

Multiple Agency Fiscal Note Summary

Bill Number: 5593 E S SB AMH LG H2841.1	Title: Urban growth area boundaries
---	--

Estimated Cash Receipts

NONE

Agency Name	2021-23		2023-25		2025-27	
	GF- State	Total	GF- State	Total	GF- State	Total
Local Gov. Courts						
Loc School dist-SPI						
Local Gov. Other	No fiscal impact					
Local Gov. Total						

Estimated Operating Expenditures

Agency Name	2021-23				2023-25				2025-27			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Department of Commerce	.2	59,800	59,800	59,800	.0	0	0	0	.0	0	0	0
Environmental and Land Use Hearings Office	.0	0	0	0	.0	0	0	0	.0	0	0	0
Total \$	0.2	59,800	59,800	59,800	0.0	0	0	0	0.0	0	0	0

Agency Name	2021-23			2023-25			2025-27		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI									
Local Gov. Other	No fiscal impact								
Local Gov. Total									

Estimated Capital Budget Expenditures

Agency Name	2021-23			2023-25			2025-27		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Department of Commerce	.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

Agency Name	2021-23			2023-25			2025-27		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI									
Local Gov. Other	No fiscal impact								
Local Gov. Total									

Estimated Capital Budget Breakout

Prepared by: Gwen Stamey, OFM	Phone: (360) 790-1166	Date Published: Final 3/ 3/2022
--------------------------------------	---------------------------------	---

Individual State Agency Fiscal Note

Bill Number: 5593 E S SB AMI LG H2841.1	Title: Urban growth area boundaries	Agency: 103-Department of Commerce
---	--	---

Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years	0.1	0.3	0.2	0.0	0.0
Account					
General Fund-State 001-1	15,370	44,430	59,800	0	0
Total \$	15,370	44,430	59,800	0	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: Kellen Wright	Phone: 360-786-7134	Date: 02/28/2022
Agency Preparation: Buck Lucas	Phone: 360-725-3180	Date: 03/03/2022
Agency Approval: Joyce Miller	Phone: 360-725-2710	Date: 03/03/2022
OFM Review: Gwen Stamey	Phone: (360) 790-1166	Date: 03/03/2022

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 .

Section 1(3)(a) amends RCW 36.70A.130 to include a new requirement for local governments to review patterns of development when conducting the required Urban Growth Area (UGA) analysis as part of the periodic update. The Department of Commerce (department) would need to adopt rules to help local governments assess patterns of development and when it may be appropriate to remove areas from the UGA.

Section 1(3)(c) adds a new subsection to RCW 36.70A.130 that authorizes counties to adjust a UGA boundary if it does not result in an increase in the total surface area of the UGA, to respond to previous patterns of development. The substitute includes sideboards for how a local government can approach the no-net gain UGA swap. The striker added an additional sideboard that requires increasing residential density prior to amending UGA boundaries.

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.

Agency Assumptions:

- The Department will engage in rulemaking to implement the new provisions to modify Chapter 365-196 WAC, and update to our guidebook and other technical assistance materials. To provide by rule how the patterns of development that have created pressure in areas that exceed the buildable lands within the urban growth area are to be determined.

0.10 FTE Commerce Specialist 3 (209 hours) in FY22 and 0.25 FTE (522 hours) in FY23 to support rule development; to revise the current guidebook and technical assistance amendments; and to develop of guidance for GMA and Comprehensive Plans.

Salaries and Benefits:

FY22: \$10,535
FY23: \$26,901

Goods and Services:

The department assumes Assistant Attorney General time in FY23 will be required to complete rulemaking, estimated 25 hours at \$210 per hour.

FY22: \$1,253
FY23: \$8,383

Intra-agency Reimbursements:

FY22: \$3,582
FY23: \$9,146

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

=====

Total Costs:

FY22: \$15,370

FY23: \$44,430

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2022	FY 2023	2021-23	2023-25	2025-27
001-1	General Fund	State	15,370	44,430	59,800	0	0
Total \$			15,370	44,430	59,800	0	0

III. B - Expenditures by Object Or Purpose

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years	0.1	0.3	0.2		
A-Salaries and Wages	7,890	19,725	27,615		
B-Employee Benefits	2,645	7,176	9,821		
C-Professional Service Contracts					
E-Goods and Other Services	1,253	8,383	9,636		
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements	3,582	9,146	12,728		
9-					
Total \$	15,370	44,430	59,800	0	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 2022	FY 2023	2021-23	2023-25	2025-27
Administrative Services - Indirect	69,552	0.0	0.0	0.0		
Commerce Specialist 3	78,900	0.1	0.3	0.2		
Total FTEs		0.1	0.3	0.2		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

IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part IVB*

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 .

Update RCW 36.70A.130(3)(a) includes a new requirement for local governments to review patterns of development when conducting the required UGA analysis as part of the periodic update. The department would need to adopt rules to help local governments assess patterns of development and when it may be appropriate to remove areas from the UGA.

Amend Chapter 365-196-310 and 365-196-610 at a minimum, and the department may create a new section to address the proposed changes.

Individual State Agency Fiscal Note

Bill Number: 5593 E S SB AMI LG H2841.1	Title: Urban growth area boundaries	Agency: 468-Environmental and Land Use Hearings Office
---	--	--

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: Kellen Wright	Phone: 360-786-7134	Date: 02/28/2022
Agency Preparation: Dominga Soliz	Phone: 3606649173	Date: 03/01/2022
Agency Approval: Dominga Soliz	Phone: 3606649173	Date: 03/01/2022
OFM Review: Lisa Borkowski	Phone: (360) 742-2239	Date: 03/01/2022

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 .

Sec. 1 amending RCW 36.70A.130(3):

- 1. Adds a requirement that a full-planning county* must also analyze patterns of development occurring within the urban growth areas (UGA) as part of its periodic review.
- 2. Language is added that makes explicit a county’s authority to revise UGA boundaries to accommodate current and likely future patterns of development provided that certain conditions are met, including: the total area of the UGA is not increased; designated agricultural, forest, and mineral resource lands of long-term commercial significance are excluded; areas included in the UGA are suitable for urban growth; transportation and capital facility elements address needed services and funding to provide those services; and areas removed from the UGA do not have urban growth or urban densities, and the revised UGA is contiguous, without holes or gaps and will not increase pressures to urbanize rural or natural resource lands.
- 3. This version of the bill removes the clarification that the effective date of a UGA revision is 60 days after the publication of adoption of legislation revising the UGA (s).

*Will apply to Benton, Chelan, Clallam, Clark, Columbia, Douglas, Franklin, Garfield, Rant, Island, Jefferson, King, Kitsap, Kittitas, Lewis, Mason, Pacific, Pend Oreille, Pierce, San Juan, Skagit, Snohomish, Spokane, Stevens, Thurston, Walla Walla, Whatcom, and Yakima counties – but not to Adams, Asotin, Cowlitz, Ferry, Grays Harbor, Klickitat, Lincoln, Okanogan, Skamania, Wahkiakum, and Whitman counties.

The bill makes explicit a county’s authority to revise UGA boundaries by enlarging in some areas and decreasing in others. There are Growth Management Hearings Board (GMHB) decisions in which the Board has assumed counties had this authority. The legislation provides helpful clarification and, in its current form, is not likely to result in an increase in challenges to local government actions.

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 .

No Cash Receipts.

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

IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part IVB*
NONE

No Capital Budget Impact.

Part V: New Rule Making Required

LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

Bill Number: 5593 E S SB AMI LG H2841.1	Title: Urban growth area boundaries
---	--

Part I: Jurisdiction-Location, type or status of political subdivision defines range of fiscal impacts.

Legislation Impacts:

☐ Cities:

☒ Counties: Counties may revise urban growth area boundaries to accommodate identified patterns of development , and likely future development pressure, for the next 20 year period. Urban growth area boundary revisions cannot increase the urban growth area.

☐ Special Districts:

☐ Specific jurisdictions only:

☐ Variance occurs due to:

Part II: Estimates

☒ No fiscal impacts.

☐ Expenditures represent one-time costs:

☒ Legislation provides local option: Revising urban growth area boundaries on the basis of development patterns . Cities within an urban growth area that would revised have to take actions to increase residential buildable land before a revision can take place.

☐ Key variables cannot be estimated with certainty at this time:

Estimated revenue impacts to:

None

Estimated expenditure impacts to:

None

Part III: Preparation and Approval

Fiscal Note Analyst: Jordan Laramie	Phone: 360-725-5044	Date: 03/02/2022
Leg. Committee Contact: Kellen Wright	Phone: 360-786-7134	Date: 02/28/2022
Agency Approval: Allan Johnson	Phone: 360-725-5033	Date: 03/02/2022
OFM Review: Gwen Stamey	Phone: (360) 790-1166	Date: 03/03/2022

Part IV: Analysis

A. SUMMARY OF BILL

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

CHANGES IN EXPENDITURE IMPACTS BETWEEN THIS VERSION AND PREVIOUS BILL VERSION :

Sec. 1(3) is amended to include:

Revisions to the urban growth area must be made in accordance with countywide planning policies.

Cities would be required to take action to increase residential buildable land prior to revising the urban growth area boundaries. This includes authorizing the development of accessory dwelling units throughout the urban growth area, and authorizing duplexes, cottage apartments, townhouses, or row houses in at least one designated residential area.

Removes the effective date of revised urban growth areas, established in the prior bill.

SUMMARY OF CURRENT BILL:

This legislation would amend the current statute for counties to review and revise a designated urban growth area (UGA) to allow for revisions based on patterns of development. UGA boundaries may be revised in accordance with countywide planning policies, to accommodate identified patterns of development and likely future development pressure for the next 20 year period, so long as:

- The revision does not result in an expansion of the total surface areas of the urban growth area.
- The areas added to the urban growth area are not or have not been designated as agricultural, forest, or mineral resource lands of long-term commercial significance.
- That no more than 15 percent of the area added to the urban growth areas are critical areas.
- The areas added to the urban growth area are suitable for urban growth.
- The urban growth area is not larger than needed to accommodate the growth planned for the next 20 year planning period and a reasonable market supply factor.
- The areas removed from the urban growth area do not include urban growth or urban densities.
- The revised urban growth area is contiguous.
- The planning jurisdiction's transportation element and capital facilities plan element have identified the facilities and services needed to serve urban growth, as well as, the funding to support these services.
- Cities take action to increase residential buildable land prior to revising the urban growth area boundaries. These actions include authorizing the development of accessory dwelling units throughout the urban growth area, and authorizing duplexes, cottage apartments, townhouses, or row houses in at least one designated residential area.

Sec. 1 would amend RCW 36.70A.130

(3) Would establish that each county that designates urban growth areas under the Growth Management Act must review the patterns of development occurring within the urban growth area or areas.

If a county determines that the current urban growth area boundaries could support population growth over the next 20 year period, but patterns of development have created pressure in areas that exceed available and developable lands within the urban growth area, counties would be authorized to modify existing boundaries.

Boundaries may be revised to accommodate identified patterns of development and likely future development pressure for the next 20 year period if certain conditions are met. These conditions include that the planning jurisdiction's transportation element and capital facilities plan element have identified the facilities and services needed to serve urban growth, as well as, the funding to support these services.

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.

CHANGES IN EXPENDITURE IMPACTS BETWEEN THIS VERSION AND PREVIOUS BILL VERSION :

The amendments to the engrossed substitute bill do not change the expenditure impact of the prior bill.

EXPENDITURE IMPACTS OF CURRENT BILL:

No fiscal impact for local governments. This act would give counties greater discretion in achieving growth target goals over existing statute.

This legislation is a local option for counties that choose to revise urban growth areas (UGA) in a way that conforms to patterns of use that are found after periodic review of development within the UGA. A county's determination of a whether revision of the urban growth area would be necessary based on development patterns, would vary by jurisdiction.

POTENTIAL IMPACTS FOR COUNTIES CHOOSING LOCAL OPTION:

Revising Urban Growth Areas by Development Patterns:

Local option – Costs may start at \$30,000 for counties choosing the local option.

Counties can shift the urban growth area boundary, given the provisions of the bill stipulating certain requirements of the revisions. Some analysis would be required to figure out where the patterns of development actually are and how to plan around these patterns if counties decide to choose this option.

Changes to development would have to be accounted for in several different ways, which includes that the planning jurisdiction's transportation element and capital facilities plan element have identified the facilities and services needed to serve urban growth for the revised UGA boundary, as well as, the funding to support these services within the revised boundary.

The Washington State Association of Counties indicate that the costs for this type of analysis would start at \$30,000 per jurisdiction. These costs would not be incurred until the time for the boundary review, which is currently every eight years pre RCW 36.70A.130.

Ordinance Adoption Costs for Cities within Counties that Choose the Local Option:

Local Option – Costs to adopt new zoning ordinances may start at \$9,081 for cities within counties that choose to revise UGA boundaries.

For cities within counties that choose to revise the UGA boundary based on patterns of development, there would be requirements to increase the amount of buildable residential land within the city. For cities to which this provision applies, there would be costs to implement new zoning ordinances for middle type housing units. Costs for these zoning ordinances may start at \$9,081 per impacted city based on the Local Government Fiscal Note Program Unit Cost model. These costs include costs for draft ordinances, advisory commission meeting and recommendation, finalized ordinance, publication of ordinance, and general public information. However, this cost estimates is for only two meetings and staff reports, more complex ordinances would likely require more advisory committee meetings and potentially more staff reports. There would be further costs associated with enforcing or executing the ordinance.

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.

CHANGES IN REVENUE IMPACTS BETWEEN THIS VERSION AND PREVIOUS BILL VERSION:

The amendments to this bill do not change the expenditure impact of the prior bill.

REVENUE IMPACTS OF CURRENT BILL:

This legislation would not impact local government revenue

SOURCES:

House Bill Report, ES SB 5593 (2022)

Local Government Fiscal Note Program, Unit Cost Model (2022)

