practices are to be conducted;

(d) Planimetric and topographic maps showing location and size of all lakes and streams and other public waters in and immediately adjacent to the operating area and showing all existing and proposed roads and major tractor roads;

(e) Description of the silvicultural, harvesting, or other forest practice methods to be used, including the type of equipment to be used and materials to be applied;

(f) Proposed plan for reforestation and for any revegetation necessary to reduce erosion potential from roadsides and yarding roads, as required by the forest practices regulations;

(g) Soil, geological, and hydrological data with respect to forest practices;

(h) The expected dates of commencement and completion of all forest practices specified in the application;

(i) Provisions for continuing maintenance of roads and other construction or other measures necessary to afford protection to public resources; and

(j) An affirmation that the statements contained in the notification or application are true.

(2) At the option of the applicant, the application or notification may be submitted to cover a single forest practice or any number of forest practices within reasonable geographic or political boundaries as specified by the department. Long range plans may be submitted to the department for review and consultation.

(3) The application shall indicate whether any land covered by the application will be converted or is intended to be converted to a use other than commercial timber production within three years after completion of the forest practices described in it.

(a) If the application states that any such land will be or is intended to be so converted:

(i) The reforestation requirements of this chapter and of the forest practices regulations shall not apply if the land is in fact so converted unless applicable alternatives or limitations are provided in forest practices regulations issued under RCW 76.09.070 as now or hereafter amended;

(ii) Completion of such forest practice operations shall be deemed conversion of the lands to another use for purposes of chapters 84.28, 84.33, and 84.34 RCW unless the conversion is to a use permitted under a current use tax agreement permitted under chapter 84.34 RCW;

(iii) The forest practices described in the application are subject to applicable county, city, town, and regional governmental authority permitted under RCW 76.09.240 as now or hereafter amended as well as the forest practices regulations.

(b) If the application does not state that any land covered by the application will be or is intended to be so converted:

(i) For six years after the date of the application the county ((or)), city, town, and regional governmental entities may deny any or all applications for permits or approvals, including building permits and subdivision approvals, relating to nonforestry uses of land subject to the application;

(ii) Failure to comply with the reforestation requirements contained in any final order or decision shall constitute a removal from classification under the provisions of RCW 84.28.065, a removal of designation under the provisions of RCW 84.33.140, and a change of use under the provisions of RCW 84.34.080, and, if applicable, shall subject such lands to the payments and/or penalties resulting from such removals or changes; and

(iii) Conversion to a use other than commercial timber operations within three years after completion of the forest practices without the consent of the county ((~~or municipality~~)), city, or town shall constitute a violation of each of the county, municipal city, town, and regional authorities to which the forest practice operations would have been subject if the application had so stated.

(c) The application shall be either signed by the land owner or accompanied by a statement signed by the land owner indicating his or her intent with respect to conversion and acknowledging that he or she is familiar with the effects of this subsection.

(4) Whenever an approved application authorizes a forest practice which, because of soil condition, proximity to a water course or other unusual factor, has a potential for causing material damage to a public resource, as determined by the department, the applicant shall, when requested on the approved application, notify the department two days before the commencement of actual operations.

(5) Before the operator commences any forest practice in a manner or to an extent significantly different from that described in a previously approved application or notification, there shall be submitted to the department a new application or notification form in the manner set forth in this section.

(6) The notification to or the approval given by the department to an application to conduct a forest practice shall be effective for a term of one year from the date of approval or notification and shall not be renewed unless a new application is filed and approved or a new notification has been filed.

(7) Notwithstanding any other provision of this section, no prior application or notification shall be required for any emergency forest practice

necessitated by fire, flood, windstorm, earthquake, or other emergency as defined by the board, but the operator shall submit an application or notification, whichever is applicable, to the department within forty-eight hours after commencement of such practice.

NEW SECTION. Sec. 63. A new section is added to chapter 19.27 RCW to read as follows:

Each applicant for a building permit of a building necessitating potable water shall provide evidence of an adequate water supply for the intended use of the building. Evidence may be in the form of a water right permit from the department of ecology, a letter from an approved water purveyor stating the ability to provide water, or another form sufficient to verify the existence of an adequate water supply. An application for a water right shall not be sufficient proof of an adequate water supply.

Buildings that do not need potable water facilities are exempt from the provisions of this section. The department of ecology may adopt rules to implement this section.

PART V
ENCOURAGING ECONOMIC GROWTH STATE-WIDE

NEW SECTION. Sec. 64. INTENT. The legislature finds that the Puget Sound region is experiencing economic prosperity and the challenges associated with rapid growth; much of the rest of the state is not experiencing economic prosperity, and faces challenges associated with slow economic growth. It is the intent of the legislature to encourage economic prosperity and balanced economic growth throughout the state.

In order to accomplish this goal, growth must be managed more effectively in the Puget Sound region, and rural areas must build local capacity to accommodate additional economic activity in their communities. Where possible, rural economies and low-income areas should be linked with prosperous urban economies to share economic growth for the benefit of all areas and the state.

To accomplish this goal it is the intent of the legislature to: (1) Assure equitable opportunities to secure prosperity for distressed areas, rural communities, and disadvantaged populations by promoting urban-rural economic links, and by promoting value-added product development, business networks, and increased exports from rural areas; (2) improve the economic development service delivery system to be better able to serve these areas, communities, and populations; (3) redirect the priorities of the state's economic development programs to focus economic development efforts into areas and sectors of the greatest need; (4) build local capacity so that communities are better able to plan for growth and achieve self-reliance; (5) administer grant programs to promote new feasibility studies and project development on projects of interest to rural areas or areas outside of the Puget Sound region; and (6) develop a coordinated economic investment

strategy involving state economic development programs, businesses, educational and vocational training institutions, local governments and local economic development organizations, ports, and others.

Sec. 65. Section 1, chapter 20, Laws of 1983 1st ex. sess. as amended by section 1, chapter 231, Laws of 1985 and RCW 43.210.010 are each amended to read as follows:

EXPORT ASSISTANCE CENTER——ENCOURAGE URBAN-RURAL LINKS. The legislature finds:

(1) The exporting of goods and services from Washington to international markets is an important economic stimulus to the growth, development, and stability of the state's businesses in both urban and rural areas, and that these economic activities create needed jobs for Washingtonians.

(2) Impediments to the entry of many small and medium-sized businesses into export markets have restricted growth in exports from the state.

(3) Particularly significant impediments for many small and medium-sized businesses are the lack of easily accessible information about export opportunities and financing alternatives.

(4) There is a need for a small business export finance assistance center which will specialize in providing export assistance to small and medium-sized businesses throughout the state in acquiring information about export opportunities and financial alternatives for exporting.

Sec. 66. Section 2, chapter 20, Laws of 1983 1st ex. sess. as amended by section 2, chapter 231, Laws of 1985 and RCW 43.210.020 are each amended to read as follows:

EXPORT ASSISTANCE CENTER——ENCOURAGE URBAN-RURAL LINKS. A nonprofit corporation, to be known as the small business export finance assistance center, and branches subject to its authority, may be formed under chapter 24.03 RCW for the following public purposes:

(1) To assist small and medium sized businesses in both urban and rural areas in the financing of export transactions.

(2) To provide, singly or in conjunction with other organizations, information and assistance to these businesses about export opportunities and financing alternatives.

(3) To provide information to and assist those businesses interested in exporting products, including the opportunities available to them in organizing export trading companies under the United States export trading company act of 1982, for the purpose of increasing their comparative sales volume and ability to export their products to foreign markets.

NEW SECTION. Sec. 67. A new section is added to chapter 43.63A RCW to read as follows:

BUILDING LOCAL CAPACITY. (1) The department shall administer a grant program which makes grants to local nonprofit organizations for

rural economic development or for sharing economic growth outside the Puget Sound region. The grants shall be used to: (a) Develop urban rural links; (b) build local capacity for economic growth; or (c) improve the export of products or services from rural areas to locations outside the United States.

(2) The department shall consult with, and if necessary form an advisory committee including, a diverse group of private sector representatives including, but not limited to, major corporations, commercial financial institutions, venture capitalists, small businesses, natural resource businesses, and developers to determine what opportunities for new investment and business growth might be available for areas outside high-growth counties. The department shall also consult with the department of trade and economic development. The department shall seek to maximize and link new investment opportunities to grant projects under this section.

(3) The department may enact rules to carry out this section.

Sec. 68. Section 1, chapter 466, Laws of 1985 and RCW 43.31.005 are each amended to read as follows:

DEPARTMENT OF TRADE AND ECONOMIC DEVELOPMENT——ENCOURAGE GROWTH STATE-WIDE. The legislature of the state of Washington finds that economic development is an essential public purpose which requires the active involvement of state government. The state's primary economic strategy is to encourage the retention and expansion of existing businesses, to attract new businesses and industries, ((~~and~~)) to foster the formation of new businesses, and to economically link rural communities with urban areas. In order to aid the citizens of Washington to obtain desirable employment and achieve adequate incomes, it is necessary for the state to encourage balanced growth and economic prosperity and to promote a more diversified and healthy economy throughout the state.

The legislature finds that the state needs to improve its level of employment, business activity, and revenue growth. In order to increase job opportunities and revenues, a broader and more stable economic base is needed. The state shall take primary responsibility to encourage the balanced growth of the economy consistent with the preservation of Washington's quality of life and environment. A healthy economy can be achieved through partnership efforts with the private sector to facilitate increased investment in Washington. It is the policy of the state of Washington to encourage and promote an economic development program that provides sufficient employment opportunities for our current resident work force and those individuals who will enter the state's work force in the future.

The legislature finds that the state of Washington has the potential to become a major world trade gateway. In order for Washington to fulfill its potential and compete successfully with other states and provinces, it must

articulate a consistent, long-term trade policy. It is the responsibility of the state to monitor and ensure that such traditional functions of state government as transportation, infrastructure, education, taxation, regulation and public expenditures contribute to the international trade focus the state of Washington must develop.

Sec. 69. Section 4, chapter 466, Laws of 1985 and RCW 43.31.035 are each amended to read as follows:

DEPARTMENT OF TRADE AND ECONOMIC DEVELOPMENT——ENCOURAGE GROWTH STATE-WIDE. The department shall pursue a coordinated approach for the state's economic development policies and programs to achieve a more diversified and healthy economy. The department shall support and work cooperatively with other state agencies, public and private organizations, and units of local government, as well as the federal government, to strengthen and coordinate economic development programs ((~~in~~)) throughout the state. The department's activities shall include, but not be limited to:

(1) Providing economic development advisory assistance to the governor, other state agencies, and the legislature on economic-related issues, and other matters affecting the economic well-being of the state and all its citizens.

(2) Providing staff and support to cabinet level interagency economic development coordinating activities.

(3) Representing and monitoring the state's interests with the federal government in its formulation of policies and programs in economic development.

(4) Assisting in the development and implementation of a long-term economic strategy for the state that encourages a balance in economic growth between urban and rural areas and that stimulates economic development in areas not experiencing problems associated with rapid growth, and assisting the continual update of information and strategies contained in the long-term economic program for the state.

Sec. 70. Section 5, chapter 125, Laws of 1984 as amended by section 137, chapter 266, Laws of 1986 and RCW 43.63A.065 are each amended to read as follows:

DEPARTMENT OF COMMUNITY DEVELOPMENT——PRIORITIZE BASED ON NEED. The department shall have the following functions and responsibilities:

(1) Cooperate with and provide technical and financial assistance to the local governments and to the local agencies serving the communities of the state for the purpose of aiding and encouraging orderly, productive, and coordinated development of the state, and, unless stipulated otherwise, give priority to local communities with the greatest relative need and the fewest resources.

(2) Administer state and federal grants and programs which are assigned to the department by the governor or the legislature.

(3) Administer community services programs through private, nonprofit organizations and units of general purpose local government; these programs are directed to the poor and infirm and include community-based efforts to foster self-sufficiency and self-reliance, energy assistance programs, head start, and weatherization.

(4) Study issues affecting the structure, operation, and financing of local government as well as those state activities which involve relations with local government and report the results and recommendations to the governor, legislature, local government, and citizens of the state.

(5) Assist the governor in coordinating the activities of state agencies which have an impact on local governments and communities.

(6) Provide technical assistance to the governor and the legislature on community development policies for the state.

(7) Assist in the production, development, rehabilitation, and operation of owner-occupied or rental housing for low and moderate income persons, and qualify as a participating state agency for all programs of the Department of Housing and Urban Development or its successor.

(8) Support and coordinate local efforts to promote volunteer activities throughout the state.

(9) Participate with other states or subdivisions thereof in interstate programs and assist cities, counties, municipal corporations, governmental conferences or councils, and regional planning commissions to participate with other states or their subdivisions.

(10) Hold public hearings and meetings to carry out the purposes of this chapter.

(11) Provide a comprehensive state-level focus for state fire protection services, funding, and policy.

(12) Administer a program to identify, evaluate, and protect properties which reflect outstanding elements of the state's cultural heritage.

(13) Coordinate a comprehensive state program for mitigating, preparing for, responding to, and recovering from emergencies and disasters.

NEW SECTION. Sec. 71. A new section is added to chapter 43.31 RCW to read as follows:

ASSOCIATE DEVELOPMENT ORGANIZATION NETWORK FORMALIZED. (1) There is established in the department the local economic development service program. This program shall coordinate the delivery of economic development services to local communities or regional areas. It shall encourage a partnership between the public and private sectors and between state and local officials to encourage appropriate economic growth in communities throughout the state.

(2) The department's local economic development service program shall promote local economic development by assisting businesses to start-up, maintain, or expand their operations, by encouraging public infrastructure investment and private capital investment in local communities, and by expanding employment opportunities.

(3) The department's local economic development service program shall, among other things, (a) contract with local economic development nonprofit corporations, called "associate development organizations," for the delivery of economic development services to local communities or regional areas; (b) enter into interagency agreements with appropriate state agencies, such as the department of community development, the department of agriculture, and the employment security department, to coordinate the delivery of economic development services to local communities or regional areas; (c) enter into agreements with other public organizations or institutions that provide economic development services, such as the small business development center, the Washington technology center, community colleges, vocational-technical institutes, the University of Washington, Washington State University, four-year colleges and universities, the federal small business administration, ports, and others, to coordinate the delivery of economic development services to local communities and regional areas; and (d) provide training, through contracts with public or private organizations, and other assistance to associate development organizations to the extent resources allow.

(4) It is the intent of the legislature that the associate development organizations shall promote and coordinate, through local service agreements or other methods, the delivery of economic development services in their areas that are provided by public and private organizations, including state agencies.

(5) The legislature encourages local associate development organizations to form partnerships with other associate development organizations in their region to combine resources for better access to available services, to encourage regional delivery of state services, and to more effectively build the local capacity of communities in the region.

NEW SECTION. Sec. 72. THE SERVICE DELIVERY TASK FORCE. The service delivery task force is established. The purpose of the task force is to review the current system for delivering economic development services in Washington and to make recommendations for improving the effectiveness of state economic development services, especially in rural areas.

(1) The task force shall consider existing studies and reports in its analysis, and shall seek input from the key persons or organizations delivering and receiving state economic development services. These key organizations include: (a) The University of Washington and Washington State

University, (b) ports, (c) community colleges, (d) vocational-technical institutes, (e) the small business administration, (f) the Washington technology center, (g) nonprofit community action organizations, (h) local businesses and chambers of commerce.

(2) The recommendations shall consider, but not be limited to, the following: (a) What should be the structure for delivering state economic development services to enhance local capacity? and (b) How can state programs be better coordinated to avoid duplication and fragmentation of services?

(3) The task force shall consist of: (a) Four legislators, one from each major caucus in the house of representatives appointed by the speaker of the house and one from each major caucus in the senate appointed by the president of the senate; (b) one citizen member involved in economic development appointed by the governor; (c) the director, or the director's designee, of each of the following departments: (i) The department of trade and economic development, (ii) the department of community development, (iii) the department of agriculture, and (iv) the employment security department; (d) two representatives of local governments appointed by the governor in consultation with the association of Washington cities and the Washington state association of counties, with one from east of the Cascades; (e) two representatives of associate development organizations, appointed by the chair of the associate development organization state council, with one representative from east of the Cascades; (f) two representatives of small businesses appointed by the governor, with one representative from east of the Cascades; and (g) one representative each from the Northwest policy center at the University of Washington and the public policy institute at The Evergreen State College appointed by their directors.

(4) Staff services for the task force shall be jointly provided by the department of trade and economic development and the department of community development.

(5) The governor shall appoint the chair of the task force.

(6) Task force members may be reimbursed as provided by RCW 43-.03.050 and 43.03.060.

(7) The task force may create subcommittees and may invite nonmembers of the task force to participate in the subcommittees.

(8) The task force shall report on its findings and make its recommendations to the house of representatives trade and economic development committee, the senate economic development and labor committee, and the governor by November 1, 1990, and shall expire on January 31, 1991.

Sec. 73. Section 6, chapter 40, Laws of 1982 1st ex. sess. as last amended by section 62, chapter 431, Laws of 1989 and RCW 43.160.060 are each amended to read as follows:

COMMUNITY ECONOMIC REVITALIZATION BOARD—CONSIDER BENEFITS TO RURAL COMMUNITIES. The board is

authorized to make direct loans to political subdivisions of the state for the purposes of assisting the political subdivisions in financing the cost of public facilities, including development of land and improvements for public facilities, as well as the acquisition, construction, rehabilitation, alteration, expansion, or improvement of the facilities. A grant may also be authorized for purposes designated in this chapter, but only when, and to the extent that, a loan is not reasonably possible, given the limited resources of the political subdivision.

Application for funds shall be made in the form and manner as the board may prescribe. In making grants or loans the board shall conform to the following requirements:

(1) The board shall not make a grant or loan:

(a) For a project the primary purpose of which is to facilitate or promote a retail shopping development or expansion.

(b) For any project that ((~~probably~~)) evidence exists would result in a development or expansion that would displace existing jobs in any other community in the state.

(c) For the acquisition of real property, including buildings and other fixtures which are a part of real property.

(2) The board shall only make grants or loans:

(a) For those projects which would result in specific private developments or expansions (i) in manufacturing, production, food processing, assembly, warehousing, and industrial distribution; (ii) for processing recyclable materials or for facilities that support recycling, including processes not currently provided in the state, including but not limited to, de-inking facilities, mixed waste paper, plastics, yard waste, and problem-waste processing; (iii) for manufacturing facilities that rely significantly on recyclable materials, including but not limited to waste tires and mixed waste paper; ((~~or~~)) (iv) which support the relocation of businesses from nondistressed urban areas to distressed rural areas; or (v) which substantially support the trading of goods or services outside of the state's borders.

(b) For projects which it finds will improve the opportunities for the successful maintenance, establishment, or expansion of industrial or commercial plants or will otherwise assist in the creation or retention of long-term economic opportunities.

(c) When the application includes convincing evidence that a specific private development or expansion is ready to occur and will occur only if the grant or loan is made.

(3) The board shall prioritize each proposed project according to the relative benefits provided to the community by the jobs the project would create, not just the total number of jobs it would create after the project is completed and according to the unemployment rate in the area in which the jobs would be located. As long as there is more demand for loans or grants

than there are funds available for loans or grants, the board is instructed to fund projects in order of their priority.

(4) A responsible official of the political subdivision shall be present during board deliberations and provide information that the board requests.

Before any loan or grant application is approved, the political subdivision seeking the loan or grant must demonstrate to the community economic revitalization board that no other timely source of funding is available to it at costs reasonably similar to financing available from the community economic revitalization board.

Sec. 74. Section 5, chapter 164, Laws of 1985 as last amended by section 9, chapter 430, Laws of 1989 and RCW 43.168.050 are each amended to read as follows:

DEVELOPMENT LOAN FUND COMMITTEE——CONSIDER BENEFITS TO RURAL COMMUNITIES. (1) The committee may only approve an application providing a loan for a project which the committee finds:

(a) Will result in the creation of employment opportunities or the maintenance of threatened employment;

(b) Has been approved by the director as conforming to federal rules and regulations governing the spending of federal community development block grant funds;

(c) Will be of public benefit and for a public purpose, and that the benefits, including increased or maintained employment, improved standard of living, and the employment of disadvantaged workers, will primarily accrue to residents of the area;

(d) Will probably be successful;

(e) Would probably not be completed without the loan because other capital or financing at feasible terms is unavailable or the return on investment is inadequate.

(2) The committee shall, subject to federal block grant criteria, give higher priority to economic development projects that contain provisions for child care.

(3) The committee may not approve an application if it fails to provide for adequate reporting or disclosure of financial data to the committee. The committee may require an annual or other periodic audit of the project books.

(4) The committee may require that the project be managed in whole or in part by a local development organization and may prescribe a management fee to be paid to such organization by the recipient of the loan or grant.

(5) (a) Except as provided in (b) of this subsection, the committee shall not approve any application which would result in a loan or grant in excess of three hundred fifty thousand dollars.

(b) The committee may approve an application which results in a loan or grant of up to seven hundred thousand dollars if the application has been approved by the director.

(6) The committee shall fix the terms and rates pertaining to its loans.

(7) Should there be more demand for loans than funds available for lending, the committee shall provide loans for those projects which will lead to the greatest amount of employment or benefit to a community. In determining the "greatest amount of employment or benefit" the committee shall also consider the employment which would be saved by its loan and the benefit relative to the community, not just the total number of new jobs or jobs saved.

(8) To the extent permitted under federal law the committee shall require applicants to provide for the transfer of all payments of principal and interest on loans to the Washington state development loan fund created under this chapter. Under circumstances where the federal law does not permit the committee to require such transfer, the committee shall give priority to applications where the applicants on their own volition make commitments to provide for the transfer.

(9) The committee shall not approve any application to finance or help finance a shopping mall.

(10) The committee shall make at least eighty percent of the appropriated funds available to projects located in distressed areas, and may make up to twenty percent available to projects located in areas not designated as distressed. The committee shall not make funds available to projects located in areas not designated as distressed if the fund's net worth is less than seven million one hundred thousand dollars.

(11) If an objection is raised to a project on the basis of unfair business competition, the committee shall evaluate the potential impact of a project on similar businesses located in the local market area. A grant may be denied by the committee if a project is not likely to result in a net increase in employment within a local market area.

***NEW SECTION.** Sec. 75. A new section is added to chapter 43.31 RCW to read as follows:*

INDUSTRIAL COMPETITIVENESS PROGRAM. The business assistance center within the department of trade and economic development shall create an industrial competitiveness program to encourage value-added manufacturing in Washington state. The program shall (1) assist in the creation of self-supporting industry associations that develop cooperative programs for enhancing the competitiveness of their members; (2) provide industry modernization services in targeted sectors; and (3) conduct an industrial census for use in sectoral assistance. The department shall contract with educational institutions, private consultants, or nonprofit organizations to facilitate the program's efforts.

The department shall report to the legislature by January 1, 1991, on the work of the program and make recommendations to the legislature on strategies and delivery systems for improving the competitiveness of new and mature manufacturing sectors in the state.

*Sec. 75 was vetoed, see message at end of chapter.

*NEW SECTION. Sec. 76. EVALUATION OF RESEARCH AND DEVELOPMENT PROGRAMS. (1) The department of trade and economic development shall contract for an evaluation of publicly supported programs in the state that conduct research and development, provide technology transfer and commercialization services, and provide industrial extension services. The evaluation shall focus on the economic development and educational links to such programs.

(2) The department shall contract with a national expert on public sector involvement and shall consult with local advisers and public service organizations in science and technology and the utilization of applied research to support economic development.

(3) The evaluation shall analyze, among other things:

(a) The current public and private sector science and technology efforts in Washington state;

(b) The current public and private sector technology development, transfer, and commercialization efforts in Washington state;

(c) The current university-industry and private-public sector relationships in science and technology in Washington state;

(d) The current industrial extension activities of state educational institutions;

(e) The extent to which the efforts in (a), (b), (c), and (d) of this subsection are organized and coordinated on a state-wide basis;

(f) The current public sector efforts to transfer or protect new technology, including (i) the office of technology transfer at the University of Washington, (ii) the Washington research foundation, and (iii) the Washington State University research foundation; and

(g) The Washington technology center, created under RCW 28B.20.285, by conducting a comprehensive program strategy evaluation assessing the accomplishments and activities of the center regarding its perceived goals and objectives. The program strategy evaluation shall consider, but not be limited to:

(i) The science and technology areas focused on by the center in relation to the strengths and opportunities in the region and the state;

(ii) The economic impact of the Washington technology center to date;

(iii) Access to the Washington technology center throughout the state and by small and medium-sized businesses;

(iv) The commercialization of the Washington technology center's new technology;

(v) Whether the research is basic or applied and academically driven or industry-driven; and

(vi) The quality of the research.

(4) The evaluation required under this section shall include recommendations to the governor and the legislature. The recommendations shall be based on the reviews conducted under subsection (3) of this section and shall consider the efforts of other states in science and technology. The recommendations shall include, but not be limited to, the following:

(a) What structures the state should consider to most effectively identify and manage its science and technology interests;

(b) How the state can better coordinate public and private efforts in science and technology, particularly technology development, commercialization, and industrial extension;

(c) How the state can encourage and facilitate a greater number of entrepreneurs and small and medium-sized businesses having input and access to the Washington technology center, as well as access to commercially promising research being done at the state's universities and colleges;

(d) How the state can better assist in the formation of new business and the expansion of existing business to develop commercially promising technology into products and processes that result in more jobs and capital in the state;

(e) How public funds invested in science and technology can be effectively accounted for and evaluated; and

(f) Should the Washington technology center's structure or goals be changed based on the evaluation under subsection (3)(g) of this section.

(5) The department shall submit the evaluation and recommendations to the legislature and the governor by December 1, 1990.

*Sec. 76 was vetoed, see message at end of chapter.

NEW SECTION. Sec. 77. A new section is added to chapter 43.17 RCW to read as follows:

EXPEDITIOUS EXERCISE OF POWER TO ISSUE PERMITS, LICENSES, CERTIFICATIONS, CONTRACTS, AND GRANTS——COOPERATION. Where power is vested in a department to issue permits, licenses, certifications, contracts, grants, or otherwise authorize action on the part of individuals, businesses, local governments, or public or private organizations, such power shall be exercised in an expeditious manner. All departments with such power shall cooperate with officials of the business assistance center of the department of trade and economic development, and any other state officials, when such officials request timely action on the part of the issuing department.

*NEW SECTION. Sec. 78. A new section is added to chapter 43.31 RCW to read as follows:

ASSISTANCE IN OBTAINING PERMITS, LICENSES, CERTIFICATIONS, AND GRANTS——RECOMMENDATIONS. (1) The business

assistance center is authorized to assist individuals, businesses, local governments, and public or private organizations in obtaining permits, licenses, certifications, contracts, and grants that relate to economic development in the state and are required by law to be issued by state agencies.

(2) The business assistance center shall make recommendations to the governor and the legislature by January 1, 1991, regarding improvements in the processing of permits, licenses, certifications, contracts, and grants by state agencies. Such recommendations shall include recommendations on a process for resolving disputes that may arise when state agencies are requested to issue a permit, license, certification, contract, or grant.

*Sec. 78 was vetoed, see message at end of chapter.

NEW SECTION. Sec. 79. A new section is added to chapter 43.31 RCW to read as follows:

BID INFORMATION. The business assistance center of the department of trade and economic development shall make available on its electronic bulletin board a listing of all open bids issued by state agencies. The business assistance center shall develop and implement a marketing plan for this service to businesses and associate development organizations in the state.

The information made available on each bid shall include:

(1) A summary of the goods or services being requested;

(2) The start or delivery date specified in the bid request;

(3) The name, address, and telephone number of an individual from whom a business can obtain a complete bid package and further information; and

(4) When the bid is due.

The bid information may also be made available on a subscription basis through the mail. The business assistance center may charge a fee for bid information provided either electronically or through the mail to offset its costs. Associate development organizations shall receive bid information free of charge.

*Sec. 79 was vetoed, see message at end of chapter.

NEW SECTION. Sec. 80. A new section is added to chapter 43.19 RCW to read as follows:

BID INFORMATION——NOTIFICATION. All state institutions, colleges, community colleges, and universities, the offices of the elective state officers, the supreme court, the court of appeals, the administrative and other departments of state government, and the offices of all appointive officers of the state shall, when soliciting bids, notify the business assistance center of the department of trade and economic development in a format prescribed by the business assistance center and where possible by direct input to the electronic bulletin board, or if not possible by direct input, by either providing the information on a compatible data disk or if a compatible data disk is not reasonably possible, in writing, of the bid solicitation so that the information

may be made available on the center's electronic bulletin board. The notification to the business assistance center shall include:

(1) A summary of the goods or services being requested;

(2) The start or delivery date specified in the bid request;

(3) The name, address, and telephone number of an individual from whom a business can obtain a complete bid package and further information; and

(4) When the bid is due.

The requirement of this section shall not apply to telephone requests for quotes authorized by the Washington state information services board created under chapter 43.105 RCW.

*Sec. 80 was vetoed, see message at end of chapter.

NEW SECTION. Sec. 81. A new section is added to chapter 82.32 RCW to read as follows:

BID INFORMATION——NOTICE TO BUSINESSES. The department of revenue shall send out a notice on the availability of bid information provided by the business assistance center under section 79 of this act twice during fiscal year 1991 and once yearly thereafter to all businesses paying taxes in this state.

*Sec. 81 was vetoed, see message at end of chapter.

Sec. 82. Section 12, chapter 446, Laws of 1985 as last amended by section 6, chapter 133, Laws of 1990 and RCW 43.155.070 are each amended to read as follows:

PUBLIC WORKS ASSISTANCE FUND——CONSIDER BENEFITS TO COMMUNITY. (1) To qualify for loans or pledges under this chapter the board must determine that a local government meets all of the following conditions:

(a) The city or county must be imposing a tax under chapter 82.46 RCW at a rate of at least one-quarter of one percent;

(b) The local government must have developed a long-term plan for financing public works needs; and

(c) The local government must be using all local revenue sources which are reasonably available for funding public works, taking into consideration local employment and economic factors.

(2) The board shall develop a priority process for public works projects as provided in this section. The intent of the priority process is to maximize the value of public works projects accomplished with assistance under this chapter. The board shall attempt to assure a geographical balance in assigning priorities to projects. The board shall consider at least the following factors in assigning a priority to a project:

(a) Whether the local government receiving assistance has experienced severe fiscal distress resulting from natural disaster or emergency public works needs;

(b) Whether the project is critical in nature and would affect the health and safety of a great number of citizens;

(c) The cost of the project compared to the size of the local government and amount of loan money available;

(d) The number of communities served by or funding the project;

(e) Whether the project is located in an area of high unemployment, compared to the average state unemployment;

(f) Whether the project is the acquisition, expansion, improvement, or renovation by a local government of a public water system that is in violation of health and safety standards, including the cost of extending existing service to such a system; ((~~and~~))

(g) The relative benefit of the project to the community, considering the present level of economic activity in the community and the existing local capacity to increase local economic activity in communities that have low economic growth; and

(h) Other criteria that the board considers advisable.

(3) Existing debt or financial obligations of local governments shall not be refinanced under this chapter. Each local government applicant shall provide documentation of attempts to secure additional local or other sources of funding for each public works project for which financial assistance is sought under this chapter.

(4) Before November 1 of each year, the board shall develop and submit to the chairs of the ways and means committees of the senate and house of representatives a description of the emergency loans made under RCW 43.155.065 during the preceding fiscal year and a prioritized list of projects which are recommended for funding by the legislature, including one copy to the staff of each of the committees. The list shall include, but not be limited to, a description of each project and recommended financing, the terms and conditions of the loan or financial guarantee, the local government jurisdiction and unemployment rate, demonstration of the jurisdiction's critical need for the project and documentation of local funds being used to finance the public works project. The list shall also include measures of fiscal capacity for each jurisdiction recommended for financial assistance, compared to authorized limits and state averages, including local government sales taxes; real estate excise taxes; property taxes; and charges for or taxes on sewerage, water, garbage, and other utilities.

(5) The board shall not sign contracts or otherwise financially obligate funds from the public works assistance account before the legislature has appropriated funds for a specific list of public works projects. The legislature may remove projects from the list recommended by the board. The legislature shall not change the order of the priorities recommended for funding by the board.

(6) Subsections (4) and (5) of this section do not apply to loans made for emergency public works projects under RCW 43.155.065.

Sec. 83. Section 7, chapter 125, Laws of 1984 as amended by section 33, chapter 505, Laws of 1987 and RCW 43.63A.078 are each amended to read as follows:

TECHNICAL ASSISTANCE GRANTS. (1) The department shall develop and administer a local development matching fund program. To be eligible to receive funds under this program, an organization must be a local government or a nonprofit local development entity. Any local government or entity requesting funds must demonstrate the participation of a cross-section of the local community in the economic development project, including business, labor, education and training, and the public sector. Under this program, the department shall provide matching funds which shall be used for the formulation of local economic development strategies, including the technical analysis necessary to designate and carry out the strategies. A technical analysis can include, but is not limited to, the development and dissemination of data on local markets, demographics, comparative business costs, site availability, labor force characteristics, and local incentives. Funds are to be used primarily to foster new developments and expansions which result in the trading of goods and services outside of the state's borders. Funds may be made available for assisting local businesses in utilizing state and federal programs in exporting, training, and financing. Funds may also be used to provide technical assistance to businesses in the areas of land use, transportation, site location, and manpower training. Matching funds cannot be used for entertainment, capital expenses, hosting, or marketing. Funds granted for economic development projects must be matched by local resources on a dollar-for-dollar basis. Not more than fifty thousand dollars of state matching funds as provided by this section may be used for any one project.

(2) The department shall set aside, within its general fund appropriation, a sum of two hundred thousand dollars per biennium for technical assistance grants to assist community-based organizations in their efforts contributing to the redevelopment and economic well-being of low-income areas.

A maximum of forty percent of the funds set aside for technical assistance purposes provided in this subsection may be made available for technical assistance in organizational and board development to those organizations demonstrating a reasonable probability that such assistance will help them undertake a development project. A minimum of sixty percent of the funds set aside for technical assistance purposes shall be used for projects which meet the following standards:

(a) Community-based organizations have or will have a minimum ten percent ownership of the development project;

(b) The project is within a low-income area;

(c) The project has provided reasonable assurance that it will conform to all applicable environmental, zoning, and building laws;

(d) The benefits of the project, including the addition or retention of employment and of capital in the low-income area, shall primarily accrue to the residents of the area;

(e) There is a reasonable expectation that the project will be successful, and that the eligible organization and project participants are responsible parties;

(f) Alternative sources, including other agencies or institutions of the state or federal government, have been sought and are either insufficient or unavailable to meet the needs of the project;

(g) The technical assistance to be provided is essential to the success of the project;

(h) Provision has been made for the active participation in the project of residents of the low-income area; and

(i) Provisions have been made for reporting by the eligible organization concerning the manner in which the technical assistance is used on the project and the extent to which it achieves its intended results.

The amount required to be set aside under this section for the biennium ending June 30, 1991, shall be reduced or eliminated if a specific appropriation for the full amount required under this subsection is not made to the department by June 30, 1990.

Grant recipients under this subsection may be community-based organizations or state-wide organizations which provide technical assistance to community-based organizations.

(3) For purposes of subsection (2) of this section, "community-based organization" means:

(a) A nonprofit corporation organized under state law that:

(i) Is organized to operate within a specific substate area;

(ii) Has experience operating programs which directly benefit low-income citizens;

(iii) Has low-income people or representatives of organizations serving the low income on its board of directors.

(b) Any Native American tribal governing body.

*Sec. 83 was vetoed, see message at end of chapter.

*NEW SECTION. Sec. 84. A new section is added to chapter 43.63A RCW to read as follows:

LOW-INCOME SELF EMPLOYMENT. The department of community development shall implement a self-employment loan program. The program shall provide grants to local development organizations to use solely in revolving loan funds to finance the small businesses of low-income persons. Grants are to be distributed through a competitive application process to be administered by the department in consultation with an advisory committee. Any organization receiving a grant must: (1) Demonstrate the need for a low-income, self-employment project in its community; (2) demonstrate the capacity of the organization to administer the project; and (3) describe the loan procedure and the self-employment training and support programs into which the loan fund will be incorporated. No grant shall be greater than sixty thousand dollars. An organization may provide loans from the grant award of no greater than five thousand dollars. No more than ten percent of any appropriation to the department for the program may be used by the department for administrative costs.

*Sec. 84 was vetoed, see message at end of chapter.

NEW SECTION. Sec. 85. If funding for the purposes of section 67, 72, 75, or 84 of this act is not provided by June 30, 1990, in Substitute Senate Bill No. 6407, the supplemental appropriations act, referencing this act by bill number, then each of the sections whose purpose is not funded shall be null and void.

PART VI
MISCELLANEOUS

NEW SECTION. Sec. 86. ROLE OF GROWTH STRATEGIES COMMISSION. The growth strategies commission created by executive order shall:

(1) Analyze different methods for assuring that county and city comprehensive plans adopted under chapter 36.— RCW (sections 1 through 20 of this act) are consistent with the planning goals under section 2 of this act and with other requirements of chapter 36.— RCW (sections 1 through 20 of this act);

(2) Recommend to the legislature and the governor by October 1, 1990, a specific structure or process that, among other things:

(a) Ensures county and city comprehensive plans adopted under chapter 36.— RCW (sections 1 through 20 of this act) are coordinated and comply with planning goals and other requirements under chapter 36.— RCW (sections 1 through 20 of this act);

(b) Requires state agencies to comply with this chapter and to consider and be consistent with county and city comprehensive plans in actions by state agencies, including the location, financing, and expansion of transportation systems and other public facilities;

(c) Defines the state role in growth management;

(d) Addresses lands and resources of state-wide significance, including to:

(i) Protect these lands and resources of state-wide significance by developing standards for their preservation and protection and suggesting the appropriate structure to monitor and enforce the preservation of these lands and resources; and

(ii) Consider the environmental, economic, and social values of the lands and resources with state-wide significance;

(c) Identifies potential state funds that may be withheld and incentives that promote county and city compliance with chapter 36.— RCW (sections 1 through 20 of this act);

(f) Increases affordable housing state–wide and promotes linkages between land use and transportation;

(g) Addresses vesting of rights; and

(h) Addresses short subdivisions; and

(3) Develop recommendations to provide for the resolution of disputes over urban growth areas between counties and cities, including incorporations and annexations.

NEW SECTION. Sec. 87. (1) Sections 1 through 20 of this act shall constitute a new chapter in Title 36 RCW.

(2) Sections 53 through 57 of this act shall constitute a new chapter in Title 47 RCW.

NEW SECTION. Sec. 88. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

NEW SECTION. Sec. 89. Part and section headings as used in this act do not constitute any part of the law.

Passed the House April 1, 1990.
Passed the Senate April 1, 1990.
Approved by the Governor April 24, 1990, with the exception of certain items which were vetoed.
Filed in Office of Secretary of State April 24, 1990.

Note: Governor's explanation of partial veto is as follows:

"I am returning herewith, without my approval as to sections 18, 25, 26, 27, 28, 29, 45, 75, 76, 78, 79, 80, 81, 83 and 84, Engrossed Substitute House Bill No. 2929. [entitled]:

"AN ACT Relating to growth."

Engrossed Substitute House Bill No. 2929 takes an important first step towards the goal of managing growth in this state's fastest growing counties.

I commend the Legislature for recognizing the importance of this issue and for the sustained commitment and hard work that went into this bill.

I welcome this measure, and am pleased to sign it into law.

This is an act that will benefit all of us, and all of our children. It will allow our most economically dynamic counties to preserve the endowment of clean air, pure water and natural beauty that is now threatened by rampant uncontrolled growth. It will encourage continuing economic prosperity by reforming decision–making processes that have all too often been unpredictable and disjointed. But most important, this bill is a cogent response to the concerns of thousands upon thousands of this state's citizens and taxpayers, who have insisted that we strike a better balance between economic development and environmental preservation.

It is important to recognize that this legislation is only the first step. In June, I will receive the recommendations of the Growth Strategies Commission. Those recommendations will be the basis for executive request legislation in the 1991 session.

We fully intend to pursue further actions to ensure that measure is strengthened and clarified.

The crafting of this intricate bill in a single legislative session has resulted in a number of technical problems that require my veto of several sections. Because my veto power is limited to entire sections, in several cases, I must veto provisions that I support because of flaws that appear within the same section.

Although I regret some of these actions, I am confident that we can resolve the problems during the next legislative session.

Section 18

This section requires special districts to act in conformity with policy goals in the act and with local comprehensive plans. Ensuring consistency between county and local governments and the numerous overlapping special districts that provide needed services is necessary for successful growth management. However, the exemptions provided in subsection 3 for port districts and municipal airports do not promote consistency and may unintentionally result in ports and municipal airports being exempted from all land use requirements. Because I am unable to partially veto sections to eliminate technical or policy concerns, I must veto section 18. Despite my veto, I believe the consistency mandate is addressed by existing case law.

Sections 25, 26, 27, 28, and 29

These sections authorize local governments to contract with developers for construction of facilities related to specific projects. Lack of clarity opens up a wide range of questions concerning the application of the state's prevailing wage laws. While these sections offer a good tool to permit local governments to work with developers to construct needed infrastructure for growth, the legal uncertainty on prevailing wage impacts is too great. Policy in this area should be debated as part of future growth management efforts.

Section 45

Local governments are increasingly short of funds to make necessary public improvements. The money to pay for new or improved roads, water systems, sewage facilities, parks, and schools has traditionally come from general tax revenues or utility charges. However, explosive growth is currently outpacing the ability to finance public facilities necessitated by that growth.

With the exception of one sub–section, this bill captures all the essential elements of a legally permissible impact fee process to enable local governments planning under the provisions of this bill to require that certain public facilities be financed by development necessitating such facilities.

In addition to financing public facilities through the imposition of impact fees, the substantive authority under the State Environmental Policy Act allows a local jurisdiction to approve a project subject to a requirement that the developer mitigate or pay a fee to mitigate specific adverse environmental impacts. I am concerned that subsection (1) of section 45 limits substantive authority under the State Environmental Policy Act without considering the full impact of such limitation.

While I agree that the imposition of impact fees and the authority under the State Environmental Policy Act should not be used to impose duplicative fees or requirements on developers, I am unwilling to affect the State Environmental Policy Act without full knowledge of the consequences. Larger jurisdictions may well be able to plan for or anticipate the system needs associated with growth. I am concerned, however, that smaller jurisdictions, who were not involved in the negotiations surrounding this section, may not have the staff to fully understand the importance of these sections and as a result may lose the ability to mitigate for unanticipated needs related to growth. Despite the veto of section 45, protection against arbitrary or duplicative fees is present in section 43 of this bill.

Because I am unable to partially veto sections to eliminate technical or policy concerns, I must veto all of section 45, despite important provisions contained in subsections (2) through (7). My veto is necessitated by the closed section 45(1), placeover the State Environmental Policy Act.

Sections 75, 83, & 84

These three sections undertake new program initiatives in the departments of Trade and Economic Development and Community Development. While the contemplated programs are thoughtful, the use of Community Economic Revitalization Board funds to fund ongoing programs of this kind is inappropriate. Therefore, I am vetoing these sections. I am however, directing the Department of Trade and Economic Development to assist efforts by small businesses to increase their competitiveness through the use of cooperative networks, using funds provided in the budget, and I am directing the Department of Community Development to explore opportunities to provide training and technical assistance to community-based organizations serving low-income urban and rural areas.

Sections 76, 78, 79, 80 & 81

These sections authorize new activities and program initiatives in the Department of Trade and Economic Development. These activities lack legislative funding and are authorized in an overly prescriptive fashion by the Legislature. However, I am directing the Department to utilize the available funds to evaluate existing state-supported applied research and technology transfer activities in the state. I am also directing the Department to conduct an initial examination of opportunities for collaboration between higher education, industry and the state as a way to increase the economic competitiveness of the state. Further, I am directing the Department to continue to explore ways to provide bid information to small businesses through the electronic bulletin board system.

With the exception of sections 18, 25, 26, 27, 28, 29, 45, 75, 76, 78, 79, 80, 81, 83, and 84, I am approving Engrossed Substitute House Bill No. 2929."