

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 2126 HB	<b>Title:</b> Rural area ADUs
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## Estimated Cash Receipts

NONE

Agency Name	2023-25		2025-27		2027-29	
	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	2023-25				2025-27				2027-29			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Department of Commerce	.0	0	0	0	.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
<b>Total \$</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Total									
Local Gov. Courts									
Loc School dist-SPI									
Local Gov. Other	No fiscal impact								

## Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	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
<b>Total \$</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>

Agency Name	2023-25			2025-27			2027-29		
	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

<b>Prepared by:</b> Cheri Keller, OFM	<b>Phone:</b> (360) 584-2207	<b>Date Published:</b> Final 1/15/2024
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# Individual State Agency Fiscal Note

<b>Bill Number:</b> 2126 HB	<b>Title:</b> Rural area ADUs	<b>Agency:</b> 103-Department of Commerce
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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: Audrey Vasek	Phone: 360-786-7383	Date: 01/09/2024
Agency Preparation: Buck Lucas	Phone: 360-725-3180	Date: 01/11/2024
Agency Approval: Pouth Ing	Phone: 360-725-2715	Date: 01/11/2024
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 01/11/2024

Part II: Narrative Explanation

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

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

Section 2 adds a new section to chapter 36.70A RCW, the growth management act (GMA), permitting a county to authorize development of detached accessory dwelling units (ADUs) in rural area on lots of any size, even where otherwise prohibited by the county’s comprehensive plan, countywide planning policy or multicounty planning policy. The section further outlines development regulation requirements governing these detached ADUs.

Section 4 amends RCW 36.70A.177, amending the statute governing innovative techniques for agricultural resource lands, adding a requirement that any policies should not limit the development of detached ADUs.

Section 5 amends RCW 36.70A.130, adding a provision that prohibits rural ADU population growth from being counted towards meeting population growth targets. It further adds language that comprehensive plan policies must be updated to be consistent with this Section 2 of this legislation.

Section 6 amends RCW 36.70A.210, adding a provision requiring that countywide and multicounty planning policies, for any county authorizing detached ADUs, must be amended for consistency with this legislation. It also requires that population grown from detached ADUs, under Section 2, may not be counted towards rural or urban population growth targets contained in these planning policies.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

The department assumes no impact under HB 2126. The department will revise local technical guidance for counties to be consistent with the changes under HB 2126, which is part of the Local Government Division's existing responsibilities and can be accomplished with minimal additional staff time.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: FTEs listed by classification and corresponding annual compensation. Totals 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

*Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.*

NONE

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

NONE

## Part V: New Rule Making Required

*Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.*

Minor amendments to chapter 365-196 WAC to revise existing guidance consistent with this legislation.

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 2126 HB	<b>Title:</b> Rural area ADUs	<b>Agency:</b> 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: Audrey Vasek	Phone: 360-786-7383	Date: 01/09/2024
Agency Preparation: Dominga Soliz	Phone: 3606649173	Date: 01/11/2024
Agency Approval: Dominga Soliz	Phone: 3606649173	Date: 01/11/2024
OFM Review: Lisa Borkowski	Phone: (360) 742-2239	Date: 01/14/2024

Part II: Narrative Explanation

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

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

Recognizing the need to add significant housing inventory by 2044, this statute establishes comprehensive rules and guidelines for counties to follow when allowing detached accessory dwelling units in rural areas, focusing on various aspects such as water supply, sewage, size limitations, design, and preventing land loss.

Section 2. Allows counties to permit detached accessory dwelling units (ADUs) in rural areas, even if their comprehensive plan or policies would otherwise prohibit it, provided: only one detached ADU is allowed per parcel; requires a metered water source; cannot encroach on critical areas; must have adequate sewage or septic; the detached unit's floor area cannot exceed a specified square footage or the area allowed for an expansion of the primary dwelling; uses the same driveway as the primary dwelling; must prevent loss of agricultural or forestland lands; and cannot be used to create a subdivision.

Population growth resulting from compliant detached ADUs cannot be factored into determining a county's achievement of growth targets outlined in planning policies.

No impact anticipated to the Growth Management Hearings Board.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

none

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

none

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: FTEs listed by classification and corresponding annual compensation. Totals 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

*Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.*

NONE

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

NONE

none

## Part V: New Rule Making Required

*Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.*



# LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

**Bill Number:** 2126 HB

**Title:** Rural area ADUs

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

## Legislation Impacts:

- ☐ Cities:
- ☐ Counties:
- ☐ Special Districts:
- ☐ Specific jurisdictions only:
- ☐ Variance occurs due to:

## Part II: Estimates

- ☒ No fiscal impacts.
- ☐ Expenditures represent one-time costs:
- ☒ Legislation provides local option: Counties could adopt rural detached accessory dwelling unit provisions
- ☐ 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: Allan Johnson	Phone: 360-725-5033	Date: 01/15/2024
Leg. Committee Contact: Audrey Vasek	Phone: 360-786-7383	Date: 01/09/2024
Agency Approval: Alice Zillah	Phone: 360-725-5035	Date: 01/15/2024
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 01/15/2024

## Part IV: Analysis

### A. SUMMARY OF BILL

*Description of the bill with an emphasis on how it impacts local government.*

Counties planning under the Growth Management Act may authorize development of detached accessory dwelling units (DADUs) in rural areas on lots of any size, even where otherwise prohibited by a comprehensive plan, countywide planning policy, or multicounty planning policy, if the DADUs are subject to the following development regulations:

- a parcel may not have more than one accessory dwelling unit, whether attached or detached.
- the DADU must be subject to certain water supply requirements and may not be located on a parcel that uses a water source that is closed to further appropriation, must use water that is part of the water right for the primary dwelling, and withdrawals of water must be metered.
- the DADU may not be located within or encroach upon any existing critical area buffers.
- the building permit applicant must demonstrate that the sewage, septic, or on-site sewage system can handle the additional demand from the DADU. If the DADU will be connected to an existing system, the system must be inspected by a licensed contractor prior to issuance of the building permit.
- the floor area of the DADU may not exceed the lesser of 1,296 square feet, or the square footage that could be authorized by the county as an expansion of the primary dwelling to create an attached ADU.
- the DADU must be constructed so that exterior material, roof form, window spacing, and proportions approximate those of the primary dwelling, unless the DADU is a manufactured/mobile home.
- the DADU must use the same driveway as the primary dwelling.
- the DADU must be sited to prevent loss of agricultural land or forestland.
- a parcel may not be subdivided for the purposes of avoiding these development regulations.

The comprehensive plan, countywide planning policy, or multicounty planning policy for any county that authorizes development of DADUs under the specified development regulations must be amended, at its next regularly scheduled update, to allow development of DADUs consistent with the specified development regulations.

Population growth from the development of DADUs that comply with the specified development regulations may not be counted for the purpose of determining whether a county is achieving rural or urban growth targets contained in a comprehensive plan, countywide planning policy, or multicounty planning policy.

The section in the GMA that requires cities and counties to protect agricultural lands of long-term commercial significance may not be interpreted to limit the development of DADUs that comply with the specified development regulations.

### B. SUMMARY OF EXPENDITURE IMPACTS

*Expenditure impacts of the legislation on local governments with the expenditure provisions identified by section number and when appropriate, the detail of expenditures. Delineated between city, county and special district impacts.*

This legislation would be a local option for counties planning under the Growth Management Act that choose to adopt new development regulations for detached accessory dwelling units in rural areas. This act would have no impact for counties that choose not to take action.

For counties that take the local option, there would be indeterminate costs to incorporate these development regulations

into local code and amend comprehensive plans, countywide planning policies or multi-county plans. The number of counties planning under the Growth Management Act that would adopt this legislation is currently unknown, as is the timing of when the ordinance adoption expenses would be incurred.

#### POTENTIAL COSTS FOR COUNTIES CHOOSING THE LOCAL OPTION:

A recent (2022) survey of county planning departments, prepared by the Washington State Association of Counties, and follow-up review by the Local Government Fiscal Note program indicate that seven counties planning under the Growth Management Act allow for attached and/or detached accessory dwelling units in rural areas.

These ordinances may be moderately complex to complex and have hearings of the same complexity. The Local Government Fiscal Program Unit Cost Model estimates that the typical cost per county to adopt a moderately complex to complex ordinance with a hearing of the same complexity would range from \$4,970 to \$10,310 per county. These costs include costs for draft ordinances, advisory commission meeting and recommendation, finalized ordinance, publication of ordinance, and general public information.

Note: These cost estimates are for only one meeting or staff report; more complex ordinances would likely require more meetings and potentially more staff reports. There would be further costs associated with enforcing or executing the ordinance.

Counties would also be required to amend comprehensive plans, countywide planning policies and multi-county policies, although the Local Government Fiscal Note Program assumes that this could be incorporated into the regular update of comprehensive plans at minimal cost.

### C. SUMMARY OF REVENUE IMPACTS

*Revenue impacts of the legislation on local governments, with the revenue provisions identified by section number, and when appropriate, the detail of revenue sources. Delineated between city, county and special district impacts.*

This legislation is not anticipated to impact local government revenues.

#### SOURCES:

Local Government Fiscal Note Program, FN HB 1337(2023)  
Local Government Fiscal Note Program, Unit Cost Model (2024)  
Washington State Association of Counties