The House was called to order at 9:55 a.m. by the Speaker (Representative Orwall presiding).

Reading of the Journal of the previous day was dispensed with and it was ordered to stand approved.

There being no objection, the House advanced to the fourth order of business.

INTRODUCTION & FIRST READING

HB 2201 by Representative Reykdal

AN ACT Relating to funding tuition reductions and other higher education programs; amending RCW 83.100.230; adding a new section to chapter 82.32 RCW; repealing RCW 82.04.4292; providing a contingent effective date; and providing for submission of this act to the voters.

There being no objection, the bill listed on the day’s introduction sheet under the fourth order of business was referred to the committee so designated.

There being no objection, the House advanced to the fifth order of business.

REPORTS OF STANDING COMMITTEES

SB 5020 Prime Sponsor, Senator Bailey: Concerning state agencies continuity of operations planning requirements. Reported by Committee on Public Safety

MAJORITY recommendation: Do pass. Signed by Representatives Goodman, Chair; Orwall, Vice Chair; Klippert, Ranking Minority Member; Hayes, Assistant Ranking Minority Member; Appleton; Griffey; Moscoso; Pettigrew and Wilson.

Referred to Committee on Appropriations.

March 19, 2015

SSB 5138 Prime Sponsor, Committee on Government Operations & Security: Concerning notice and review processes for annexations, deannexations, incorporations, disincorporations, consolidations, and boundary line adjustments under Titles 35 and 35A RCW. Reported by Committee on Local Government

MAJORITY recommendation: Do pass as amended.

March 20, 2015

House Chamber, Olympia, Monday, March 23, 2015

Strike everything after the enacting clause and insert the following:

"NEW SECTION. Sec. 1. A new section is added to chapter 43.41 RCW to read as follows:

(1) The initiator of a proposed action regarding (a) annexation, (b) deannexation, (c) incorporation, (d) disincorporation, (e) consolidation of cities, or (f) boundary line adjustment under Titles 35 and 35A RCW must file notice of intention with the office of financial management for its review within three days of initial acceptance or approval of the proposed action by the appropriate entity, except if the initiator is the legislative body of a government unit, the notice of intention must be filed immediately following the legislative body’s initial acceptance or approval of the action.

(2) The notice of intention must be submitted with the following:

(a) A legal description of the proposed annexation, deannexation, incorporation, disincorporation, consolidation, or boundary line adjustment, which must be reviewed by the office of financial management before subsequent notices regarding the proposed action are filed;

(b) A map showing the specific territory boundaries of the proposed annexation, deannexation, incorporation, disincorporation, consolidation, or boundary line adjustment;

(c) The proposed action or resolution, if applicable;

(d) Parcel numbers of affected properties, if applicable; and

(e) Street addresses of affected properties, if applicable, but excluding the names of owners and residents.

(3) Within thirty days of receipt of notice of intention, the office of financial management must review the documents submitted under the notice and provide comments to the initiator of the proposed action if any of the following occur:

(a) Except for city consolidations and boundary line adjustments, the ordinance or resolution includes any territory that is part of another city or that is already part of the city boundaries;

(b) The territory to be annexed, deannexed, or incorporated, or subject to consolidation is not contiguous to existing city boundaries;

(c) The proposed action or resolution does not include or excludes the full right-of-way when roads are being used as part of the city boundary;

(d) Except for municipal purpose annexations, the proposed action or resolution includes any territory that is outside of an urban growth area in counties that are required or choose to plan under RCW 36.70A.040; or

(e) The map of the territory to be annexed, deannexed, incorporated, disincorporated, consolidated, or subject to boundary line adjustment is not an accurate representation of the legal description.

(4) The office of financial management must post required documents as described in subsection (2) of this section on its website and notify the department of transportation. The office of financial management must produce an annexation, deannexation, incorporation, disincorporation, city consolidation, and boundary line adjustment report thirty days prior to the commencement of
each quarterly period, post the report on its web site, and notify state entities pursuant to RCW 35.13.260 and 35A.14.700.

(5) The requirements for the office of financial management to review initiated actions under this section does not affect the authority of boundary review boards to review and approve, disapprove, or modify actions subject to their review under chapter 36.93 RCW.

(6) For purposes of this section, "contiguous" means that territory proposed to be annexed, deannexed, incorporated, or consolidated touches or is in physical contact with a city boundary, though the contact must be more than a single point. Territory connected to a city only by a public right-of-way, where the edge of the right-of-way does not constitute part of the city boundary, is not considered contiguous for purposes of this section.

**PART I - INCORPORATION**

**Sec. 101.** RCW 35.02.030 and 1994 c 216 s 3 are each amended to read as follows:

The petition for incorporation shall: (1) Indicate whether the proposed city or town shall be a noncharter code city operating under Title 35A RCW, or a city or town operating under Title 35 RCW; (2) indicate the form or plan of government the city or town is to have; (3) set forth and particularly describe the proposed boundaries of the proposed city or town; (4) state the name of the proposed city or town; (5) state the number of inhabitants therein, as ((nearly as may be)) determined by the office of financial management through use of its small area estimate program; and (6) pray that the city or town be incorporated. The petition shall conform to the requirements for form prescribed in RCW 35A.01.040. The petition shall include the identification number provided under RCW 35.02.017 and state the last date by which the petition may be filed, as determined under RCW 35.02.020.

If the proposed city or town is located in more than one county, the petition shall be prepared in such a manner as to indicate the different counties within which the petitioners reside.

A city or town operating under Title 35 RCW may have a mayor/council, council/member, or commission form of government. A city operating under Title 35A RCW may have a mayor/council or council/member plan of government.

If the petition fails to specify the matters described in subsection (1) of this section, the proposal shall be to incorporate as a noncharter code city. If the petition fails to specify the matter described in subsection (2) of this section, the proposal shall be to incorporate with a mayor/council form or plan of government.

**Sec. 102.** RCW 35.02.037 and 1986 c 234 s 6 are each amended to read as follows:

The county auditor who certifies the sufficiency of the petition shall notify the person or persons who submitted the petition of its sufficiency within five days of when the determination of sufficiency is made. Notice shall be by certified mail and may additionally be made by telephone. The petitioners must file notice of the proposed action with the office of financial management for its review pursuant to section 1 of this act. If a boundary review board or boards exists in the county or counties in which the proposed city or town is located, the petitioners shall also file notice of the proposed incorporation with the boundary review board or boards.

**Sec. 103.** RCW 35.02.070 and 1994 c 216 s 17 are each amended to read as follows:

(1) If a county legislative authority holds a public hearing on a proposed incorporation, it shall establish and define the boundaries of the proposed city or town, being authorized to decrease or increase the area proposed in the petition under the same restrictions that a boundary review board may modify the proposed boundaries. The county legislative authority or the boundary review board if it takes jurisdiction, shall determine the number of inhabitants within the proposed boundaries (it has established) through use of its small area estimate program. If the boundary review board modifies the proposed boundaries, the county legislative authority must notify the office of financial management of the modifications.

(2) A county legislative authority shall disapprove the proposed incorporation if, without decreasing the area proposed in the petition, it does not conform with RCW 35.02.010. A county legislative authority may not otherwise disapprove a proposed incorporation.

(3) A county legislative authority or boundary review board has jurisdiction only over that portion of a proposed city or town located within the boundaries of the county.

**Sec. 104.** RCW 35.02.100 and 1986 c 234 s 13 are each amended to read as follows:

The notice of election on the question of the incorporation shall be given as provided by RCW 20.27.020 but shall further describe the boundaries of the proposed city or town, its name, and the number of inhabitants ((within the proposed boundaries (it has established)) as determined by the office of financial management through use of its small area estimate program.)

**Sec. 105.** RCW 35.02.130 and 2011 c 60 s 15 are each amended to read as follows:

Subject to review of the proposed action by the office of financial management pursuant to section 1 of this act, the city or town officially shall become incorporated at a date from one hundred eighty days to three hundred sixty days after the date of the election on the question of incorporation. An interim period shall exist between the time the newly elected officials have been elected and qualified and this official date of incorporation. During this interim period, the newly elected officials are authorized to adopt ordinances and resolutions which shall become effective on or after the official date of incorporation, and to enter into contracts and agreements to facilitate the transition to becoming a city or town and to ensure a continuation of governmental services after the official date of incorporation. Periods of time that would be required to elapse between the enactment and effective date of such ordinances, including but not limited to times for publication or for filing referendums, shall commence upon the date of such enactment as though the city or town were officially incorporated.

During this interim period, the city or town governing body may adopt rules establishing policies and procedures under the state environmental policy act, chapter 43.21C RCW, and may use these rules and procedures in making determinations under the state environmental policy act, chapter 43.21C RCW.

During this interim period, the newly formed city or town and its governing body shall be subject to the following as though the city or town were officially incorporated: RCW 4.24.470 relating to immunity; chapter 42.17A RCW relating to open government; chapter 42.56 RCW relating to public records; chapter 40.14 RCW relating to the preservation and disposition of public records; chapters 42.20 and 42.23 RCW relating to ethics and conflicts of interest; chapters 42.30 and 42.32 RCW relating to open public meetings and minutes; RCW 35.22.288, 35.23.221, 35.27.300, 35A.12.160, as appropriate, and chapter 35A.65 RCW relating to the publication of notices and ordinances; RCW 35.21.875 and 35A.21.230 relating to the designation of an official newspaper; RCW 36.16.138 relating to liability insurance; RCW 35.22.620, 35.23.352, and 35A.40.210, as appropriate, and statutes referenced therein relating to public contracts and bidding; and chapter 39.34 RCW relating to interlocal cooperation. Tax anticipation or revenue anticipation notes or warrants and other short-term obligations may be issued and funds may be borrowed on the security of these instruments during this interim period, as provided in chapter 39.50 RCW. Funds also may be borrowed...
from federal, state, and other governmental agencies in the same manner as if the city or town were officially incorporated.

RCW 84.52.020 and 84.52.070 shall apply to the extent that they may be applicable, and the governing body of such city or town may take appropriate action by ordinance during the interim period to adopt the property tax levy for its first full calendar year following the interim period.

The governing body of the new city or town may acquire needed facilities, supplies, equipment, insurance, and staff during this interim period as if the city or town were in existence. An interim city manager or administrator, who shall have such administrative powers and duties as are delegated by the governing body, may be appointed to serve only until the official date of incorporation. After the official date of incorporation the governing body of such a new city organized under the council manager form of government may extend the appointment of such an interim manager or administrator with such limited powers as the governing body determines, for up to ninety days. This governing body may submit ballot propositions to the voters of the city or town to authorize taxes to be collected on or after the official date of incorporation, or authorize an annexation of the city or town by a fire protection district or library district to be effective immediately upon the effective date of the incorporation as a city or town.

The boundaries of a newly incorporated city or town shall be deemed to be established for purposes of RCW 84.09.030 on the date that the results of the initial election on the question of incorporation are certified or the first day of January following the date of this election if the newly incorporated city or town does not impose property taxes in the same year that the voters approve the incorporation.

The newly elected officials shall take office immediately upon their election and qualification with limited powers during this interim period as provided in this section. They shall acquire their full powers as of the official date of incorporation and shall continue in office until their successors are elected and qualified at the next general municipal election after the official date of incorporation: PROVIDED, That if the date of the next general municipal election is less than twelve months after the date of the first election of councilmembers, those initially elected councilmembers shall serve until their successors are elected and qualified at the next following general municipal election as provided in RCW 29A.04.330.

In any newly incorporated city that has adopted the council-manager form of government, the term of office of the mayor, during the interim period only, shall be set by the council, and thereafter shall be as provided by law.

The official date of incorporation shall be on a date from one hundred eighty to three hundred sixty days after the date of the election on the question of incorporation, as specified in a resolution adopted by the governing body during this interim period. A copy of the resolution shall be filed with the county legislative authority of the county in which all or the major portion of the newly incorporated city or town is located. If the governing body fails to adopt such a resolution, the official date of incorporation shall be three hundred sixty days after the date of the election on the question of incorporation. The county legislative authority of the county in which all or the major portion of the newly incorporated city or town is located shall file a notice with the county assessor that the city or town has been authorized to be incorporated immediately after the favorable results of the election on the question of incorporation have been certified. The county legislative authority shall file a notice with the secretary of state and the office of financial management that the city or town is incorporated as of the official date of incorporation.

**PART II - DISINCORPORATION**

**Sec. 201.** RCW 35.07.020 and 1965 c 7 s 35.07.020 are each amended to read as follows:

The petition for disincorporation must be signed by a majority of the registered voters thereof and filed with the city or town council. The petitioners must also file notice of the proposed action with the office of financial management for its review pursuant to section 1 of this act.

**Sec. 202.** RCW 35.07.040 and 1997 c 361 s 4 are each amended to read as follows:

The petitioners must also file notice of the proposed action with the office of financial management for its review pursuant to section 1 of this act.

**Sec. 203.** RCW 35.07.230 and 1995 c 301 s 34 are each amended to read as follows:

If any town fails for two successive years to hold its regular municipal election, or if the officers elected at the regular election of any town fail for two successive years to qualify and the government of the town ceases to function by reason thereof, the state auditor may petition the superior court of the county for an order awakening the town. The state auditor must also file notice of the proposed action with the office of financial management for its review pursuant to section 1 of this act.

**Sec. 204.** RCW 35A.15.010 and 1990 c 259 s 11 are each amended to read as follows:

Any noncharter code city may be disincorporated. Proceedings may be initiated by the filing with the county auditor of a petition for disincorporation signed by a majority of the registered voters resident in such city, or the legislative body of the city may provide by resolution for an election on the proposition of disincorporation. The legislative body of the city must file notice of the proposed action with the office of financial management for its review pursuant to section 1 of this act.

**Sec. 205.** RCW 35A.15.040 and 1994 c 223 s 39 are each amended to read as follows:

Ballot titles shall be prepared by the city as provided in RCW 35A.12.90 and shall contain the words "For Dissolution" and "Against Dissolution", and shall contain on separate lines, alphabetically, the names of candidates for receiver. If a majority of the votes cast on the proposition are for dissolution, the municipal corporation shall be dissolved upon certification of the election results to the office of the secretary of state. The legislative body of the city must file notice of the disincorporation with the office of financial management for its review.

**PART III - CONSOLIDATION**

**Sec. 301.** RCW 35.10.265 and 1985 c 281 s 17 are each amended to read as follows:

Immediately after the filing of the statement of an annexation election and subject to review of the proposed action by the office of financial management pursuant to section 1 of this act, the legislative body of the annexing city may, if it deems it wise or expedient, adopt an ordinance providing for the annexation. Upon the date fixed in the ordinance of annexation, the area annexed shall become a part of the annexing city. The clerk of the annexing city shall transmit a certified copy of this ordinance to the secretary of state and the office of financial management.

**Sec. 302.** RCW 35.10.400 and 1985 c 281 s 3 are each amended to read as follows:
Two or more contiguous, as defined in section 1(6) of this act, cities located in the same or different counties may consolidate into one city by proceedings in conformity with the provisions of this chapter. When cities are separated by water and/or tide or shore lands they shall be deemed contiguous, as defined in section 1(6) of this act, for all the purposes of this chapter and, upon a consolidation of such cities under the provisions of this chapter, any such intervening water and/or tide or shore lands shall become a part of the consolidated city. The consolidated city shall become a noncharter code city operating under Title 35A RCW.

Sec. 303. RCW 35.10.410 and 1985 c 281 s 4 are each amended to read as follows:

The submission of a ballot proposal to the voters of two or more contiguous cities for the consolidation of these contiguous, as defined in section 1(6) of this act, cities may be caused by the adoption of a joint resolution, by a majority vote of each city legislative body, seeking consolidation of such contiguous cities. Each city's legislative body must file notice of the proposed action with the office of financial management for its review pursuant to section 29.13.020. The joint resolution shall provide for submission of the question to the voters at the next general municipal election, if one is to be held more than ninety days but not more than one hundred eighty days after the passage of the joint resolution, or shall call for a special election to be held for that purpose at the next special election date, as specified in RCW (29.13.020) 29A.04.330, that occurs ninety or more days after the passage of the joint resolution. The legislative bodies of the cities also shall notify the county legislative authority of each county in which the cities are located of the proposed consolidation.

Sec. 304. RCW 35.10.420 and 1995 c 196 s 7 are each amended to read as follows:

The submission of a ballot proposal to the voters of two or more contiguous cities for the consolidation of these contiguous, as defined in section 1(6) of this act, cities may also be caused by the filing of a petition with the legislative body of each such city, signed by the voters of each city in number equal to not less than ten percent of voters who voted in the city at the last general municipal election therein, seeking consolidation of such contiguous cities. A copy of the petition shall be forwarded immediately by each city to the auditor of the county or counties within which that city is located.

The county auditor or auditors shall determine the sufficiency of the signatures in each petition within ten days of receipt of the copies and immediately notify the cities of the sufficiency. Upon receipt of notice from the county auditor or auditors, the cities must file notice of the proposed action with the office of financial management for its review pursuant to section 1 of this act. If each of the petitions is found to have sufficient valid signatures, the auditor or auditors shall call a special election at which the question of whether such cities shall consolidate shall be submitted to the voters of each of such cities. If a general election is to be held more than ninety days but not more than one hundred eighty days after the filing of the last petition, the question shall be submitted at that election. Otherwise the question shall be submitted at a special election to be called for that purpose at the next special election date, as specified in RCW (29.13.020) 29A.04.330, that occurs ninety or more days after the date when the last petition was filed.

If each of the petitions is found to have sufficient valid signatures, the auditor or auditors also shall notify the county legislative authority of each county in which the cities are located of the proposed consolidation.

Petitions shall conform with the requirements for form prescribed in RCW 35A.01.040, except different colored paper may be used on petitions circulated in the different cities. A legal description of the cities need not be included in the petitions.

PART IV – ANNEXATION, BOUNDARY LINE ADJUSTMENT, AND CITY LIMIT REDUCTION

Sec. 401. RCW 35.13.010 and 2009 c 402 s 2 are each amended to read as follows:

Any portion of a county not incorporated as part of a city or town but lying contiguous, as defined in section 1(6) of this act, thereto may become a part of the city or town by annexation. An area proposed to be annexed to a city or town shall be deemed contiguous, as defined in section 1(6) of this act, thereto even though separated by water or tide or shore lands on which no bona fide residence is maintained by any person.

Sec. 402. RCW 35.13.020 and 1981 c 332 s 3 are each amended to read as follows:

A petition for an election to vote upon the annexation of a portion of a county to a contiguous, as defined in section 1(6) of this act, city or town signed by qualified voters resident in the area equal in number to twenty percent of the votes cast at the last election (Sec. 403.) must be filed in the office of the board of county commissioners: PROVIDED, That any such petition shall first be submitted to the prosecuting attorney who shall, within twenty-one days after submission, certify or refuse to certify the petition as set forth in RCW 35.13.025. If the prosecuting attorney certifies the petition, it shall be filed with the legislative body of the city or town to which the annexation is proposed, and such legislative body shall, by resolution entered within sixty days from the date of presentation, notify the petitioners, either by mail or by publication in the same manner notice of hearing is required by RCW 35.13.040 to be published, of its approval or rejection of the proposed action. If approved, the legislative body of the city or town must file notice of the proposed action with the office of financial management for its review pursuant to section 1 of this act. The petition may also provide for the simultaneous creation of a community municipal corporation and election of community councilmembers as provided for in RCW 35.14.010 through 35.14.060. In approving the proposed action, the legislative body may require that there also be submitted to the electorate of the territory to be annexed, a proposition that all property within the area to be annexed shall, upon annexation be assessed and taxed at the same rate and on the same basis as the property of such annexing city or town is assessed and taxed to pay for all or any portion of the then outstanding indebtedness of the city or town to which said area is annexed, approved by the voters, contracted, or incurred prior to, or existing at, the date of annexation. Only after the legislative body has completed preparation and filing of a comprehensive plan for the area to be annexed as provided for in RCW 35.13.177 and 35.13.178, the legislative body in approving the proposed action, may require that the comprehensive plan be simultaneously adopted upon approval of annexation by the electorate of the area to be annexed. The approval of the legislative body shall be a condition precedent to the filing of such petition with the board of county commissioners (as hereinafter provided) pursuant to RCW 35.13.030. The costs of conducting such election shall be a charge against the city or town concerned. The proposition or questions provided for in this section may be submitted to the voters either separately or as a single proposition.

Sec. 403. RCW 35.13.100 and 1996 c 286 s 2 are each amended to read as follows:

If (1) a proposition relating to annexation or annexation and adoption of the comprehensive plan or creation of a community municipal corporation, or both, as the case may be was submitted to the voters and such proposition was approved and (2) the proposed action has been subject to review by the office of financial management pursuant to section 1 of this act, the legislative body shall adopt an ordinance providing for the annexation or adopt ordinances providing for the annexation and adoption of the comprehensive plan, or adopt an ordinance
providing for the annexation and creation of a community municipal corporation, as the case may be. If a proposition for annexation or annexation and adoption of the comprehensive plan or creation of a community municipal corporation, as the case may be, and a proposition for assumption of all or of any portion of indebtedness were both submitted((c)) and ((were)) approved, and the proposed action has been subject to review by the office of financial management pursuant to section 1 of this act, the legislative body shall adopt an ordinance providing for the annexation or annexation and adoption of the comprehensive plan or annexation and creation of a community municipal corporation proposition was approved, and the proposed action has been subject to review by the office of financial management pursuant to section 1 of this act, the legislative body may, if it deems it wise or expedient, adopt an ordinance providing for the annexation or adopt ordinances providing for the annexation and adoption of the comprehensive plan, or adopt ordinances providing for the annexation and creation of a community municipal corporation, as the case may be.

**Sec. 404.** RCW 35.13.130 and 2009 c 60 s 3 are each amended to read as follows:

A petition for annexation of an area contiguous, as defined in section 1(6) of this act, to a city or town may be made in writing addressed to and filed with the legislative body of the municipality to which annexation is desired. When the petition for annexation is filed with the legislative body, the legislative body must file notice of the proposed action with the office of financial management for its review pursuant to section 1 of this act. Except where all the property sought to be annexed is property of a school district, and the school directors thereof file the petition for annexation as in RCW 28A.335.110 authorized, the petition must be signed by the owners of not less than sixty percent in value according to the assessed valuation for general taxation of the property for which annexation is petitioned: PROVIDED, That in cities and towns with populations greater than one hundred sixty thousand located east of the Cascade mountains, the owner of tax exempt property may sign an annexation petition and have the tax exempt property annexed into the city or town, but the value of the tax exempt property shall not be used in calculating the sufficiency of the required property owner signatures unless only tax exempt property is proposed to be annexed into the city or town. The petition shall set forth a description of the property according to government legal subdivisions or legal plats which is in compliance with RCW 35.02.170, and shall be accompanied by a plat which outlines the boundaries of the property sought to be annexed. If the legislative body has required the assumption of all or of any portion of city or town indebtedness by the area annexed, or the annexation or adoption of a comprehensive plan for the area to be annexed, these facts, together with a quotation of the minute entry of such requirement or requirements shall be set forth in the petition.

**Sec. 405.** RCW 35.13.150 and 1975 1st ex.s. c 220 s 9 are each amended to read as follows:

Following the hearing and review of the proposed action by the office of financial management pursuant to section 1 of this act, the council or commission shall determine by ordinance whether annexation shall be made. Subject to RCW 35.02.170, they may annex all or any portion of the proposed area but may not include in the annexation any property not described in the petition. Upon passage of the ordinance a certified copy shall be filed with the board of county commissioners of the county in which the annexed property is located.

**Sec. 406.** RCW 35.13.180 and 1994 c 81 s 11 are each amended to read as follows:

City and town councils of second-class cities and towns may by a majority vote annex new unincorporated territory outside the city or town limits, whether contiguous or noncontiguous for park, cemetery, or other municipal purposes when such territory is owned by the city or town or all of the owners of the real property in the territory give their written consent to the annexation. The city or town council must file notice of the proposed action with the office of financial management for its review pursuant to section 1 of this act.

**Sec. 407.** RCW 35.13.182 and 1998 c 286 s 1 are each amended to read as follows:

1. The legislative body of a city or town planning under chapter 36.70A RCW ((as of June 30, 1994)) may resolve to annex territory to the city or town if there is, within the city or town, unincorporated territory containing residential property owners within the same county and within the same urban growth area designated under RCW 36.70A.110 as the city or town:
   a. Containing less than one hundred acres and having at least eighty percent of the boundaries of such area contiguous to the city or town; or
   b. Of any size and having at least eighty percent of the boundaries of the area contiguous to the city ((if the area existed before June 30, 1994)).

2. The resolution shall describe the boundaries of the area to be annexed, state the number of voters residing in the area as nearly as may be, and set a date for a public hearing on the resolution for annexation. The legislative body of the city or town must file notice of the proposed action with the office of financial management for its review pursuant to section 1 of this act. Notice of the hearing shall be given by publication of the resolution at least once a week for two weeks before the date of the hearing in one or more newspapers of general circulation within the city or town and one or more newspapers of general circulation within the area to be annexed.

3. For purposes of subsection (1)(b) of this section, territory bounded by a river, lake, or other body of water is considered contiguous to a city that is also bounded by the same river, lake, or other body of water.

**Sec. 408.** RCW 35.13.1822 and 1998 c 286 s 3 are each amended to read as follows:

On the date set for hearing as provided in RCW 35.13.182(2), residents or property owners of the area included in the resolution for annexation shall be afforded an opportunity to be heard. Subject to review of the proposed action by the office of financial management pursuant to section 1 of this act the legislative body may provide by ordinance for annexation of the territory described in the resolution, but the effective date of the ordinance shall be not less than forty-five days after the passage thereof. The legislative body shall cause notice of the proposed effective date of the annexation, together with a description of the property to be annexed, to be published at least once each week for two weeks subsequent to passage of the ordinance, in one or more newspapers of general circulation within the city and in one or more newspapers of general circulation within the area to be annexed. If the annexation ordinance provides for assumption of indebtedness or adoption of a proposed zoning regulation, the notice shall include a statement of such requirements.

**Sec. 409.** RCW 35.13.185 and 1965 c 7 s 35.13.185 are each amended to read as follows:

Any unincorporated area contiguous, as defined in section 1(6) of this act, to a first-class city may be annexed thereto by an ordinance accepting a gift, grant, lease, or cession of jurisdiction from the government of the United States of the right to occupy or control it. The first-class city must file notice of the proposed action.
Sec. 410. RCW 35.13.190 and 1994 c 81 s 12 are each amended to read as follows:

Any unincorporated area contiguous, as defined in section 1(6) of this act, to a second-class city or town may be annexed thereto by an ordinance accepting a gift, grant, or lease from the government of the United States of the right to occupy, control, improve or sublet it for commercial, manufacturing, or industrial purposes: PROVIDED, That this shall not apply to any territory more than four miles from the corporate limits existing before such annexation. The second-class city or town must file notice of the proposed action with the office of financial management for its review pursuant to section 1 of this act.

Sec. 411. RCW 35.13.238 and 2013 2nd sp.s. c 27 s 3 are each amended to read as follows:

(1)(a) An annexation by a city or town that is proposing to annex territory served by one or more fire protection districts may be accomplished by ordinance after entering into an interlocal agreement as provided in chapter 39.34 RCW with the county and the fire protection district or districts that have jurisdiction over the territory proposed for annexation.

(b) A city or town proposing to annex territory shall initiate the interlocal agreement process by sending notice to the fire protection district representative and county representative stating the city's or town's interest to enter into an interlocal agreement negotiation process. The parties have forty-five days to respond in the affirmative or negative. A negative response must state the reasons the parties do not wish to participate in an interlocal agreement negotiation. A failure to respond within the forty-five day period is deemed an affirmative response and the interlocal agreement negotiation process may proceed. The interlocal agreement process may not proceed if any negative responses are received within the forty-five day period.

(c) The interlocal agreement must describe the boundaries of the territory proposed for annexation and must be consistent with the boundaries identified in an ordinance describing the boundaries of the territory proposed for annexation and setting a date for a public hearing on the ordinance. If the boundaries of the territory proposed for annexation are agreed to by all parties, a notice of intention must be filed with the boundary review board created under RCW 36.93.030 and the office of financial management. However, the jurisdiction of the board may not be invoked as described in RCW 36.93.100 for annexations that are the subject of such agreement.

(2) An interlocal annexation agreement under this section must include the following:

(a) A statement of the goals of the agreement. Goals must include, but are not limited to:

(i) The transfer of revenues and assets between the fire protection districts and the city or town;

(ii) A consideration and discussion of the impact to the level of service of annexation on the unincorporated area, and an agreement that the impact on the ability of fire protection and emergency medical services within the incorporated area must not be negatively impacted at least through the budget cycle in which the annexation occurs;

(iii) A discussion with fire protection districts regarding the division of assets and its impact to citizens inside and outside the newly annexed area;

(iv) Community involvement, including an agreed upon schedule of public meetings in the area or areas proposed for annexation;

(v) Revenue sharing, if any;

(vi) Debt distribution;

(vii) Capital facilities obligations of the city, county, and fire protection districts;

(viii) An overall schedule or plan on the timing of any annexations covered under this agreement; and

(ix) A description of which of the annexing cities' development regulations will apply and be enforced in the area.

(b) The subject areas and policies and procedures the parties agree to undertake in annexations. Subject areas may include, but are not limited to:

(i) Roads and traffic impact mitigation;

(ii) Surface and storm water management;

(iii) Coordination and timing of comprehensive plan and development regulation updates;

(iv) Outstanding bonds and special or improvement district assessments;

(v) Annexation procedures;

(vi) Distribution of debt and revenue sharing for annexation proposals, code enforcement, and inspection services;

(vii) Financial and administrative services; and

(viii) Consultation with other service providers, including water-sewer districts, if applicable.

(c) A term of at least five years, which may be extended by mutual agreement of the city or town, the county, and the fire protection district.

(3) If the fire protection district, annexing city or town, and county reach an agreement on the enumerated goals, or if only the annexing city or town and county reach an agreement on the enumerated goals, the city or town may adopt an annexation ordinance, but the annexation ordinance provided for in this section is subject to review by the office of financial management pursuant to section 1 of this act and referendum for forty-five days after its passage, provided that no referendum shall be allowed for an annexation under this section if the fire protection district, annexing city or town, and the county reach agreement on an annexation for which a city or town has initiated the interlocal agreement process by sending notice to the fire protection district representative and county representative prior to July 28, 2013. Upon the filing of a timely and sufficient referendum petition with the legislative body of the city or town, signed by qualified electors in a number not less than ten percent of the votes cast in the last general state election in the area to be annexed, the question of annexation must be submitted to the voters of the area in a general election if one is to be held within ninety days or at a special election called for that purpose according to RCW 29A.04.330. Notice of the election must be given as provided in RCW 35.13.080, and the election must be conducted as provided in the general election laws under Title 29A RCW. The annexation must be deemed approved by the voters unless a majority of the votes cast on the proposition are in opposition to the annexation.

After the expiration of the forty-fifth day from, but excluding, the date of passage of the annexation ordinance, if a timely and sufficient referendum petition has not been filed, the area annexed becomes a part of the city or town upon the date fixed in the ordinance of annexation.

(4) If any portion of a fire protection district is proposed for annexation to or incorporation into a city or town, both the fire protection district and the city or town shall jointly inform the employees of the fire protection district about hires, separations, terminations, and any other changes in employment that are a direct consequence of annexation or incorporation at the earliest reasonable opportunity.

(5) The needed employees shall be taken in order of seniority and the remaining employees who transfer as provided in this section and RCW 35.10.360 and 35.10.370 shall head the list for employment in the civil service system in order of their seniority, to the end that they shall be the first to be reemployed in the city or
tenth day.

(6) A certificate as hereinafter provided (shall) must be provided to the office of financial management ((hereinafter in this subsection referred to as "the office")) within thirty days of the effective date of (annexation) the action specified in the relevant ordinance. Approval of the certificate, the office (shall) must retain the original copy in its files (and) transmit a digital copy to ((the department of transportation (and) return the third copy to)) the city or town via email. (Such) The certificate shall must in a form and contain (such) information as (shall be) prescribed by the office of financial management. ((A copy of the complete ordinance containing a legal description and a map showing specifically the boundaries of the annexed territory shall be attached to each of the three copies of the certificate.)) The certificate (shall) must be signed by the mayor and attested by the city clerk. Upon request, the office (shall) of financial management must furnish certification forms to any city or town.

(2) The resident population of the (annexed) territory (shall) or consolidated area must be determined by, or under the direction of, the mayor of the city or town.

(b) If the (annexing) city or town has a population of ten thousand or less, the (annexed) territory or consolidated area consists entirely of one or more partial federal census blocks, or 2010 Federal Decennial Census data has not been released within twelve months immediately prior to the date of (annexation) the action, the population determination (shall) must consist of an actual enumeration of the population.

(c) In any circumstance, the city or town may choose to have the population determination of the entire (annexed) territory or consolidated area consist of an actual enumeration. However, if the city or town does not use the actual enumeration for determining population, the (annexed) territory or consolidated area includes or consists of one or more complete federal census blocks, and 2010 Federal Decennial Census data has been released within twelve months immediately prior to the date of (annexation) the action, the population determination (shall) must consist of:

(i) Relevant 2010 Federal Decennial Census data pertaining to the complete block or blocks, as such data has been updated by the most recent official population estimate released by the office of financial management pursuant to RCW 43.62.030;

(ii) An actual enumeration of any population located within the (annexed) territory or consolidated area outside the complete federal census block or blocks; and

(iii) If the office of financial management, at least two weeks prior to the date of (annexation) the action, confirms the existence of a known census error within a complete federal census block and identifies a structure or complex listed in (c)(ii)(A) through (E) of this subsection as a likely source of the error, an actual enumeration of one or more of the block's identified:

(A) Group quarters;

(B) Mobile home parks;

(C) Apartment buildings that are composed of at least fifty units and are certified for occupancy between January 1, 2010, and April 1, 2011;

(D) Missing subdivisions; and

(E) Closures of any of the categories in (c)(iii)(A) through (D)

of this subsection.

(d) Whenever an actual enumeration is used, it shall be made in accordance with the practices and policies of, and subject to the approval of, the office of financial management.

(e) The city or town ((shall)) is responsible for the full cost of the population determination.

(3) The population (shall) must be determined as of the effective date of (annexation) the action as specified in the relevant ordinance.

Until (annexation) a certificate is filed and approved (as provided herein, such annexation), the territory (shall) or consolidated area must not be considered by the office of financial management in determining the population of such city or town.

Upon approval of the (annexation) certificate, the office (shall) of financial management must forward to each state official or department responsible for making allocations or payments to cities or towns, a revised certificate reflecting the increase in population due to (such annexation) the action. Upon and after the date of the commencement of the next quarterly period, the population determination indicated in (such) the
revised certificate ((shall)) must be used as the basis for the allocation and payment of state funds to such city or town.

For the purposes of this section, each quarterly period ((shall)) commences on the first day of the months of January, April, July, and October. Whenever a revised certificate is forwarded by the office of financial management thirty days or less prior to the commencement of the next quarterly period, the population of the ((annexed)) territory ((shall)) or consolidated area must not be considered until the commencement of the following quarterly period.

Sec. 413. RCW 35.13.300 and 1989 c 84 s 12 are each amended to read as follows:

The purpose of this section and RCW ((35.13.300)) 35.13.310 through ((35.13.330)) 35.13.340 is to establish a process for the adjustment of existing or proposed city boundary lines to avoid a situation where a common boundary line is or would be located within a right-of-way of a public street, road, or highway, or a situation where two cities are separated or would be separated by only the right-of-way of a public street, road, or highway, other than situations where a boundary line runs from one edge of the right-of-way to the other edge of the right-of-way. Boundary line adjustments under RCW 35.13.310 through 35.13.340 are subject to review by the office of financial management pursuant to section 1 of this act.

As used in this section and RCW ((35.13.300)) 35.13.310 through 35.13.330, "city" includes every city or town in the state, including a code city operating under Title 35A RCW.

Sec. 414. RCW 35.13.420 and 2003 c 331 s 3 are each amended to read as follows:

(1) A petition for annexation of an area contiguous, as defined in section 1(6) of this act, to a city or town may be made in writing addressed to and filed with the legislative body of the municipality to which annexation is desired. Except where all the property sought to be annexed is property of a school district, and the school directors thereof file the petition for annexation as in RCW 28A.335.110, the petition must be signed by the owners of a majority of the acreage for which annexation is petitioned and a majority of the registered voters residing in the area for which annexation is petitioned.

(2) If no residents exist within the area proposed for annexation, the petition must be signed by the owners of a majority of the acreage for which annexation is petitioned.

(3) The petition shall set forth a legal description of the property proposed to be annexed that complies with RCW 35.02.170, and shall be accompanied by a drawing that outlines the boundaries of the property sought to be annexed. If the petition for annexation is approved by the legislative body, the legislative body must file notice of the proposed action with the office of financial management for its review pursuant to section 1 of this act. If the legislative body has required the assumption of all or any portion of a county or town indemnees by the area annexed, and/or the adoption of a comprehensive plan for the area to be annexed, these adjustments under RCW 35.13.310 through 35.13.340 are subject to review by the office of financial management pursuant to section 1 of this act.

As used in this section and RCW ((35.13.300)) 35.13.310 through 35.13.330, "city" includes every city or town in the state, including a code city operating under Title 35A RCW.

Sec. 415. RCW 35.13.440 and 2003 c 331 s 5 are each amended to read as follows:

Following the hearing and review of the proposed action by the office of financial management pursuant to section 1 of this act, the council or commission shall determine by ordinance whether annexation shall be made. Subject to the provisions of RCW 35.13.410, 35.13.460, and 35.21.005, ((they)) the council or commission may annex all or any portion of the proposed area but may not include in the annexation any property not described in the petition. Upon passage of the ordinance, a certified copy ((shall)) must be filed with the board of county commissioners of the county in which the annexed property is located and a copy must be filed with the office of financial management.

Sec. 416. RCW 35.13.480 and 2006 c 344 s 23 are each amended to read as follows:

(1) The legislative body of any county planning under chapter 36.70A RCW and subject to the requirements of RCW 36.70A.215 may initiate an annexation process with the legislative body of any other cities or towns that are contiguous, as defined in section 1(6) of this act, to the territory proposed for annexation in RCW 35.13.470 if:

(a) The county legislative body initiated an annexation process as provided in RCW 35.13.470; and

(b) The affected city or town legislative body adopted a responsive resolution rejecting the proposed annexation or declined to create the requested interlocal agreement with the county; or

(c) More than one hundred eighty days have passed since adoption of a county resolution as provided for in RCW 35.13.470 and the parties have not adopted or executed an interlocal agreement providing for the annexation of unincorporated territory. The legislative body for either the county or an affected city or town may, however, pass a resolution extending the negotiation period for one or more six-month periods if a public hearing is held and findings of fact are made prior to each extension.

(2) Any county initiating the process provided for in subsection (1) of this section must do so by adopting a resolution commencing negotiations for an interlocal agreement as provided in chapter 39.34 RCW between the county and any city or town within the county. The annexation area must be within an urban growth area designated under RCW 36.70A.110 and at least sixty percent of the boundaries of the territory to be annexed must be contiguous, as defined in section 1(6) of this act, to one or more cities or towns.

(3) The agreement shall describe the boundaries of the territory to be annexed and be submitted to the office of financial management for its review pursuant to section 1 of this act. A public hearing shall be held by each legislative body, separately or jointly, before the agreement is executed. Each legislative body holding a public hearing shall, separately or jointly, publish the agreement at least once a week for two weeks before the date of the hearing in one or more newspapers of general circulation within the territory proposed for annexation.

(4) Following adoption and execution of the agreement by both legislative bodies and its review by the office of financial management pursuant to section 1 of this act, the city or town legislative body shall adopt an ordinance providing for the annexation. The legislative body shall cause notice of the proposed effective date of the annexation, together with a description of the property to be annexed, to be published at least once each week for two weeks subsequent to passage of the ordinance, in one or more newspapers of general circulation within the city and in one or more newspapers of general circulation within the territory to be annexed. If the annexation ordinance provides for assumption of indemnees or adoption of a proposed zoning regulation, the notice shall include a statement of the requirements. Any area to be annexed through an ordinance adopted under this section is annexed and becomes a part of the city or town upon the date fixed in the ordinance of annexation, which date may not be less than forty-five days after adoption of the ordinance.

(5) The annexation ordinances provided for in RCW 35.13.470(4) and subsection (4) of this section are subject to referendum for forty-five days after passage. Upon the filing of a timely and sufficient referendum petition with the legislative body, signed by registered voters in number equal to not less than fifteen percent of the votes cast in the last general state election in the area to be annexed, the question of annexation shall be submitted to the
voters of the area in a general election if one is to be held within ninety days or at a special election called for that purpose according to RCW 29A.04.330. Notice of the election shall be given as provided in RCW 35.13.080 and the election shall be conducted as provided in the general election law. The annexation shall be deemed approved by the voters unless a majority of the votes cast on the proposition are in opposition thereto.

After the expiration of the forty-fifth day from but excluding the date of passage of the annexation ordinance, if no timely and sufficient referendum petition has been filed, the area annexed shall become a part of the city or town upon the date fixed in the ordinance of annexation.

(6) If more than one city or town adopts interlocal agreements providing for annexation of the same unincorporated territory as provided by this section, an election shall be held in the area to be annexed pursuant to RCW 35.13.070 and 35.13.080. In addition to the provisions of RCW 35.13.070 and 35.13.080, the ballot shall also contain a separate proposition allowing voters to cast votes in favor of annexation to any one city or town participating in an interlocal agreement as provided by this section. If a majority of voters voting on the proposition vote against annexation, the proposition is defeated. If, however, a majority of voters voting in the election approve annexation, the area shall be annexed to the city or town receiving the highest number of votes among those cast in favor of annexation.

(7) Costs for an election required under subsection (6) of this section shall be borne by the county.

Sec. 417. RCW 35.13.490 and 2009 c 402 s 3 are each amended to read as follows:

(1) Territory owned by a county and used for an agricultural fair as provided in chapter 15.76 (RCW) or (chapter) 36.37 RCW may only be annexed to a city or town through the method prescribed in this section.

(a) The legislative body of the city or town proposing the annexation must submit a request for annexation and a legal description of the subject territory to the legislative authority of the county within which the territory is located.

(b) Upon receipt of the request and description, the county legislative authority has thirty days to review the proposal and determine if the annexation proceedings will continue. As a condition of approval, the county legislative authority may modify the proposal, but it may not add territory that was not included in the request and description. Approval of the county legislative authority is a condition precedent to further proceedings upon the request and there is no appeal of the county legislative authority's decision.

(c) If the county legislative authority determines that the proceedings may continue, it must, within thirty days of the determination, fix a date for a public hearing on the proposal, and cause notice of the hearing to be published at least once a week for two weeks prior to the hearing in one or more newspapers of general circulation in the territory proposed for annexation. The notice must also be posted in three public places within the subject territory, specify the time and place of the hearing, and invite interested persons to appear and voice approval or disapproval of the annexation. If the annexation proposal provides for assumption of indebtedness or adoption of a proposed zoning regulation, the notice must include a statement of these requirements.

(d) If, following the conclusion of the hearing, a majority of the county legislative authority deems the annexation proposal to be in the best interest of the county, it may adopt a resolution approving of the annexation. The county legislative authority must file notice of the proposed action with the office of financial management for its review pursuant to section 1 of this act.

(e) If, following the county legislative authority's adoption of the annexation approval resolution and review of the proposed action by the office of financial management pursuant to section 1 of this act, the legislative body of the city or town proposing annexation determines to effect the annexation, it must do so by ordinance. The ordinance: (i) May only include territory approved for annexation in the resolution adopted under (d) of this subsection; and (ii) must not exclude territory approved for annexation in the resolution adopted under (d) of this subsection. Upon passage of the annexation ordinance, a certified copy must be filed with the applicable county legislative authority.

(2) Any territory annexed through an ordinance adopted under this section is annexed and becomes a part of the city or town upon the date fixed in the ordinance.

Sec. 418. RCW 35.16.010 and 1994 c 273 s 1 are each amended to read as follows:

Upon the filing of a petition which is sufficient as determined by RCW 35A.01.040 requesting the exclusion from the boundaries of a city or town of an area described by metes and bounds or by reference to a recorded plat or government survey, signed by qualified voters of the city or town equal in number to not less than ten percent of the number of voters voting at the last general municipal election, the city or town legislative body shall submit the question to the voters. As an alternate method, the legislative body of the city or town may by resolution submit a proposal to the voters for excluding such a described area from the boundaries of the city or town. The question shall be submitted at the next general municipal election if one is to be held within one hundred eighty days or at a special election called for that purpose not less than ninety days nor more than one hundred eighty days after the certification of sufficiency of the petition or the passage of the resolution. The petition or resolution shall set out and describe the territory to be excluded from the city or town, together with the boundaries of the city or town as it will exist after such change is made. The legislative body of the city or town must file notice of the proposed action with the office of financial management for its review pursuant to section 1 of this act.

Sec. 419. RCW 35.16.040 and 1994 c 273 s 4 are each amended to read as follows:

Promptly after the filing of the abstract of votes with the office of the secretary of state and subject to review of the proposed action by the office of financial management pursuant to section 1 of this act, the legislative body of the city or town shall adopt an ordinance defining and fixing the corporate limits after excluding the area as determined by the election. The ordinance shall also describe the excluded territory by metes and bounds or by reference to a recorded plat or government survey and declare it no longer a part of the city or town.

Sec. 420. RCW 35A.14.010 and 2009 c 402 s 4 are each amended to read as follows:

Any portion of a county not incorporated as part of a city or town but lying contiguous, as defined in section 16(6) of this act, to a code city may become a part of the charter code city or noncharter code city by annexation. An area proposed to be annexed to a charter code city or noncharter code city shall be deemed contiguous, as defined in section 16(6) of this act, thereto even though separated by water or tide or shore lands and, upon annexation of such area, any such intervening water and/or tide or shore lands shall become a part of such annexing city.

Sec. 421. RCW 35A.14.020 and 1989 c 351 s 4 are each amended to read as follows:

(1) When a petition is sufficient under the rules set forth in RCW 35A.01.040, calling for an election to vote upon the annexation of unincorporated territory contiguous, as defined in section 16(6) of this act, to a code city, describing the boundaries of the area proposed to be annexed, stating the number of voters therein as nearly as may be, and signed by qualified electors resident in such territory equal in number to ten percent of the
votes cast at the last state general election therein, it shall be filed with the auditor of the county in which all, or the greatest portion, of the territory is located, and a copy of the petition shall be filed with the legislative body of the code city. If the territory is located in more than a single county, the auditor of the county with whom the petition is filed shall act as the lead auditor and transmit a copy of the petition to the auditor of each other county within which a portion of the territory is located. The auditor or auditors shall examine the petition, and the auditor or lead auditor shall certify the sufficiency of the petition to the legislative authority of the code city.

(2) If the signatures on the petition are certified as containing sufficient valid signatures, the city legislative authority shall, by resolution entered within sixty days thereafter, notify the petitioners, either by mail or by publication in the same manner notice of hearing is required by RCW 35A.14.040 to be published, of its approval or rejection of the proposed action. If approved, the legislative body must file notice of the proposed action with the office of financial management for its review pursuant to section 1 of this act. If approved, the legislative body may require that the proposed zoning regulation be simultaneously adopted upon the approval of annexation by the electorate of the territory to be annexed, a proposition that all property within the area to be annexed shall, upon annexation, be assessed and taxed at the same rate and on the same basis as the property of such annexing city is assessed and taxed to pay for all or any portion of the then-owing indebtedness of the city to which said area is annexed, which indebtedness has been approved by the voters, contracted for, or incurred prior to, or existing at, the date of annexation. Only after the legislative body has completed preparation and filing of a proposed zoning regulation for the area to be annexed as provided for in RCW 35A.14.330 and 35A.14.340, the legislative body in approving the proposed action, may require that the proposed zoning regulation be simultaneously adopted upon the approval of annexation by the electorate of the area to be annexed. The approval of the legislative body shall be a condition precedent to further proceedings upon the petition. The costs of conducting the election called for in the petition shall be a charge against the city concerned. The proposition or questions provided for in this section may be submitted to the voter either separately or as a single proposition.

Sec. 422. RCW 35A.14.090 and 1979 ex.s. c 124 s 6 are each amended to read as follows:

Upon filing of the certified copy of the finding of the county legislative authority, the clerk shall transmit it to the legislative body of the city at the next regular meeting or as soon thereafter as practicable. If only a proposition relating to annexation or to annexation and adoption of a proposed zoning regulation was submitted to the voters and (such proposition was) approved, and the proposed action has been subject to review by the office of financial management pursuant to section 1 of this act, the legislative body shall adopt an ordinance providing for the annexation or adopt ordinances providing for the annexation and adoption of a proposed zoning regulation, as the case may be. If a proposition for annexation or for annexation and adoption of a proposed zoning regulation((i)) and a proposition for assumption of all or any portion of indebtedness were both submitted((i)) and ((both were)) approved, and the proposed action has been subject to review by the office of financial management pursuant to section 1 of this act, the legislative body may adopt an ordinance providing for the annexation or adopt ordinances providing for the annexation and adoption of the proposed zoning regulation, as the case may be, or the legislative body may refuse to annex when a proposal for assumption of the portion of indebtedness has been disapproved by the voters.

Sec. 423. RCW 35A.14.130 and 1967 ex.s. c 119 s 35A.14.130 are each amended to read as follows:

Whenever such a petition for annexation is filed with the legislative body of a code city, which petition meets the requirements herein specified and is sufficient according to the rules set forth in RCW 35A.01.040, the legislative body may entertain the same, fix a date for a public hearing thereon, and cause notice of the hearing to be published in one or more issues of a newspaper of general circulation in the city. The legislative body must also file notice of the proposed action with the office of financial management for its review pursuant to section 1 of this act. The notice ((shall)) of the hearing must also be posted in three public places within the territory proposed for annexation, ((and shall)) specify the time and place of hearing, and invite interested persons to appear and voice approval or disapproval of the annexation.

Sec. 424. RCW 35A.14.140 and 1986 c 234 s 31 are each amended to read as follows:

Following the hearing and review of the proposed action by the office of financial management pursuant to section 1 of this act, if the legislative body determines to effect the annexation, they shall do so by ordinance. Subject to RCW 35.02.170, the ordinance may annex all or any portion of the proposed area but may not include in the annexation any property not described in the petition. Upon passage of the annexation ordinance a certified copy shall be filed with the board of county commissioners of the county in which the annexed property is located.

Sec. 425. RCW 35A.14.295 and 2013 2nd sp.s. c 27 s 1 are each amended to read as follows:

(1) The legislative body of a code city may resolve to annex territory to the city if there is within the city, unincorporated territory:

(a) Containing less than one hundred seventy-five acres and having all of the boundaries of such area contiguous to the code city; or

(b) Of any size containing residential property owners and having at least eighty percent of the boundaries of such area contiguous to the city. Territory annexed under this subsection ((1)(b)) must be within the same county and within the same urban growth area designated under RCW 36.70A.110, and the city must plan under chapter 36.70A RCW.

(2) The resolution ((shall)) must describe the boundaries of the area to be annexed, state the number of voters residing therein as nearly as may be, and set a date for a public hearing on such resolution for annexation. The legislative body of the code city must file notice of the proposed action with the office of financial management for its review pursuant to section 1 of this act. Notice of the hearing ((shall)) must be given by publication of the resolution at least once a week for two weeks prior to the date of the hearing, in one or more newspapers of general circulation within the code city and one or more newspapers of general circulation within the area to be annexed.

(3) For purposes of subsection (1)(b) of this section, territory bounded by a river, lake, or other body of water is considered contiguous to a city that is also bounded by the same river, lake, or other body of water.

Sec. 426. RCW 35A.14.297 and 1967 ex.s. c 119 s 35A.14.297 are each amended to read as follows:

On the date set for hearing as provided in RCW 35A.14.295, residents or property owners of the area included in the resolution...
for annexation shall be afforded an opportunity to be heard. Subject to review of the proposed action by the office of financial management pursuant to section 1 of this act, the legislative body may provide by ordinance for annexation of the territory described in the resolution, but the effective date of the ordinance shall be not less than forty-five days after the passage thereof. The legislative body shall cause notice of the proposed effective date of the annexation, together with a description of the property to be annexed, to be published at least once each week for two weeks subsequent to passage of the ordinance, in one or more newspapers of general circulation within the city and in one or more newspapers of general circulation within the area to be annexed. If the annexation ordinance provides for assumption of indebtedness or adoption of a proposed zoning regulation, the notice shall include a statement of such requirements. Such annexation ordinance shall be subject to referendum for forty-five days after the passage thereof. Upon the filing of a timely and sufficient referendum petition as provided in RCW 35A.14.299 below, a referendum election shall be held as provided in RCW 35A.14.299, and the annexation shall be deemed approved by the voters unless a majority of the votes cast on the proposition are in opposition thereto. After the expiration of the forty-fifth day from, but excluding the date of passage of the annexation ordinance, if no timely and sufficient referendum petition has been filed, as provided by RCW 35A.14.299 below, the area annexed shall become a part of the code city upon the date fixed in the ordinance of annexation.

**Sec. 427.** RCW 35A.14.300 and 1981 c 332 s 7 are each amended to read as follows:

Legislative bodies of code cities may by a majority vote annex territory outside the limits of such city whether contiguous or noncontiguous for any municipal purpose when such territory is owned by the city. The legislative body of a code city must file notice of the proposed action with the office of financial management for its review pursuant to section 1 of this act.

**Sec. 428.** RCW 35A.14.310 and 1985 c 105 s 1 are each amended to read as follows:

A code city may annex an unincorporated area contiguous, as defined in section 1(6) of this act, to the city that is owned by the federal government by adopting an ordinance providing for the annexation and which ordinance either acknowledges an agreement of the annexation by the government of the United States, or accepts a gift, grant, or lease from the government of the United States of the right to occupy, control, improve it or sublet it for commercial, manufacturing, or industrial purposes: PROVIDED, That this right of annexation shall not apply to any territory more than four miles from the corporate limits existing before such annexation. Whenever a code city proposes to annex territory under this section, the city ((shall)) must file notice of the proposed action with the office of financial management for its review pursuant to section 1 of this act and provide written notice of the proposed (annexation) action to the legislative authority of the county within which such territory is located. The notice ((shall)) to the legislative authority of the county must be provided at least thirty days before the city proposes to adopt the annexation ordinance. The city shall not adopt the annexation ordinance, and the annexation shall not occur under this section, if within twenty-five days of receipt of the notice, the county legislative authority adopts a resolution opposing the annexation, which resolution makes a finding that the proposed annexation will have an adverse fiscal impact on the county or road district.

**Sec. 429.** RCW 35A.14.430 and 2003 c 331 s 11 are each amended to read as follows:

When a petition for annexation is filed with the legislative body of a code city, that meets the requirements of RCW 35A.01.040 and 35A.14.420, the legislative body may entertain the same, fix a date for a public hearing thereon and cause notice of the hearing to be published in one or more issues of a newspaper of general circulation in the city. The legislative body must also file notice of the proposed action with the office of financial management for its review pursuant to section 1 of this act. The notice ((shall)) of the hearing must also be posted in three public places within the territory proposed for annexation. ((and shall)) specify the time and place of hearing, and invite interested persons to appear and voice approval or disapproval of the annexation.

**Sec. 430.** RCW 35A.14.440 and 2003 c 331 s 12 are each amended to read as follows:

Following the hearing and review of the proposed action by the office of financial management pursuant to section 1 of this act, if the legislative body determines to effect the annexation, ((they shall)) it must do so by ordinance. Subject to RCW 35A.14.410, the ordinance may annex all or any portion of the proposed area but may not include in the annexation any property not described in the petition. Upon passage of the annexation ordinance, a certified copy ((shall)) must be filed with the board of county commissioners of the county in which the annexed property is located and a copy must be filed with the office of financial management.

**Sec. 431.** RCW 35A.14.460 and 2003 c 299 s 3 are each amended to read as follows:

1. The legislative body of a county or code city planning under chapter 36.70A RCW and subject to the requirements of RCW 36.70A.215 may initiate an annexation process for unincorporated territory by adopting a resolution commencing negotiations for an interlocal agreement as provided in chapter 39.34 RCW between a county and any code city within the county. The territory proposed for annexation must meet the following criteria: (a) Be within the code city urban growth area designated under RCW 36.70A.110, and (b) at least sixty percent of the boundaries of the territory proposed for annexation must be contiguous, as defined in section 1(6) of this act, to the annexing code city or one or more cities or towns.

2. If the territory proposed for annexation has been designated in an adopted county comprehensive plan as part of an urban growth area, urban service area, or potential annexation area for a specific city, or if the urban growth area territory proposed for annexation has been designated in a written agreement between a city and a county for annexation to a specific city or town, the designation or designations shall receive full consideration before a city or county may initiate the annexation process provided for in RCW 35A.14.470.

3. The agreement shall describe the boundaries of the territory to be annexed and be submitted to the office of financial management for its review pursuant to section 1 of this act. A public hearing shall be held by each legislative body, separately or jointly, before the agreement is executed. Each legislative body holding a public hearing shall, separately or jointly, publish the agreement at least once a week for two weeks before the date of the hearing in one or more newspapers of general circulation within the territory proposed for annexation.

4. Following adoption and execution of the agreement by both legislative bodies and its review by the office of financial management pursuant to section 1 of this act, the city legislative body shall adopt an ordinance providing for the annexation of the territory described in the agreement. The legislative body shall cause notice of the proposed effective date of the annexation, together with a description of the property to be annexed, to be published at least once each week for two weeks subsequent to passage of the ordinance, in one or more newspapers of general circulation within the city and in one or more newspapers of general circulation within the territory to be annexed. If the annexation ordinance provides for assumption of indebtedness or
adoption of a proposed zoning regulation, the notice shall include a statement of the requirements. Any territory to be annexed through an ordinance adopted under this section is annexed and becomes a part of the city upon the date fixed in the ordinance of annexation, which date may not be fewer than forty-five days after adoption of the ordinance.

Sec. 432. RCW 35A.14.470 and 2006 c 344 s 26 are each amended to read as follows:

(1) The legislative body of any county planning under chapter 36.70A RCW and subject to the requirements of RCW 36.70A.215 may initiate an annexation process with the legislative body of any other cities or towns that are contiguous, as defined in section 1(6) of this act, to the territory proposed for annexation in RCW 35A.14.460 if:

(a) The county legislative body initiated an annexation process as provided in RCW 35A.14.460; and

(b) The affected city legislative body adopted a responsive resolution rejecting the proposed annexation or declined to create the requested interlocal agreement with the county; or

(c) More than one hundred eighty days have passed since adoption of a county resolution, as provided for in RCW 35A.14.460 and the parties have not adopted or executed an interlocal agreement providing for the annexation of unincorporated territory. The legislative body for either the county or an affected city may, however, pass a resolution extending the negotiation period for one or more six-month periods if a public hearing is held and findings of fact are made prior to each extension.

(2) Any county initiating the process provided for in subsection (1) of this section must do so by adopting a resolution commencing negotiations for an interlocal agreement as provided in chapter 39.34 RCW between the county and any city or town within the county. The annexation area must be within an urban growth area designated under RCW 36.70A.110 and at least sixty percent of the boundaries of the territory to be annexed must be contiguous, as defined in section 1(6) of this act, to one or more cities or towns.

(3) The agreement shall describe the boundaries of the territory to be annexed and be submitted to the office of financial management for its review pursuant to section 1 of this act. A public hearing shall be held by each legislative body, separately or jointly, before the agreement is executed. Each legislative body holding a public hearing shall, separately or jointly, publish the agreement at least once a week for two weeks before the date of the hearing in one or more newspapers of general circulation within the territory proposed for annexation.

(4) Following adoption and execution of the agreement by both legislative bodies and its review by the office of financial management pursuant to section 1 of this act, the city or town legislative body shall adopt an ordinance providing for the annexation. The legislative body shall cause notice of the proposed effective date of the annexation, together with a description of the property to be annexed, to be published at least once each week for two weeks subsequent to passage of the ordinance, in one or more newspapers of general circulation within the city and in one or more newspapers of general circulation within the territory to be annexed. If the annexation ordinance provides for assumption of indebtedness or adoption of a proposed zoning regulation, the notice shall include a statement of the requirements. Any area to be annexed through an ordinance adopted under this section is annexed and becomes a part of the city or town upon the date fixed in the ordinance of annexation, which date may not be less than forty-five days after adoption of the ordinance.

(5) The annexation ordinances provided for in RCW 35A.14.460(4) and subsection (4) of this section are subject to referendum for forty-five days after passage. Upon the filing of a timely and sufficient referendum petition with the legislative body, signed by registered voters in number equal to not less than fifteen percent of the votes cast in the last general state election in the area to be annexed, the question of annexation shall be submitted to the voters of the area in a general election if one is to be held within ninety days or at a special election called for that purpose according to RCW 29A.04.330. Notice of the election shall be given as provided in RCW 35A.14.070 and the election shall be conducted as provided in the general election law. The annexation shall be deemed approved by the voters unless a majority of the votes cast on the proposition are in opposition thereto.

After the expiration of the forty-fifth day from but excluding the date of passage of the annexation ordinance, if no timely and sufficient referendum petition has been filed, the area annexed shall become a part of the city or town upon the date fixed in the ordinance of annexation.

(6) If more than one city or town adopts interlocal agreements providing for annexation of the same unincorporated territory as provided by this section, an election shall be held in the area to be annexed. A resolution extending the forty-five day period is deemed an affirmative response and the interlocal agreement process may proceed. The interlocal agreement process may not proceed if any negative responses are received within the forty-five day period.

(7) Costs for an election required under subsection (6) of this section shall be borne by the county.

Sec. 433. RCW 35A.14.480 and 2013 2nd sp.s. c 27 s 2 are each amended to read as follows:

(1)(a) An annexation by a code city proposing to annex territory served by one or more fire protection districts may be accomplished by ordinance after entering into an interlocal agreement as provided in chapter 39.34 RCW with the county and the fire protection district or districts that have jurisdiction over the territory proposed for annexation.

(b) A code city proposing to annex territory shall initiate the interlocal agreement process by sending notice to the fire protection district representative and county representative stating the code city's interest to enter into an interlocal agreement negotiation process. The parties have forty-five days to respond in the affirmative or negative. A negative response must state the reasons the parties do not wish to participate in an interlocal agreement negotiation process. A failure to respond within the forty-five day period is deemed an affirmative response and the interlocal agreement negotiation process may proceed. The interlocal agreement process may not proceed if any negative responses are received within the forty-five day period.

(c) The interlocal agreement must describe the boundaries of the territory proposed for annexation and must be consistent with the boundaries identified in an ordinance describing the boundaries of the territory proposed for annexation and setting a date for a public hearing on the ordinance. If the boundaries of the territory proposed for annexation are agreed to by all parties, a notice of intention must be filed with the boundary review board created under RCW 36.93.030 and the office of financial management. However, the jurisdiction of the board may not be invoked as described in RCW 36.93.100 for annexations that are the subject of such agreement.

(2) An interlocal annexation agreement under this section must include the following:

(a) A statement of the goals of the agreement. Goals must include, but are not limited to:
(i) The transfer of revenues and assets between the fire protection district and the code city;
(ii) A consideration and discussion of the impact to the level of service of annexation on the unincorporated area, and an agreement that the impact on the ability of fire protection and emergency medical services within the incorporated area must not be negatively impacted at least through the budget cycle in which the annexation occurs;
(iii) A discussion with fire protection districts regarding the division of assets and its impact to citizens inside and outside the newly annexed area;
(iv) Community involvement, including an agreed upon schedule of public meetings in the area or areas proposed for annexation;
(v) Revenue sharing, if any;
(vi) Debt distribution;
(vii) Capital facilities obligations of the code city, county, and fire protection districts;
(viii) An overall schedule or plan on the timing of any annexation covered under this agreement; and
(ix) A description of which of the annexing code cities’ development regulations will apply and be enforced in the area.
(b) The subject areas and policies and procedures the parties agree to undertake in annexations. Subject areas may include, but are not limited to:
(i) Roads and traffic impact mitigation;
(ii) Surface and storm water management;
(iii) Coordination and timing of comprehensive plan and development regulation updates;
(iv) Outstanding bonds and special or improvement district assessments;
(v) Annexation procedures;
(vi) Distribution of debt and revenue sharing for annexation proposals, code enforcement, and inspection services;
(vii) Financial and administrative services; and
(viii) Consultation with other service providers, including water-sewer districts, if applicable.
(c) A term of at least five years, which may be extended by mutual agreement of the code city, the county, and the fire protection district.

(3) If the fire protection district, annexing code city, and county reach an agreement on the enumerated goals, or ((if)) only the annexing code city and county reach an agreement on the enumerated goals, the code city may adopt an annexation ordinance, but the annexation ordinance provided for in this section is subject to review by the office of financial management pursuant to section 1 of this act and referendum for forty-five days after its passage, provided that no referendum shall be allowed for an annexation under this section if the fire protection district, annexing code city, and the county reach agreement on an annexation for which a code city has initialed the interlocal agreement process by sending notice to the fire protection district representative and county representative prior to July 28, 2013. Upon the filing of a timely and sufficient referendum petition with the legislative body of the code city, signed by qualified electors in a number not less than ten percent of the votes cast in the last general state election in the area to be annexed, the question of annexation must be submitted to the voters of the area in a general election if one is to be held within ninety days or at a special election called for that purpose according to RCW 29A.04.330. Notice of the election must be given as provided in RCW 35A.14.070, and the election must be conducted as provided in the general election laws under Title 29A RCW. The annexation must be deemed approved by the voters unless a majority of the votes cast on the proposition are in opposition to the annexation.

After the expiration of the forty-fifth day from but excluding, the date of passage of the annexation ordinance, if a timely and sufficient referendum petition has not been filed, the area annexed becomes a part of the code city upon the date fixed in the ordinance of annexation.

Sec. 434. RCW 35A.14.490 and 2009 c 402 s 5 are each amended to read as follows:

(1) Territory owned by a county and used for an agricultural fair as provided in chapter 15.76 (((RCW)) or (((chapters))) 36.37 RCW may only be annexed to a code city through the method prescribed in this section.
(a) The legislative body of the city proposing the annexation must submit a request for annexation and a legal description of the subject territory to the legislative authority of the county within which the territory is located.
(b) Upon receipt of the request and description, the county legislative authority has thirty days to review the proposal and determine if the annexation proceedings will continue. As a condition of approval, the county legislative authority may modify the proposal, but it may not add territory that was not included in the request and description. Approval of the county legislative authority is a condition precedent to further proceedings upon the request and there is no appeal of the county legislative authority’s decision.
(c) If the county legislative authority determines that the proceedings may continue, it must, within thirty days of the determination, fix a date for a public hearing on the proposal, and cause notice of the hearing to be published at least once a week for two weeks prior to the hearing in one or more newspapers of general circulation in the territory proposed for annexation. The notice must also be posted in three public places within the subject territory, specify the time and place of the hearing, and invite interested persons to appear and voice approval or disapproval of the annexation. If the annexation proposal provides for assumption of indebtedness or adoption of a proposed zoning regulation, the notice must include a statement of these requirements.
(d) If, following the conclusion of the hearing, a majority of the county legislative authority deems the annexation proposal to be in the best interest of the county, it may adopt a resolution approving of the annexation. The county legislative authority must file notice of the proposed action with the office of financial management for its review pursuant to section 1 of this act.
(e) If, following the county legislative authority’s adoption of the annexation approval resolution and review of the proposed action by the office of financial management pursuant to section 1 of this act, the legislative body of the city proposing annexation determines to effect the annexation, it must do so by ordinance. The ordinance: (i) May only include territory approved for annexation in the resolution adopted under (d) of this subsection; and (ii) must not exclude territory approved for annexation in the resolution adopted under (d) of this subsection. Upon passage of the annexation ordinance, a certified copy must be filed with the applicable county legislative authority.
(2) Any territory annexed through an ordinance adopted under this section is annexed and becomes a part of the code city upon the date fixed in the ordinance.

Sec. 435. RCW 35A.14.700 and 2011 c 342 s 2 are each amended to read as follows:

(1) Whenever any territory is annexed to or deannexed from a code city, any territory is subject to boundary line adjustment, or cities are consolidated pursuant to chapter 35.10 RCW:
(a) A copy of the complete ordinance containing a legal description and a map showing specifically the boundaries of the territory or consolidated area must be submitted immediately after the city or town’s adoption. Within two days of receipt of the ordinance, the office of financial management must post a digital
shall shall shall shall shall shall shall shall such annexed ()) the code city (()) the date of ((() confirms the in triplicate financial management for its annexed e city may choose to have the annexation the department of transportation and return the annexing an annexation annexation shall be the second annexed ate approve of (54x67) units and are certified for occupancy between January 1, 2010, and actual enumeration of one or more of the block's identified: through (E) of this subsection (2) as a likely source of the error, a existence of a known census error within a complete federal census population determination of the entire (((() territory shall be attached to each of the three copies of the third copy to ((())) office of financial management (((()) certificate. The certificate(((() territory must be in (((()) a form and contain ((()) information as (((()) prescribed by the office of financial management. ((()) certificate of the complete ordinance containing a legal description and a map showing specifically the boundaries of the annexed territory shall be attached to each of the three copies of the certificate.)) The certificate ((()) must be signed by the mayor and attested by the city clerk. Upon request, the office of financial management ((()) must furnish certification forms to any code city. (2(a) The resident population of the (((()) territory ((()) or consolidated area must be determined by, or under the direction of, the mayor of the code city. (b) If the (((())) territory has a population of ten thousand or less, the (((())) territory or consolidated area consists entirely of one or more partial federal census blocks, or 2010 federal decennial census data has not been released within twelve months immediately prior to the date of (((())) the action, the population determination (((()) must consist of an actual enumeration of the population. (c) In any circumstance, the code city may choose to have the population determination of the entire (((())) territory or consolidated area consist of an actual enumeration. However, if the code city does not use actual enumeration for determining population, the (((())) territory or consolidated area includes or consists of one or more complete federal census blocks, and 2010 federal decennial census data has been released within twelve months immediately prior to the date of (((())) the action, the population determination (((()) must consist of: (i) Relevant 2010 federal decennial census data pertaining to the complete block or blocks, as such data has been updated by the most recent official population estimate released by the office of financial management pursuant to RCW 43.62.030; (ii) An actual enumeration of any population located within the (((())) territory or consolidated area but outside the complete federal census block or blocks; and (iii) If the office of financial management, at least two weeks prior to the date of (((())) the action, confirms the existence of a known census error within a complete federal census block and identifies a structure or complex listed in (c)(iii)(A) through (E) of this subsection (2) as a likely source of the error, an actual enumeration of one or more of the block's identified: (A) Group quarters; (B) Mobile home parks; (C) Apartment buildings that are composed of at least fifty units and are certified for occupancy between January 1, 2010, and April 1, 2011; (D) Missing subdivisions; and (E) Closures of any of the categories in (c)(iii)(A) through (D) of this subsection. (d) Whenever an actual enumeration is used, it shall be made in accordance with the practices and policies of, and subject to the approval of, the office of financial management. (e) The code city (((())) is responsible for the full cost of the population determination. (3) Upon approval of the (((())) certificate, the office of financial management (((() must forward to each state official or department responsible for making allocations or payments to cities or towns, a revised certificate reflecting the increase in population due to (((())) the action. Upon and after the date of the commencement of the next quarterly period, the population determination indicated in (((())) the revised certificate (((() must be used as the basis for the allocation and payment of state funds to such city or town. For the purposes of this section, each quarterly period (((() commences on the first day of the months of January, April, July, and October. Whenever a revised certificate is forwarded by the office of financial management thirty days or less prior to the commencement of the next quarterly period, the population of the (((())) territory (((() or consolidated area must not be considered until the commencement of the following quarterly period. (4) Until (((())) a certificate is filed and approved (as provided herein, such annexed), the territory (((())) or consolidated area must not be considered by the office of financial management in determining the population of such code city. Sec. 436. RCW 35A.16.010 and 1967 ex.s. c 119 s 35A.16.010 are each amended to read as follows: Upon the filing of a petition which is sufficient as determined by RCW 35A.01.040 praying for the exclusion from the boundaries of a code city of an area described by metes and bounds or by reference to a recorded plat or government survey, signed by qualified voters of the city in number equal to not less than ten percent of the number of votes cast at the last general municipal election, the legislative body of the code city shall cause the question to be submitted to the voters. As an alternate method, such a proposal for exclusion from the code city of a described area may be submitted to the voters by resolution of the legislative body. The question shall be submitted at the next general municipal election if one is to be held within one hundred and eighty days or at a special election called for that purpose not less than ninety days nor more than one hundred and eighty days after the certification of sufficiency of the petition or the passage of the resolution. The petition or resolution shall set out and describe the territory to be excluded from the code city, together with the boundaries of the code city as it will exist after such change is made. The legislative body of the code city must file notice of the proposed action with the office of financial management for its review pursuant to section 1 of this act. Sec. 437. RCW 35A.16.040 and 1967 ex.s. c 119 s 35A.16.040 are each amended to read as follows: Promptly after the filing of the abstract of votes with the secretary of state and subject to review of the proposed action by the office of financial management pursuant to section 1 of this act, the legislative body shall adopt an ordinance defining and fixing the corporate limits after excluding the area as determined by the election. The ordinance shall also describe the excluded territory by metes and bounds or by reference to a recorded plat or government survey and declare it no longer a part of the code city." Correct the title. Signed by Representatives Takko, Chair; Gregerson, Vice Chair; Taylor, Ranking Minority Member; Griffey, Assistant Ranking Minority Member; Fitzibbon; McBride; McCaslin; Peterson and Pike. Passed to Committee on Rules for second reading. March 19, 2015
Passed to Committee on Rules for second reading.

SB 5307  Prime Sponsor, Senator O'Ban: Concerning deficit reimbursement agreements with counties owning and operating ferry systems. Reported by Committee on Transportation

MAJORITY recommendation: Do pass as amended.

Minority recommendation: Do not pass. Signed by Representative Hunt, G.

Strike everything after the enacting clause and insert the following:

"Sec. 1. RCW 47.56.725 and 1999 c 269 s 12 are each amended to read as follows:

(1) The department is hereby authorized to enter into a continuing agreement with Pierce, Skagit, and Whatcom counties pursuant to which the department shall, from time to time, direct the distribution to each of the counties the amounts authorized in subsection (2) of this section in accordance with RCW 46.68.090.

(2) The department is authorized to include in each agreement a provision for the distribution of funds to each county to reimburse the county for fifty percent of the deficit incurred during each previous fiscal year in the operation and maintenance of the ferry system owned and operated by the county. The total amount to be reimbursed to Pierce, Skagit, and Whatcom counties collectively shall not exceed one million eight hundred thousand dollars in (\(2015-17\)) the 2015-2017 biennium. For subsequent biennia, the amount authorized in this section must increase by the fiscal growth factor as defined in RCW 43.135.025. Each county agreement shall contain a requirement that the county shall maintain tolls on its ferries at least equal to (\(\text{published fares}\)) in place on January 1, (\(\text{2015}\)) 2015, excluding surcharges.

(3) The annual fiscal year operating and maintenance deficit, if any, shall be determined by Pierce, Skagit, and Whatcom counties subject to review and approval of the department. The annual fiscal year operating and maintenance deficit is defined as the total of operations and maintenance expenditures less the sum of fuel tax revenue distributions which are attributable to the county ferry as determined by the department. Distribution of the amounts authorized by subsection (2) of this section by the state treasurer shall be directed by the department upon the receipt of properly executed vouchers from each county.

(4) The county road administration board may evaluate requests by Pierce, Skagit, Wahkiakum, and Whatcom counties for county ferry capital improvement funds. The board shall evaluate the requests and, if approved by a majority of the board, submit the requests to the legislature for funding out of the amounts available under RCW 46.68.090((\(2015\))) (\(2\)) (h). Any county making a request under this subsection shall first seek funding through the public works trust fund, or any other available revenue source, where appropriate."

Correct the title.

Signed by Representatives Clibborn, Chair; Farrell, Vice Chair; Moscoso, Vice Chair; Bergquist;
Gregerson; McBride; Moeller; Morris; Ortiz-Self; Riccelli; Sells; Takko; Young and Zeiger.

MINORITY recommendation: Do not pass. Signed by Representatives Orcutt, Ranking Minority Member; Hargrove, Assistant Ranking Minority Member; Harmsworth; Kochmar; Pike; Shea and Wilson.


Passed to Committee on Rules for second reading.

March 19, 2015

SSB 5322 Prime Sponsor, Committee on Agriculture, Water & Rural Economic Development: Concerning conservation districts’ rates and charges. Reported by Committee on Local Government

MAJORITY recommendation: Do pass. Signed by Representatives Takko, Chair; Gregerson, Vice Chair; Fitzgibbon; McBride and Peterson.

MINORITY recommendation: Do not pass. Signed by Representatives Taylor, Ranking Minority Member; Griffey, Assistant Ranking Minority Member; McCaslin and Pike.

Referred to Committee on Finance.

March 19, 2015

ESB 5424 Prime Sponsor, Senator King: Allowing public utility districts to produce and distribute renewable natural gas. Reported by Committee on Technology & Economic Development

MAJORITY recommendation: Do pass. Signed by Representatives Morris, Chair; Tarleton, Vice Chair; Smith, Ranking Minority Member; Fey; Harmsworth; Huggins; Nealey; Ryu; Santos; Wylie and Young.

Passed to Committee on Rules for second reading.

March 19, 2015

SSB 5455 Prime Sponsor, Committee on Government Operations & Security: Addressing the delivery of basic firefighter training and testing. Reported by Committee on Local Government

MAJORITY recommendation: Strike everything after the enacting clause and insert the following:

"Sec. 1. RCW 43.43.934 and 2012 c 229 s 818 are each amended to read as follows: The director of fire protection shall:

(1)(a)(i) With the state board for community and technical colleges, provide academic, vocational, and field training programs for the fire service; and (ii) with the state colleges and universities, provide instructional programs requiring advanced training, especially in command and management skills;

(b) Cooperate with the common schools, technical and community colleges, institutions of higher education, and any department or division of the state, or of any county or municipal corporation in establishing and maintaining instruction in fire service training and education in accordance with any act of congress and legislation enacted by the legislature in pursuance thereof and in establishing, building, and operating training and education facilities.

Industrial fire departments and private fire investigators may participate in training and education programs under this chapter for a reasonable fee established by rule;

(c) Develop and adopt a master plan for constructing, equipping, maintaining, and operating necessary fire service training and education facilities subject to the provisions of chapter 43.19 RCW;

(d) Develop and adopt a master plan for the purchase, lease, or other acquisition of real estate necessary for fire service training and education facilities in a manner provided by law; and

(e)(i) Develop and adopt a plan (with a goal of providing firefighter one and wildland training to all firefighters in the state. Wildland training reimbursement will be provided if a fire protection district or a city fire department has and is fulfilling their interior attack policy or if they do not have an interior attack policy. The plan will include a reimbursement for fire protection districts and city fire departments of not less than three dollars for every hour of firefighter one or wildland training. The Washington state patrol shall not provide reimbursement for more than two hundred hours of firefighter one or wildland training for each firefighter trained)) for the Washington state patrol fire training academy to deliver basic firefighter training and testing to all city fire departments, fire protection districts, regional fire protection service authorities, and other public fire agencies in the state. The plan required by this subsection (1)(e) must specify that the delivery of training and testing services will be provided:

(A) To recipients in the following order of priority:

(I) Volunteer departments;

(II) Combination departments; and

(III) Fire agencies that employ only career firefighters and fire officers; and

(B) By personnel of the fire training academy, either at the academy's facilities in North Bend, Washington, or regionally at local fire agencies.

(ii)(A) In lieu of receiving training and testing services from the fire training academy, city fire departments, fire protection districts, regional fire protection service authorities, and other public fire agencies in the state may seek reimbursement for their firefighter I training expenses. The amount of reimbursement will be calculated on a per capita basis. The per capita amount is equal to the three-year statewide firefighter per capita average for the regional direct delivery of training by the fire training academy. The three-year statewide firefighter per capita average is calculated by dividing the total cost of providing regional direct delivery during the three-year period by the number of firefighters trained through the regional direct delivery program during the same three-year period. The regional direct delivery costs used for the basis of these calculations do not include the costs of the fire training academy personnel used to coordinate the direct delivery programs, the state’s indirect costs, or any other indirect costs.

(B) Prior to the implementation of the reimbursement provisions in (e)(ii)(A) of this subsection, the amount of reimbursement for city fire departments, fire protection districts, regional fire protection service authorities, and other public fire agencies must be not less than three dollars for every one hour of firefighter I training, and may not exceed two hundred hours per firefighter.

(iii) Subject to approval by the director of fire protection, and in accordance with the plan required by this subsection (1)(e), the fire training academy facilities and programs must be made available at no cost to fire service youth programs. The goal of making these facilities and programs available is to increase
enrollment of volunteer firefighters, and to improve gender, cultural, and ethnic diversity within the fire service.

(iv) For purposes of this subsection (1)(e), the following definitions apply:

(A) "Basic firefighter training and testing" means training and testing for firefighters that is up to and includes the requirements of firefighter I, as identified by the national fire protection association standard 1001;

(B) "Combination department" means a fire department with emergency service personnel comprising less than eighty-five percent of either volunteer or career membership;

(C) "Delivery of training" includes all resources, personnel, and equipment necessary to deliver training at the fire academy in North Bend, Washington, or regionally at local fire agencies; and

(D) "Volunteer department" means a fire department with volunteer emergency service personnel comprising eighty-five percent or greater of its department membership.

(2)(a) Promote mutual aid and disaster planning for fire services in this state;

(b) Assure the dissemination of information concerning the amount of fire damage including that damage caused by arson, and its causes and prevention; and

(c) Implement any legislation enacted by the legislature to meet the requirements of any acts of congress that apply to this section.

(3) In carrying out its statutory duties, the office of the state fire marshal shall give particular consideration to the appropriate roles to be played by the state and by local jurisdictions with fire protection responsibilities. Any determinations on the division of responsibility shall be made in consultation with local fire officials and their representatives.

To the extent possible, the office of the state fire marshal shall encourage development of regional units along compatible geographic, population, economic, and fire risk dimensions. Such regional units may serve to: (a) Reinforce coordination among state and local activities in fire service training, reporting, inspections, and investigations; (b) identify areas of special need, particularly in smaller jurisdictions with inadequate resources; (c) assist the state in its oversight responsibilities; (d) identify funding needs and options at both the state and local levels; and (e) provide models for building local capacity in fire protection programs.”

Correct the title.

Signed by Representatives Takko, Chair; Gregerson, Vice Chair; Taylor, Ranking Minority Member; Griffey, Assistant Ranking Minority Member; Fitzgibbon; McBride; McCaslin; Peterson and Pike.

Passed to Committee on Rules for second reading.

March 19, 2015

SB 5458

Prime Sponsor, Senator Angel: Concerning health district banking. Reported by Committee on Local Government

MAJORITY recommendation: Do pass. Signed by Representatives Takko, Chair; Gregerson, Vice Chair; Fitzgibbon; McBride and Peterson.

MINORITY recommendation: Do not pass. Signed by Representatives Taylor, Ranking Minority Member; Griffey, Assistant Ranking Minority Member; McCaslin and Pike.

Passed to Committee on Rules for second reading.

March 18, 2015

ESB 5471

Prime Sponsor, Senator Angel: Addressing electronic notices and document delivery of insurance products. Reported by Committee on Business & Financial Services

MAJORITY recommendation: Do pass as amended.

Strike everything after the enacting clause and insert the following:

"NEW SECTION, Sec. 1. The definitions in this subsection apply throughout this chapter unless the context clearly requires otherwise.

(1)(a)(i) "Delivered by electronic means" includes:

(A) Delivery to an electronic mail address at which a party has consented to receive notices or documents; or

(B) Posting on an electronic network or site accessible via the internet, mobile application, computer, mobile device, tablet, or any other electronic device, together with separate notice of the posting which shall be provided by electronic mail to the address at which the party has consented to receive notice or by any other delivery method that has been consented to by the party.

(ii) "Delivered by electronic means" does not include any communication between an insurer and an insurance producer relating to RCW 48.17.591 and 48.17.595.

(b) "Party" means any recipient of any notice or document required as part of an insurance transaction, including but not limited to an applicant, an insured, a policyholder, or an annuity contract holder.

(2) Subject to the requirements of this section, any notice to a party or any other document required under applicable law is to serve as evidence of insurance coverage may be delivered, stored, and presented by electronic means so long as it meets the requirements of the Washington electronic authentication act (chapter 19.34 RCW).

(3) Delivery of a notice or document in accordance with this section is the equivalent to any delivery method required under applicable law, including delivery by first-class mail; first-class mail, postage prepaid; certified mail; or registered mail.

(4) A notice or document may be delivered by an insurer to a party by electronic means under this section only if:

(a) The party has affirmatively consented to that method of delivery and has not withdrawn the consent;

(b) The party, before giving consent, has been provided with a clear and conspicuous statement informing the party of:

(i) The right the party has to withdraw consent to have a notice or document delivered by electronic means at any time, and any conditions or consequences imposed in the event consent is withdrawn;

(ii) The types of notices and documents to which the party's consent would apply;

(iii) The right of a party to have a notice or document in paper form; and

(iv) The procedures a party must follow to withdraw consent to have a notice or document delivered by electronic means and to update the party's electronic mail address;

(c) The party:

(i) Before giving consent, has been provided with a statement of the hardware and software requirements for access to and retention of notices or documents delivered by electronic means; and

(ii) Consents electronically, or confirms consent electronically, in a manner that reasonably demonstrates that the party can access information in the electronic form that will be used for notices or
documents delivered by electronic means as to which the party has
given consent; and

(d) After consent of the party is given, the insurer, in the event
a change in the hardware or software requirements needed to
access or retain a notice or document delivered by electronic
means creates a material risk that the party will not be able to
access or retain a subsequent notice or document to which the
consent applies:

(i) Shall provide the party with a statement that describes:
(A) The revised hardware and software requirements for access
to and retention of a notice or document delivered by electronic
means; and
(B) The right of the party to withdraw consent without the
imposition of any fee, condition, or consequence that was not
disclosed at the time of initial consent; and

(ii) Complies with (b) of this subsection.

(5) This section does not affect requirements related to content
or timing of any notice or document required under applicable law.

(6) If this title or applicable law requiring a notice or document
to be provided to a party expressly requires verification or
acknowledgment of receipt of the notice or document, the notice
or document may be delivered by electronic means only if the method
used provides for verification or acknowledgment of receipt.

(7) The legal effectiveness, validity, or enforceability of any
contract or policy of insurance executed by a party may not be
denied solely because of the failure to obtain electronic consent or
confirmation of consent of the party in accordance with subsection
(4)(c)(ii) of this section.

(8)(a) A withdrawal of consent by a party does not affect the
legal effectiveness, validity, or enforceability of a notice or
document delivered by electronic means to the party before the
withdrawal of consent is effective.

(b) A withdrawal of consent by a party is effective within a
reasonable period of time, not to exceed thirty days, after receipt of
the withdrawal by the insurer.

(c) Failure by an insurer to comply with subsections (4)(d) and
(10) of this section may be treated, at the election of the party, as a
withdrawal of consent for purposes of this section.

(9) This section does not apply to a notice or document
delivered by an insurer in an electronic form before the effective
date of this section to a party who, before that date, has consented
to receive a notice or document in an electronic form otherwise
allowed by law.

(10) If the consent of a party to receive certain notices or
documents in an electronic form is on file with an insurer before
the effective date of this section, and pursuant to this section, an
insurer intends to deliver additional notices or documents to such
party in an electronic form, then prior to delivering such additional
notices or documents electronically, the insurer shall:

(a) Provide the party with a statement that describes:
(i) The notices or documents that shall be delivered by
electronic means under this section that were not previously
delivered electronically; and
(ii) The party's right to withdraw consent to have notices or
documents delivered by electronic means, without the imposition
of any condition or consequence that was not disclosed at the time
of initial consent; and

(b) Comply with subsection (4)(b) of this section.

(11) An insurer shall deliver a notice or document by any other
delivery method permitted by law other than electronic means if:

(a) The insurer attempts to deliver the notice or document by
electronic means and has a reasonable basis for believing that the
notice or document has not been received by the party; or

(b) The insurer becomes aware that the electronic mail address
provided by the party is no longer valid.

NEW SECTION. Sec. 2. (1) Notwithstanding any other
provisions of this chapter, standard property and casualty insurance
policy forms and endorsements that do not contain personally
identifiable information may be mailed, delivered, or posted on the
insurer's web site. If the insurer elects to post insurance policy
forms and endorsements on its web site in lieu of mailing or
delivering them to the insured, it must comply with all of the
following conditions:

(a) The policy forms and endorsements must be accessible to
the insured and the producer of record and remain that way for as
long as the policy is in force;

(b) After the expiration of the policy, the insurer must archive
its expired policy forms and endorsements for a period of sixyears or
other period required by law, and make them available upon
request;

(c) The policy forms and endorsements must be posted in a
manner that enables the insured and producer of record to print and
save the policy form and endorsements using programs or
applications that are widely available on the internet and free to
use;

(d) The insurer must provide the following information in, or
simultaneous with, each declarations page provided at the time of
issuance of the initial policy and any renewals of that policy:

(i) A description of the exact policy and endorsement forms
purchased by the insured;

(ii) A description of the insured's right to receive, upon request
and without charge, a paper copy of the policy and endorsements
by mail;

(iii) The internet address where their policy and endorsements
are posted;

(iv) The insurer, upon request and without charge, mails a
paper copy of the insured's policy and endorsements to the insured;
and

(v) Notice, in the manner in which the insurer customarily
communicates with the insured, of any changes to the forms or
endorsements, the insured's right to obtain, upon request and
without charge, a paper copy of such forms or endorsements, and
the internet address where such forms or endorsements are posted.

(2) Nothing in this section affects the timing or content of any
disclosure or other document required to be provided or made
available to any insured under applicable law.

NEW SECTION. Sec. 3. 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. 4. Sections 1 and 2 of this act
constitute a new chapter in Title 48 RCW.

Correct the title.

Signed by Representatives Kirby, Chair; Ryu, Vice Chair;
Vick, Ranking Minority Member; Blake; Hunt, G.; Hurst;
Kochmar; McCabe; Santos and Stanford.
Passed to Committee on Rules for second reading.

March 19, 2015

SSB 5633  Prime Sponsor, Committee on Ways & Means: Creating a coordinator for the helmets to hardhats program in the department of veterans affairs. Reported by Committee on Community Development, Housing & Tribal Affairs

MAJORITY recommendation: Do pass as amended.

Strike everything after the enacting clause and insert the following:

"NEW SECTION, Sec. 1. A new section is added to chapter 43.60A RCW to read as follows:
The coordinator for the helmets to hardhats program is created in the department of veterans affairs, subject to the availability of amounts appropriated for this specific purpose. The department shall establish procedures for coordinating with the national helmets to hardhats program and other opportunities for veterans to obtain skilled training and employment in the construction industry."

Correct the title.

Signed by Representatives Appleton, Chair; Robinson, Vice Chair; Johnson, Ranking Minority Member; Zeiger, Assistant Ranking Minority Member; Hawkins; Moscoso and Sawyer.

Referred to Committee on Appropriations.

March 19, 2015

SB 5760  Prime Sponsor, Senator Brown: Concerning contracts for materials or work required by joint operating agencies. Reported by Committee on Technology & Economic Development

MAJORITY recommendation: Do pass. Signed by Representatives Morris, Chair; Tarleton, Vice Chair; Smith, Ranking Minority Member; Fey; Hudkins; Nealey, Ryu; Santos and Wylie.

MINORITY recommendation: Without recommendation. Signed by Representatives Harmsworth and Young.

Passed to Committee on Rules for second reading.

March 19, 2015

SB 5768  Prime Sponsor, Senator Cleveland: Concerning county electronic public auctions. Reported by Committee on Local Government

MAJORITY recommendation: Do pass. Signed by Representatives Takko, Chair; Gregerson, Vice Chair; Taylor, Ranking Minority Member; Griffey, Assistant Ranking Minority Member; Fitzgibbon; McBride; McCaslin; Peterson and Pike.

Passed to Committee on Rules for second reading.

March 19, 2015

SSB 5795  Prime Sponsor, Committee on Government Operations & Security: Authorizing municipalities to create assessment reimbursement areas for the construction or improvement of water or sewer facilities. Reported by Committee on Local Government

MAJORITY recommendation: Do pass. Signed by Representatives Takko, Chair; Gregerson, Vice Chair; Fitzgibbon; McBride and Pike.

MINORITY recommendation: Do not pass. Signed by Representatives Taylor, Ranking Minority Member; Griffey, Assistant Ranking Minority Member; McCaslin and Peterson.

Passed to Committee on Rules for second reading.

March 19, 2015

ESB 5871  Prime Sponsor, Senator Angel: Creating appeal procedures for single-family homeowners with failing septic systems required to connect to public sewer systems. Reported by Committee on Local Government

MAJORITY recommendation: Do pass. Signed by Representatives Takko, Chair; Gregerson, Vice Chair; Taylor, Ranking Minority Member; Griffey, Assistant Ranking Minority Member; Fitzgibbon; McBride; McCaslin; Peterson and Pike.

Passed to Committee on Rules for second reading.

March 19, 2015

ESB 5923  Prime Sponsor, Senator Brown: Promoting economic recovery in the construction industry. Reported by Committee on Local Government

MAJORITY recommendation: Do pass as amended.

Strike everything after the enacting clause and insert the following:

"NEW SECTION, Sec. 1. The great recession had a significant impact on the national and state economy. No industry suffered economic setbacks as significant as the residential construction sector. Residential construction jobs essentially vanished from the economy. New housing starts in Washington slipped to levels not seen since the early 1980s, even though the state's population has doubled since that time. While a broader economic recovery has begun, single-family residential housing continues to lag behind other sectors. It is in the economic interest of the state to spark economic growth by increasing single-family residential construction. The jobs, wages, and local taxes generated by home construction benefit the state's economy, increase family wage jobs and broaden the state's tax base.

Sec. 2. RCW 82.02.050 and 1994 c 257 s 24 are each amended 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 RCW 36.70A.040 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)(a) Counties, cities, and towns collecting impact fees must adopt a permanent system for the collection of impact fees from applicants for residential building permits issued for single-family detached or attached residential construction that includes:

(i)(A) A process by which an applicant for any development permit that requires payment of an impact fee must record a covenant against title to the lot or unit subject to the impact fee obligation. A covenant under this subsection (3)(a)(i) must also serve as a lien binding on all successors in title after the recordation. The covenant must require payment equal to one hundred percent of the impact fee applicable to the lot or unit at the rates in effect at the time of final payment of the impact fee, less a credit for any deposits paid.

(B) Covenants recorded in accordance with this subsection (3)(a)(i) must provide for payment of the impact fee at the earliest of the following: The time of closing of sale of the applicable lot or unit; or in accordance with the applicable county, city, or town ordinance, eighteen or more months after the building permit is issued. Payment of impact fees due at closing of a sale must, unless an agreement to the contrary is reached between buyer and seller, be made from the seller's proceeds. In the absence of an agreement to the contrary, the seller bears strict liability for the payment of the impact fees.

(C) The seller must provide written disclosure of the covenant authorized under this subsection (3)(a)(i) as required by chapter 64.06 RCW.

(D) Upon receiving payment of impact fees due, the applicable county, city, or town must remove the covenant recorded in accordance with this subsection (3)(a)(i); or

(ii) A process by which an applicant may apply for a deferral of the impact fee payment until final inspection or certificate of occupancy, or equivalent certification. Cities utilizing the deferral process established by this subsection (3)(a)(ii) may withhold certification of final inspection, certificate of occupancy, or equivalent certification until the impact fee payment has been made in full.

(b) Counties, cities, and towns may adopt local systems for the collection of impact fees that differ from the requirements of this subsection (3) if the payment timing provisions are consistent with those of this subsection.

(c) A county, city, or town with an impact fee deferral process under this subsection (3) if the deferral process delays all impact fees and remains in effect after July 1, 2016.

(d) Each applicant for a single-family residential construction permit, in accordance with his or her contractor registration number or other unique identification number, is entitled to annually receive deferrals under this subsection (3) for the first twenty single-family residential construction building permits per county or city. However, a county, city, or town may, by ordinance, elect to defer more than twenty single-family residential construction building permits for an applicant as required by this subsection (3)(d) if:

(i) The county, city, or town collects impact fees on behalf of the jurisdiction or jurisdictions for which the collection of impact fees would be delayed; and

(ii) The county, city, or town and the jurisdiction or jurisdictions for which the collection of impact fees would be delayed agree to the additional deferrals.

(4) 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.

((iiii)) (5)(a) Impact fees may be collected and spent only for the public facilities defined in RCW 82.02.090 which are addressed by a capital facilities plan element of a comprehensive land use plan adopted pursuant to the provisions of RCW 36.70A.070 or the provisions for comprehensive plan adoption contained in chapter 36.70, 35.63, or 35A.63 RCW. After the date a county, city, or town is required to adopt its development regulations under chapter 36.70A RCW, 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 RCW 36.70A.070, and on the capital facilities plan identifying:

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

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

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

(b) 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.

Sec. 3. RCW 36.70A.070 and 2010 1st sp.s. c 26 s 6 are each amended to read as follows:

The comprehensive plan of a county or city that is required or chooses to plan under RCW 36.70A.040 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 RCW 36.70A.140. 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, general aviation airports, 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 groundwater used for public water supplies. Wherever possible, the land use element should consider utilizing urban planning approaches that promote physical activity. 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 ensuring the vitality and character of established residential neighborhoods that: (a) Includes an
inventory and analysis of existing and projected housing needs that identifies the number of housing units necessary to manage projected growth; (b) includes a statement of goals, policies, objectives, and mandatory provisions for the preservation, improvement, and development of housing, including single-family residences; (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. Park and recreation facilities shall be included in the capital facilities plan element.

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. Rural element. Counties shall include a rural element including lands that are not designated for urban growth, agriculture, forest, or mineral resources. The following provisions shall apply to the rural element:
   (a) Growth management acts and local circumstances. Because circumstances vary from county to county, in establishing patterns of rural densities and uses, a county may consider local circumstances, but shall develop a written record explaining how the rural element harmonizes the planning goals in RCW 36.70A.020 and meets the requirements of this chapter.
   (b) Rural development. The rural element shall permit rural development, forestry, and agriculture in rural areas. The rural element shall provide for a variety of rural densities, uses, essential public facilities, and rural governmental services needed to serve the permitted densities and uses. To achieve a variety of rural densities and uses, counties may provide for clustering, density transfer, design guidelines, conservation easements, and other innovative techniques that will accommodate appropriate rural densities and uses that are not characterized by urban growth and that are consistent with rural character.
   (c) Measures governing rural development. The rural element shall include measures that apply to rural development and protect the rural character of the area, as established by the county, by:
      (i) Containing or otherwise controlling rural development;
      (ii) Assuring visual compatibility of rural development with the surrounding rural area;
      (iii) Reducing the inappropriate conversion of undeveloped land into sprawling, low-density development in the rural area;
      (iv) Protecting critical areas, as provided in RCW 36.70A.060, and surface water and groundwater resources; and
      (v) Protecting against conflicts with the use of agricultural, forest, and mineral resource lands designated under RCW 36.70A.170.
   (d) Limited areas of more intensive rural development. Subject to the requirements of this subsection and except as otherwise specifically provided in this subsection (5)(d), the rural element may allow for limited areas of more intensive rural development, including necessary public facilities and public services to serve the limited area as follows:
      (i) Rural development consisting of the infill, development, or redevelopment of existing commercial, industrial, residential, or mixed-use areas, whether characterized as shoreline development, villages, hamlets, rural activity centers, or crossroads developments.
      (A) A commercial, industrial, residential, shoreline, or mixed-use area ((shall be)) subject to the requirements of (d)(iv) of this subsection, but ((shall)) are not ((be)) subject to the requirements of (c)(ii) and (iii) of this subsection.
      (B) Any development or redevelopment other than an industrial area or an industrial use within a mixed-use area or an industrial area under this subsection (5)(d)(ii) must be principally designed to serve the existing and projected rural population.
      (C) Any development or redevelopment in terms of building size, scale, use, or intensity shall be consistent with the character of the existing areas. Development and redevelopment may include changes in use from vacant land or a previously existing use so long as the new use conforms to the requirements of this subsection (5):
         (ii) The intensification of development on lots containing, or new development of, small-scale recreational or tourist uses, including commercial facilities to serve those recreational or tourist uses, that rely on a rural location and setting, but that do not include new residential development. A small-scale recreation or tourist use is not required to be principally designed to serve the existing and projected rural population. Public services and public facilities shall be limited to those necessary to serve the recreation or tourist use and shall be provided in a manner that does not permit low-density sprawl;
         (iii) The intensification of development on lots containing isolated nonresidential uses or new development of isolated cottage industries and isolated small-scale businesses that are not principally designed to serve the existing and projected rural population and nonresidential uses, but do provide job opportunities for rural residents. Rural counties may allow the expansion of small-scale businesses as long as those small-scale businesses conform with the rural character of the area as defined by the local government according to RCW 36.70A.030(15). Rural counties may also allow new small-scale businesses to utilize a site previously occupied by an existing business as long as the new small-scale business conforms to the rural character of the area as defined by the local government according to RCW 36.70A.030(15). Public services and public facilities shall be limited to those necessary to serve the isolated nonresidential use and shall be provided in a manner that does not permit low-density sprawl;
      (iv) A county shall adopt measures to minimize and contain the existing areas or uses of more intensive rural development, as appropriate, authorized under this subsection. Lands included in such existing areas or uses shall not extend beyond the logical outer boundary of the existing area or use, thereby allowing a new pattern of low-density sprawl. Existing areas are those that are clearly identifiable and contained and where there is a logical boundary delineated predominantly by the built environment, but that may also include undeveloped lands if limited as provided in this subsection. The county shall establish the logical outer boundary of an area of more intensive rural development. In establishing the logical outer boundary, the county shall address (A) the need to preserve the character of existing natural neighborhoods and communities, (B) physical boundaries, such as bodies of water, streets and highways, and land forms and contours, (C) the prevention of abnormally irregular boundaries, and (D) the ability to provide public facilities and public services in a manner that does not permit low-density sprawl;
(v) For purposes of (d) of this subsection, an existing area or existing use is one that was in existence:

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

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

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

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

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

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

(i) Land use assumptions used in estimating travel;

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

(iii) Facilities and services needs, including:

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

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

(C) For state-owned transportation facilities, level of service standards for highways, as prescribed in chapters 47.06 and 47.80 RCW, to gauge the performance of the system. The purposes of reflecting level of service standards for state highways in the local comprehensive plan are to monitor the performance of the system, to evaluate improvement strategies, and to facilitate coordination between the county’s or city’s six-year street, road, or transit program and the office of financial management’s ten-year investment program. The concurrency requirements of (b) of this subsection do not apply to transportation facilities and services of statewide significance except for counties consisting of islands whose only connection to the mainland are state highways or ferry routes. In these island counties, state highways and ferry route capacity must be a factor in meeting the concurrency requirements in (b) of this subsection;

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

(E) 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;

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

(iv) Finance, including:

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

(B) 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. The multiyear financing plan should be coordinated with the ten-year investment program developed by the office of financial management as required by RCW 47.05.030;

(C) 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;

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

(vi) Demand-management strategies;

(vii) Pedestrian and bicycle component to include collaborative efforts to identify and designate planned improvements for pedestrian and bicycle facilities and corridors that address the need to encourage enhanced community access and promote healthy lifestyles.

(b) After adoption of the comprehensive plan by jurisdictions required to plan or who choose to plan under RCW 36.70A.040, local jurisdictions must adopt and enforce ordinances which prohibit development approval if the development causes the level of service on a locally owned 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” means 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. If the collection of impact fees is delayed under RCW 82.02.050(3), the six-year period required by this subsection (6)(b) must begin after the county or city receives full payment of all impact fees due.

(c) The transportation element described in this subsection (6), 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, and the ten-year investment program required by RCW 47.05.030 for the state, must be consistent.

(7) An economic development element establishing local goals, policies, objectives, and provisions for economic growth and vitality and a high quality of life. The element shall include: (a) A summary of the local economy such as population, employment, payroll, sectors, businesses, sales, and other information as appropriate; (b) a summary of the strengths and weaknesses of the local economy defined as the commercial and industrial sectors and supporting factors such as land use, transportation, utilities, education, workforce, housing, and natural/cultural resources; and (c) an identification of policies, programs, and projects to foster economic growth and development and to address future needs. A city that has chosen to be a residential community is exempt from the economic development element requirement of this subsection.

(8) A park and recreation element that implements, and is consistent with, the capital facilities plan element as it relates to park and recreation facilities. The element shall include: (a) Estimates of park and recreation demand for at least a ten-year period; (b) an evaluation of facilities and service needs; and (c) an evaluation of intergovernmental coordination opportunities to provide regional approaches for meeting park and recreational demand.
(9) It is the intent that new or amended elements required after January 1, 2002, be adopted concurrent with the scheduled update provided in RCW 36.70A.130. Requirements to incorporate any such new or amended elements shall be null and void until funds sufficient to cover applicable local government costs are appropriated and distributed by the state at least two years before local government must update comprehensive plans as required in RCW 36.70A.130.

NEW SECTION. Sec. 4. This act takes effect September 1, 2016.

Sec. 4. Amend RCW 36.70A.130 to read as follows:

(a) To serve in an advisory capacity to the governor and the director on matters pertaining to the department of veterans affairs; and
(b) To acquaint themselves fully with the operations of the department and recommend such changes to the governor and the director as they deem advisable.

(9) It is the intent that new or amended elements required after January 1, 2002, be adopted concurrent with the scheduled update provided in RCW 36.70A.130. Requirements to incorporate any such new or amended elements shall be null and void until funds sufficient to cover applicable local government costs are appropriated and distributed by the state at least two years before local government must update comprehensive plans as required in RCW 36.70A.130.

NEW SECTION. Sec. 4. This act takes effect September 1, 2016.

Correct the title.

Signed by Representatives Takko, Chair; Gregerson, Vice Chair; Griffey, Assistant Ranking Minority Member; Fitzgibbon; McBride; Peterson and Pike.

MINORITY recommendation: Do not pass. Signed by Representatives Taylor, Ranking Minority Member and McCaslin.

Passed to Committee on Rules for second reading.

March 19, 2015
SB 5958 Prime Sponsor, Senator Roach: Providing for representation of the state veterans' homes on the governor's veterans affairs advisory committee. Reported by Committee on Community Development, Housing & Tribal Affairs

MAJORITY recommendation: Do pass as amended.

Strike everything after the enacting clause and insert the following:

"Sec. 1. RCW 43.60A.080 and 1995 c 25 s 1 are each amended to read as follows:

(1) There is hereby created a veterans affairs advisory committee which shall serve in an advisory capacity to the governor and the director of the department of veterans affairs. The committee shall appoint members to serve as liaisons to each of the state veterans' homes, unless the home has a representative appointed to the committee. This liaison must share information on committee meetings and business with the resident council of the state veterans' homes, as well as bring information back for the committee's consideration to ensure veterans' home resident issues are included at regular committee meetings. The committee shall be composed of seventeen members to be appointed by the governor, and shall consist of the following:

(a) One representative of the Washington soldiers' home and colony at Orting and one representative of the Washington veterans' home at Retiel. Each home's resident council may nominate up to three individuals whose names are to be forwarded by the director to the governor. In making the appointments, the governor shall consider these recommendations or request additional nominations. If the resident council does not provide any nomination, the governor may appoint a member at large in place of the home's representative.

(b) One representative each from the three congressionally chartered or nationally recognized veterans service organizations as listed in the current "Directory of Veterans Service Organizations" published by the United States department of veterans affairs with the largest number of active members in the state of Washington as determined by the director. The organizations' state commanders may each submit a list of three names to be forwarded to the governor by the director. In making the appointments, the governor shall consider these recommendations or request additional nominations.

(c) Ten members shall be chosen to represent those congressionally chartered or nationally recognized veterans service organizations listed in the directory under (b) of this subsection and having at least one active chapter within the state of Washington. Up to three nominations may be forwarded from each organization to the governor by the director. In making the appointments, the governor shall consider these recommendations or request additional nominations.

(d) Two members shall be veterans at large, as well as any other at large member appointed pursuant to (a) of this subsection. Any individual or organization may nominate a veteran for an at-large position. Organizational affiliation shall not be a prerequisite for nomination or appointment. All nominations for the at-large positions shall be forwarded by the director to the governor.

(e) No organization shall have more than one official representative on the committee at any one time.

(f) In making appointments to the committee, care shall be taken to ensure that members represent all geographical portions of the state and minority viewpoints, and that the issues and views of concern to women veterans are represented.

(2) All members shall have terms of four years. In the case of a vacancy, appointment shall be only for the remainder of the unexpired term for which the vacancy occurs. No member may serve more than two consecutive terms, with vacancy appointments to an unexpired term not considered as a term. Members appointed before June 11, 1992, shall continue to serve until the expiration of their current terms; and then, subject to the conditions contained in this section, are eligible for reappointment.

(3) The committee shall adopt an order of business for conducting its meetings.

(4) The committee shall have the following powers and duties:

(a) To serve in an advisory capacity to the governor and the director on matters pertaining to the department of veterans affairs;

(b) To acquaint themselves fully with the operations of the department and recommend such changes to the governor and the director as they deem advisable.

(5) Members of the committee shall receive no compensation for the performance of their duties but shall receive a per diem allowance and mileage expense according to the provisions of chapter 43.03 RCW."

Correct the title.

Signed by Representatives Appleton, Chair; Robinson, Vice Chair; Johnson, Ranking Minority Member; Zeiger, Assistant Ranking Minority Member; Hawkins; Moscoso and Sawyer.

Passed to Committee on Rules for second reading.

March 19, 2015
SIM 8008 Prime Sponsor, Senator Hobbs: Calling for a National Guard Stryker Brigade stationed on the west coast. Reported by Committee on Community Development, Housing & Tribal Affairs

MAJORITY recommendation: Do pass. Signed by Representatives Appleton, Chair; Robinson, Vice Chair; Johnson, Ranking Minority Member; Zeiger, Assistant Ranking Minority Member; Hawkins; Moscoso and Sawyer.

Passed to Committee on Rules for second reading.
There being no objection, the bills listed on the day’s committee reports under the fifth order of business were referred to the committees so designated.

There being no objection, the House advanced to the eleventh order of business.

There being no objection, the House adjourned until 9:55 a.m., March 24, 2015, the 72nd Day of the Regular Session.
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