

Multiple Agency Fiscal Note Summary

Bill Number: 2342 E S HB	Title: Comprehensive plan updates
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Estimated Cash Receipts

NONE

Agency Name	2019-21		2021-23		2023-25	
	GF- State	Total	GF- State	Total	GF- State	Total
Local Gov. Courts						
Loc School dist-SPI						
Local Gov. Other	Non-zero but indeterminate cost and/or savings. Please see discussion.					
Local Gov. Total						

Estimated Operating Expenditures

Agency Name	2019-21			2021-23			2023-25		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Department of Commerce	.3	100,786	100,786	.3	94,040	94,040	.0	0	0
Department of Ecology	.0	0	0	.0	0	0	.0	0	0
Environmental and Land Use Hearings Office	.0	0	0	.0	0	0	.0	0	0
Total \$	0.3	100,786	100,786	0.3	94,040	94,040	0.0	0	0

Agency Name	2019-21			2021-23			2023-25		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI									
Local Gov. Other	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Local Gov. Total									

Estimated Capital Budget Expenditures

Agency Name	2019-21			2021-23			2023-25		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Department of Commerce	.0	0	0	.0	0	0	.0	0	0
Department of Ecology	.0	0	0	.0	0	0	.0	0	0
Environmental and Land Use Hearings Office	.0	0	0	.0	0	0	.0	0	0
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Estimated Capital Budget Breakout

NONE

Prepared by: Gwen Stamey, OFM	Phone: (360) 902-9810	Date Published: Final 3/ 2/2020
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Individual State Agency Fiscal Note

Bill Number: 2342 E S HB	Title: Comprehensive plan updates	Agency: 103-Department of Commerce
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years	0.0	0.7	0.4	0.4	0.0
Account					
General Fund-State 001-1	0	100,786	100,786	94,040	0
Total \$	0	100,786	100,786	94,040	0

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☒ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact: Greg Vogel	Phone: 360-786-7413	Date: 02/24/2020
Agency Preparation: Matthew Ojennus	Phone: 360-725-4047	Date: 02/28/2020
Agency Approval: Darrell Stoa	Phone: (360) 725-2723	Date: 02/28/2020
OFM Review: Gwen Stamey	Phone: (360) 902-9810	Date: 02/28/2020

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

Changes in ESHB 2342 bill compared to the HB 2342:

The engrossed substitute bill makes significant changes to the five-year check-in required in the original bill and adds potential grant funding and rulemaking provisions impacting Commerce. The five-year check-in requirement applies only to Benton, Clark, Franklin, King, Kitsap, Pierce, Snohomish, Spokane, Thurston and Whatcom counties.

For these counties, a five-year update to the CAO is required if Commerce or another state agency has issued official updated guidance regarding critical areas since the due date of the previous review.

A five-year update to the housing element is required with topics and scope subject to ruled adopted by Commerce.

Summary of ESHB 2342:

Section 1(6)(b) requires Commerce to adopt rules to define the threshold conditions that would trigger a duty to update the housing element.

Section 1(6)(d) states the five-year check-in, and requirement for Commerce rulemaking, only applies if the legislature appropriates funding for the check-in according to specified amounts, \$85,000 in the first round of updates and \$105,000 in the second round. Funding is only required for those jurisdictions where the update is triggered.

Section 1(10) requires OFM to inform Commerce of the amount appropriated for the purpose of planning grants for the five-year update.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

ASSUMPTIONS

Section 1:

0.5 FTE Commerce Specialist 3 (1,044 hours) in FY21-FY22 to execute the requirements of this bill. The department is required to establish by rule a set of triggers to determine if a jurisdiction is required to initiate the five-year review of the housing element.

0.1 FTE Commerce Specialist 3 (209 hours) in FY21-FY22 to update guidance on the GMA update process

under RCW 36.70.130 and make operational adjustments to accommodate the new schedule and the new five-year review.

Additional impacts related to review and technical assistance are needed to manage the five-year reviews triggered. The amount depends on the number of jurisdictions meeting the triggers contained in the rule to be adopted by the department. The amount needed in 2027-2029 for this is indeterminate.

Salaries and Benefits

FY21-FY21: \$62,213 per fiscal year

Goods and Services, Travel and Equipment

FY21: \$38,573

FY22: \$31,827

The department assumes travel will be for conducting stakeholder meetings and to provide on-site professional planning guidance to local governments. Assumptions include mileage, per-diem and three nights of overnight lodging per fiscal year.

*Standard goods and services costs include supplies and materials, employee development and training, and agency administration. Agency administration costs (e.g., payroll, HR, IT) are funded under a federally approved cost allocation plan.

Total Costs:

FY21: \$100,786

FY22: \$94,040

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2020	FY 2021	2019-21	2021-23	2023-25
001-1	General Fund	State	0	100,786	100,786	94,040	0
Total \$			0	100,786	100,786	94,040	0

III. B - Expenditures by Object Or Purpose

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years		0.7	0.4	0.4	
A-Salaries and Wages		45,853	45,853	45,853	
B-Employee Benefits		16,360	16,360	16,360	
C-Professional Service Contracts					
E-Goods and Other Services		29,343	29,343	29,343	
G-Travel		2,484	2,484	2,484	
J-Capital Outlays		6,746	6,746		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	0	100,786	100,786	94,040	0

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

Job Classification	Salary	FY 2020	FY 2021	2019-21	2021-23	2023-25
Administrative Services	69,552		0.1	0.1	0.1	
Commerce Specialist 3	74,196		0.6	0.3	0.3	
Total FTEs			0.7	0.4	0.4	0.0

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 2342 E S HB	Title: Comprehensive plan updates	Agency: 461-Department of Ecology
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Part I: Estimates

☒ **No Fiscal Impact**

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☐ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☒ Requires new rule making, complete Part V.

Legislative Contact: Greg Vogel	Phone: 360-786-7413	Date: 02/24/2020
Agency Preparation: Jessica Moore	Phone: 360-407-6994	Date: 02/25/2020
Agency Approval: Erik Fairchild	Phone: 360-407-7005	Date: 02/25/2020
OFM Review: Lisa Borkowski	Phone: (360) 902-0573	Date: 02/25/2020

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

Summary of changes between HB 2342 and ESHB 2342:

- Section 1 changes requirements under the Growth Management Act (chapter 36.70A RCW) to require comprehensive plan updates by local governments every ten years instead of every eight years on a rolling basis. Certain jurisdictions would be required to do comprehensive plan updates every eight years if the legislature does not appropriate specified funding amounts sufficient to trigger a five-year partial review of the housing element and certain development regulations. Commerce would be required to adopt rules to specify the threshold conditions that would bring about the need for review under this section.
- Sections 2(5), 2(6), and 2(8) update references to periodic reviews under the Shoreline Management Act (chapter 90.58 RCW).
- Section 3 changes the effective date of section 2 from July 1, 2022, to July 1, 2025.

The changes from HB 2342 to ESHB 2342 would not change the fiscal impact for Ecology.

Under current law, Ecology works in partnership with local governments to implement chapter 90.58 RCW (Shoreline Management Act) to promote public access, encourage water-dependent uses, protect shoreline resources, and develop, adopt, and administer shoreline master programs. In accordance with a schedule established in the Shoreline Management Act, counties and cities with shorelines of the state must develop or amend shoreline master programs every eight years. Ecology maintains shoreline master program guidelines under chapter 173-26 WAC, and updates them on an ongoing basis.

This bill would modify the timing of comprehensive plan updates required by the Growth Management Act and shoreline master program periodic reviews required by the Shoreline Management Act for most jurisdictions from every eight years to every ten years. Certain counties as listed in the bill would be required to do a review and possible revision after five years for the housing element of comprehensive plans and development regulations that protect critical areas, but only if funding is provided by the legislature.

Section 1 would amend RCW 36.70A.130 (Growth Management Act) to extend the timing of comprehensive plan periodic updates from eight years to ten years, and moves some counties so their next cycle due date will be on a different cycle. Some counties would be required to do a review and revision every five years for the housing element of comprehensive plans and development regulations if funding is provided by the legislature. If no funding is provided, then these counties would be required to do their review every eight years. The Department of Commerce would be required to adopt rules to specify threshold conditions that would bring about the need for review and revision of development regulation updates or housing element updates with specific factors as identified in the bill.

Section 2 would amend RCW 90.58.080 (Shoreline Management Act) to extend the timing of the next shoreline master program reviews from eight years to ten years. The bill would also move some of the counties' deadlines so that their next cycle due date would be on a different cycle.

Section 3 would make section 2 effective July 1, 2025.

This bill would change the timing of shoreline master program reviews beginning July 2025. Ecology updates rules for the Shoreline Management Act on an ongoing cyclical basis to align with statute. Ecology assumes that rulemaking would be required to amend WAC 173-26-090(2) to change the deadlines and the make-up of the different groupings consistent with the bill. These changes would be included in a future rulemaking effort under the Shoreline Management Act. Therefore, there would be no new fiscal impact as a result of this bill.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

Ecology assumes that rulemaking would be required to amend WAC 173-26-090(2) to change the deadlines and the make-up of the different groupings consistent with the bill. These changes would be included in a future rulemaking effort under the Shoreline Management Act.

Individual State Agency Fiscal Note

Bill Number: 2342 E S HB	Title: Comprehensive plan updates	Agency: 468-Environmental and Land Use Hearings Office
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Part I: Estimates

☒ No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☐ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact: Greg Vogel	Phone: 360-786-7413	Date: 02/24/2020
Agency Preparation: Bill Hinkle	Phone: (509) 201-0309	Date: 02/26/2020
Agency Approval: Nina Carter	Phone: 360 664-9171	Date: 02/26/2020
OFM Review: Lisa Borkowski	Phone: (360) 902-0573	Date: 02/26/2020

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

Relating to aligning the timing of comprehensive plan updates required by the Growth Management Act with the timing of Shoreline Master Program updates required by the Shoreline Management Act; amending RCW 36.70A.130 and 90.58.080; and providing an effective date.

Sec. 1 amends RCW 36.70A130 by extending the dates for counties and cities to review and revise their comprehensive plans and development regulations. It adds a provision that no later than five (5) years after the review, counties and cities shall take additional action to ensure compliance with other elements of the GMA i.e. housing and critical areas. Department of Commerce must adopt rules about these updates to comprehensive plans and development regulations. Updates pursuant to this section are appealable to the Growth Management Hearings Board.

Sec. 2 amends RCW 90.58.080 by extending the local government Shoreline Master Plan updates to ten (10) years rather than every eight (8) years.

Sec. 3. Effective date is July 1, 2020.

The Growth Management Hearings Board cannot estimate the number of appeals resulting from Sec. 1 but assumes any appeal will be extended as the updates are extended. HB 2342 has no fiscal impact on the Board.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

Part V: New Rule Making Required

LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

Bill Number: 2342 E S HB	Title: Comprehensive plan updates
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Part I: Jurisdiction—Location, type or status of political subdivision defines range of fiscal impacts.

Legislation Impacts:

- ☒ Cities: Jurisdictions that plan under the Growth Management Act.
- ☒ Counties: Same as above
- ☐ Special Districts:
- ☒ Specific jurisdictions only: If necessary, Commerce would disburse grant funding to certain counties, and cities within those counties, in order to assist the jurisdictions that need to revise the housing and critical area protection elements of their comprehensive plans.
- ☐ Variance occurs due to:

Part II: Estimates

- ☐ No fiscal impacts.
- ☐ Expenditures represent one-time costs:
- ☐ Legislation provides local option:
- ☒ Key variables cannot be estimated with certainty at this time: Scope and nature of mid-cycle updates conducted by cities and counties.

Estimated revenue impacts to:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Estimated expenditure impacts to:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Part III: Preparation and Approval

Fiscal Note Analyst: Jordan Laramie	Phone: 360-725-5044	Date: 03/02/2020
Leg. Committee Contact: Greg Vogel	Phone: 360-786-7413	Date: 02/24/2020
Agency Approval: Allan Johnson	Phone: 360-725-5033	Date: 03/02/2020
OFM Review: Lisa Borkowski	Phone: (360) 902-0573	Date: 03/02/2020

Part IV: Analysis

A. SUMMARY OF BILL

Provide a clear, succinct description of the bill with an emphasis on how it impacts local government.

CHANGE FROM PRIOR BILL:

Section 1 (5)(b)

If the proper funding is allocated, certain jurisdictions would have to take action and complete their comprehensive plans and development regulations on a new 10-year timeline. These jurisdictions include: Benton, Clark, Franklin, King, Kitsap, Pierce, Snohomish, Spokane, Thurston, and Whatcom counties, and the cities within these counties. If the funding is not provided by the deadline, these jurisdictions would have to complete a periodic GMA comprehensive plan update in the prior 8-year timeline. The deadline for Commerce to make these grants disbursement are as follows:

--By June 30, 2027, a minimum of \$85,000 per affected jurisdiction should be allocated for the 2029 through 2031 review and revision requirements.

--By June 30, 2037, a minimum of \$105,000 per affected jurisdiction should be allocated for the 2039 through 2041 review and revision requirements.

Section 1 (6)(a)

If the legislature does not appropriate the funding necessary to trigger the five-year review, there are certain jurisdictions that do not need to conduct the review. These jurisdictions include: Benton, Clark, Franklin, King, Kitsap, Pierce, Snohomish, Spokane, Thurston, and Whatcom counties, and the cities within these counties. If the proper funding is allocated, these jurisdictions would have to take action within five years for the review and possible revision of comprehensive plans and development regulations. The review and revision criteria would determine if:

--A jurisdiction's housing element of its comprehensive plan is in compliance with the topics and scope required by Commerce.

--A jurisdiction's protection of critical areas element in its comprehensive plan are in compliance with the best available science (BAS) and the development regulations outlined by Commerce or another state agency in the event that there has been an update regarding critical areas since the due date of the county or city's previous review.

Section 1 (6)(b)

Commerce must adopt rules that identify the threshold conditions, for a jurisdiction's housing element, that would create a need for review and potential revision of development regulation updates, or other updates required to meet the goals and requirements set forth by Commerce. At minimum, the threshold conditions should include:

--What features, such as shifts in the regional housing market, would compel counties and cities to take additional action under this subsection.

--Determine a method to identify which cities and counties need to take additional steps to review, and if necessary, revise its housing element of their comprehensive plan.

--Which topics or components of the housing element must be reviewed, and if necessary, revised to achieve the goals and requirements of the housing element of their comprehensive plan.

--How to execute the review and revision process over each successive ten-year planning cycle.

Section 1 (6)(c)

Updates to a jurisdiction's comprehensive plans and development regulations are made pursuant to appeal to the Growth Management Hearings Board under RCW 36.70A.280.

Section 1 (7)(d)

The requirements of this subsection apply, only if the legislature has appropriated the funding amounts specified in this subsection by the following dates to Commerce for the purpose of grants associated with the review and revision process.

--By June 30, 2027, a minimum of \$85,000 per affected jurisdiction should be allocated for the 2029 through 2031 review and revision requirements.

--By June 30, 2037, a minimum of \$105,000 per affected jurisdiction should be allocated for the 2039 through 2041 review and revision requirements.

Section 1 (10)

The Office of Financial Management must inform Commerce, the Office of the Governor, The Office of the Code Reviser, and the committees of the Legislature with jurisdiction, of the amount that would be appropriated to Commerce when the biennial operating budget is enacted in 2027 and 2037.

SUMMARY OF CURRENT BILL:

The frequency of updates to Comprehensive Plans and Shoreline Master Programs (SMP) would be adjusted so that most jurisdictions have an extra year for planning. All deadlines would be extended from 8-years to 10-years for both periodic GMA Comprehensive Plan updates and Shoreline Management Act (SMA) Shoreline Master Program SMP updates, except in specific instances. This engrossed substitute retains the prior 5-year review and revision provision, but only for certain counties, and cities within those counties. It also adds that funding from the legislature must be appropriated to Commerce for grants to be disbursed to certain jurisdictions under GMA planning.

These appropriations must be issued by June 30, 2027, for the 2029 through 2031 review and revision process; and by June 30, 2037, for the 2039 through 2041 review and revision process. If these appropriations are not met within the deadline: Benton, Clark, Franklin, King, Kitsap, Pierce, Snohomish, Spokane, Thurston, and Whatcom counties, and the cities within these counties, would not plan under the 10-year update guidelines, but would instead, plan under the prior 8-year update timeline.

If the legislature allocates funding to Commerce on time, the aforementioned counties, and the cities within them, would have to take action within five years for the review and possible revision of comprehensive plans and development regulations. The review and revision criteria would determine if:

--A jurisdiction is in compliance with the housing element rules adopted by Commerce, as well as if the jurisdiction's housing goals are being met.

--A jurisdiction is in compliance with the best available science (BAS) and if development regulations outlined by Commerce or another state agency are being followed. This would be in the event that there has been an update regarding critical areas since the due date of the county or city's previous review.

To facilitate the review process of a jurisdiction's housing element in relation to their comprehensive plan, Commerce must adopt rules that specify which rules need review and potential revision of development its regulation updates, or if there are other updates needed to meet the goals and requirements of the housing element. These criteria must include:

--Features that would compel cities and counties to take additional actions to meet the goals of their housing element. (e.g. changes in the regional housing market that would cause a jurisdiction to miss its housing goals)

--Determine methods to identify which jurisdictions need to revise its housing element to meet the goals of their housing element.

--Assess which areas of its housing element need to be revised to achieve the goals of housing element's targets.

--How to plan and execute the review and revision process to successfully achieve the goals of a jurisdiction's ten-year planning cycle.

This legislation also adds language that states if jurisdictions makes changes to their comprehensive plans or development regulations, these changes are pursuant to appeal to the Growth Management Hearings Board under RCW 36.70A.280.

B. SUMMARY OF EXPENDITURE IMPACTS

Briefly describe and quantify the expenditure impacts of the legislation on local governments, identifying the expenditure provisions by section number, and when appropriate, the detail of expenditures. Delineate between city, county and special district impacts.

CHANGE FROM PRIOR BILL:

This engrossed substitute includes grants for local governments which would be disbursed by Commerce, for the purposed 5-year review of a jurisdiction's housing and protection of critical area elements to their comprehensive plans. The allocation of this funding to certain local government jurisdictions would also determine which planning timeline these jurisdictions would fall under. If grant funding is received, jurisdictions would have to complete both, a 5-year review of the Comprehensive Plan, and a 10-year periodic Comprehensive Plan update; if grant funding is not received, these select jurisdictions would only have to complete the 8-year periodic Comprehensive Plan update.

SUMMARY OF CURRENT BILL:

The result of this change on local government expenditures is indeterminate.

Most jurisdictions would experience a one year extension to their deadline for completing updates to their comprehensive plans and shoreline master programs. It is possible that some jurisdictions, especially those that have updates currently due in 2023, have begun preparing their updates. These jurisdictions could incur an extra year of costs although some costs could potentially be deferred from this year to the next. The number of jurisdictions currently engaged in work on their upcoming updates is not known.

Certain jurisdictions would be required to conduct a 5-year review of housing elements and critical area regulations and development regulations. Supplemental comprehensive plan elements could be added to the required 5-year review and revision update through rule making by Commerce. Factors such as changes to best available science, economic cycles, and the housing market would affect the need for review and revision of potential updates. In addition, the results of rule making by the Department of Commerce cannot be predicted. As a result, the scope and nature of 5-year review and revision updates cannot be estimated and are indeterminate.

Jurisdictions would have significant latitude when creating the review for their Comprehensive Plan and the Periodic GMA Update . Many things that are amended in one jurisdiction may be not be added in another , Critical Area reviews could be very costly in a coastal jurisdiction while relatively minor in a landlocked jurisdiction, etc. Due do this, there would be indeterminate costs between cities and counties that plan under the GMA.

C. SUMMARY OF REVENUE IMPACTS

Briefly describe and quantify the revenue impacts of the legislation on local governments , identifying the revenue provisions by section number, and when appropriate, the detail of revenue sources. Delineate between city, county and special district impacts.

CHANGE FROM PRIOR BILL:

This bill could grant funding available to affected jurisdictions that plan under the GMA . The funding would be disbursed by Commerce, but only to jurisdictions that meet certain criteria. To be an affected jurisdiction, it must be one of the following: Benton, Clark, Franklin, King, Kitsap, Pierce, Snohomish, Spokane, Thurston, and Whatcom counties, and the cities within these counties, and be able to adequately update the housing element (based on Commerce rules, which are to be determined) and the critical areas protection update (which are based in new BAS or new regulations that Commerce or another State agency will set).

It is not known if this funding would be fully approved by future legislatures, so there are built in provisions in the event that the minimum grant funding requirements are not met for these jurisdictions.

SUMMARY OF CURRENT BILL:

The revenue received from grant funding due to this legislation is indeterminate. For analysis, LGFN assumes that all jurisdictions are affected to anticipate excepted costs. Depending on how many jurisdiction are eligible for the review and revision program as well as the availability of grant funding, funding the 5-year review for GMA jurisdictions could be higher or lower than 26.79 million dollars between 2027 and 2041, (explanation below) these costs are in 2020 dollars.

The first grant disbursement from the legislation would allocate \$85,000 to jurisdictions that make up the 10 counties, and 131 cities within those counties, which could be required to conduct a 5-year review. There are 141 planned jurisdictions, which equates to \$11,985,000 in additional funding for the 5-year review and revision to the GMA comprehensive plans. The second grant disbursement would equate to \$14,805,000 in additional funding for the 5-year review and revision to the GMA comprehensive plans. (See below for calculations)

ARITHMETIC SUMMARY:

There would be indeterminate grant funding issued by Commerce under this legislation . It could reach \$26.79 million dollars between 2027 and 2041, but in this scenario, every jurisdiction is funded at the minimum amount demanded by statute . Not every jurisdiction will qualify, some might qualify for more than \$85k

(KPS) King, Pierce, and Snohomish: 3 counties, 83 cities; (CKTW) Clark, Kitsap, Thurston, and Whatcom: 4 counties, 26 cities; (BS) Benton and Spokane: 2 counties, 18 cities; (Franklin) Franklin: 1 county, 4 cities

Due for disbursement by Commerce no later than June 30, 2027

KPS: $(86 \times \$85,000 = \$7,310,000)$
CKTW: $(30 \times \$85,000 = \$2,550,000)$
BS: $(20 \times \$85,000 = \$1,700,000)$
Franklin: $(5 \times \$85,000 = \$425,000)$
Total: $(141 \times \$85,000 = \$11,985,000)$

Due for disbursement by Commerce no later than June 30, 2037

KPS: $(86 \times \$105,000 = \$9,030,000)$
CKTW: $(30 \times \$105,000 = \$3,105,000)$
BS: $(20 \times \$105,000 = \$1,050,000)$
Franklin: $(5 \times \$105,000 = \$525,000)$
Total: $(141 \times \$85,000 = \$14,805,000)$

Combined \$26,790,000

ASSUMPTION:

The legislature would allocate the proper amount of funding to Commerce so that jurisdictions can conduct reviews to the housing element and a protected critical areas review of their comprehensive plans.

For this analysis, Commerce's rules and regulations would effect all jurisdictions. In reality, Commerce's new rules and regulations would not affect all jurisdictions.

Funding would be available for both of the planned grant funding allocation deadlines.

When jurisdictions receive grant funding is unknown, but it is assumed to be allocated before the June 30, 2027 and June 30, 2037 deadlines.

SOURCES:

MRSC, Growth Management Act

HB 2342 HBR, 2020

ES HB 2342 HBR, 2020