

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 1345 E HB	<b>Title:</b> Detached ADU limits
-------------------------------	-----------------------------------

## Estimated Cash Receipts

NONE

Agency Name	2025-27		2027-29		2029-31	
	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	2025-27				2027-29				2029-31			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Department of Commerce	.1	51,584	51,584	51,584	.2	57,400	57,400	57,400	.2	57,400	57,400	57,400
Environmental and Land Use Hearings Office	.0	0	0	0	.0	0	0	0	.0	0	0	0
<b>Total \$</b>	<b>0.1</b>	<b>51,584</b>	<b>51,584</b>	<b>51,584</b>	<b>0.2</b>	<b>57,400</b>	<b>57,400</b>	<b>57,400</b>	<b>0.2</b>	<b>57,400</b>	<b>57,400</b>	<b>57,400</b>

Agency Name	2025-27			2027-29			2029-31		
	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	2025-27			2027-29			2029-31		
	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	2025-27			2027-29			2029-31		
	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> Marie Davis, OFM	<b>Phone:</b> (360) 890-1163	<b>Date Published:</b> Final 2/ 7/2026
--------------------------------------	---------------------------------	---

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1345 E HB	<b>Title:</b> Detached ADU limits	<b>Agency:</b> 103-Department of Commerce
-------------------------------	-----------------------------------	---

## Part I: Estimates

**No Fiscal Impact**

### Estimated Cash Receipts to:

NONE

### Estimated Operating Expenditures from:

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	0.0	0.3	0.1	0.2	0.2
<b>Account</b>					
General Fund-State 001-1	0	51,584	51,584	57,400	57,400
<b>Total \$</b>	0	51,584	51,584	57,400	57,400

### 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: Ben Omdal	Phone: 360-786-7442	Date: 02/02/2026
Agency Preparation: Corina Campbell	Phone: (360) 725-2921	Date: 02/05/2026
Agency Approval: Erin LaLonde	Phone: (360) 725-4060	Date: 02/05/2026
OFM Review: Marie Davis	Phone: (360) 890-1163	Date: 02/07/2026

## 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.*

Differences between HB 1345 and EHB 2345:

Section 1(3) is amended adding section (d) to require that a county consider population targets in allowing rural accessory dwelling units (ADU). If considered a "rural county" under RCW 43.160.020, then a county may allocate no more of the 10% of the rural population to detached ADUs. If not rural, then no more than 7% of rural population target to detached ADUs.

The engrossed house bill does not change the assumed fiscal impact for the Department of Commerce (Department).

Bill summary:

The purpose of the bill is to allow more housing outside of urban growth areas (UGAs) by allowing counties to permit ADUs outside of UGAs.

Section 1 would add a new section to RCW 36.70A, known as the Growth Management Act (GMA), explicitly allowing detached rural ADUs. It establishes when counties may allow ADUs outside of the UGA.

Section 1(2) establishes a series of code enforcement regulations which must be adopted by counties.

Section 1(3) requires counties that allow detached ADUs outside of urban growth areas to track and report to the Department on the number of detached rural ADUs permitted each year. It also requires communities to update the comprehensive plan to consider the number of permitted rural ADUs so that the housing units will not exceed the underlying densities for the comprehensive plan designations and zones outside of urban growth areas. The bill further divides GMA counties into rural and non-rural counties and sets maximum limits on the number of ADUs permitted as 7% percent of the county's rural population target.

Section 2 amends RCW 36.70A.696 to ensure statutory definitions related to the GMA also apply to Section 1.

### 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.*

The Department assumes a system to track rural ADUs reporting will be necessary to implement Section 1.

The Department assumes this work will be coordinated with the Office of Financial Management (OFM).

The Department assumes a need to update existing guidance on allocating housing needs related to ADUs.

0.25 FTE Management Analyst 4 (540 hours) FY27 and then 0.15 FTE (313 hours) FY28 and ongoing. This staff will manage coordination with OFM, update existing guidance and develop the new reporting system. This staff will complete analysis of these reports to create an annual report to be posted on the Department's website. This staff member will also

develop content for rulemaking.

Salaries and Benefits:

FY27: \$34,517

FY28-FY31: \$20,710 each fiscal year

Goods and services: In addition to the standard Goods and Services associated with additional FTEs, the Department assumes Assistant Attorney General review of the guidance will be required. This includes assuming 20 hours at \$210/hour in FY27.

FY27: \$5,450

FY28-FY31: \$750 each fiscal year

Travel:

FY27-FY31: \$675 each fiscal year

Intra-Agency Reimbursements:

FY27: \$10,942

FY28-FY31: \$6,565 each fiscal year

Total:

FY27: \$51,584

FY28-FY31: \$28,700 each fiscal year

### Part III: Expenditure Detail

#### III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2026	FY 2027	2025-27	2027-29	2029-31
001-1	General Fund	State	0	51,584	51,584	57,400	57,400
<b>Total \$</b>			0	51,584	51,584	57,400	57,400

#### III. B - Expenditures by Object Or Purpose

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years		0.3	0.1	0.2	0.2
A-Salaries and Wages		23,322	23,322	27,986	27,986
B-Employee Benefits		11,195	11,195	13,434	13,434
C-Professional Service Contracts					
E-Goods and Other Services		5,450	5,450	1,500	1,500
G-Travel		675	675	1,350	1,350
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements		10,942	10,942	13,130	13,130
9-					
<b>Total \$</b>	0	51,584	51,584	57,400	57,400

**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 2026	FY 2027	2025-27	2027-29	2029-31
Management Analyst 4	93,287		0.3	0.1	0.2	0.2
<b>Total FTEs</b>			0.3	0.1	0.2	0.2

**III. D - Expenditures By Program (optional)**

Program	FY 2026	FY 2027	2025-27	2027-29	2029-31
Local Government Growth Management (600)		51,584	51,584	57,400	57,400
<b>Total \$</b>		51,584	51,584	57,400	57,400

**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.*

The Department assumes rulemaking will be required to update WAC 365-196.

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1345 E HB	<b>Title:</b> Detached ADU limits	<b>Agency:</b> 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: Ben Omdal	Phone: 360-786-7442	Date: 02/02/2026
Agency Preparation: Griffin Howe	Phone: (360) 974-9514	Date: 02/04/2026
Agency Approval: Dominga Soliz	Phone: 3606649173	Date: 02/04/2026
OFM Review: Lisa Borkowski	Phone: (360) 742-2239	Date: 02/06/2026

## 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.*

Sec. 1(1) adds a new section to chapter 36.70A RCW allowing counties planning under the Growth Management Act (GMA) to allow detached accessory dwelling units (ADUs) on lots outside of urban growth areas that may also be developed with a principal dwelling unit, subject to various restrictions on number, size, water and sewer availability, access, and location.

(2) requires counties that choose to allow ADUs as described in subsection (1) to implement code enforcement measures consisting of both a voluntary compliance process and a civil infraction process.

(3) requires counties that choose to allow ADUs as described in subsection (1) to track and report to the Department of Commerce the number of ADUs constructed each year; requires such counties to update the comprehensive plan land use element to account for both constructed and projected ADUs; and limits the frequency of such counties' amendments of their comprehensive plans relating to constructed and projected ADUs to no more than once every five years.

(4) is a disclaimer that Sec. 1(1) does not modify existing county ordinances authorizing ADUs or exclude other means of authorizing ADUs

Sec. 2 amends RCW 36.70A.696 to apply the definitions within that section to subsection (1) of the bill.

The Environmental and Land Use Hearings Office (ELUHO) anticipates that this bill would result in a small but ongoing increase in the number of petitions filed before the Growth Management Hearings Board (GMHB), primarily resulting from the requirement in Sec. 1(3) for counties to update their comprehensive plan land use elements to project future ADU construction. Growth projections are a common source of appeals to the GMHB. However, ELUHO anticipates that any impacts as a result of this bill could be absorbed by the GMHB.

### 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:** 1345 E HB

**Title:** Detached ADU limits

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

### Legislation Impacts:

- Cities:
- Counties: As a local option, any county that fully plans under the Growth Management Act could adopt development regulations and enforcement policies for detached accessory dwelling unit construction in rural areas.
- Special Districts:
- Specific jurisdictions only:
- Variance occurs due to:

## Part II: Estimates

- No fiscal impacts.
- Expenditures represent one-time costs:
- Legislation provides local option: Adopting the development regulations and enforcement policies for detached accessory dwelling units in rural areas.
- 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: 02/03/2026
Leg. Committee Contact: Ben Omdal	Phone: 360-786-7442	Date: 02/02/2026
Agency Approval: Allan Johnson	Phone: 360-725-5033	Date: 02/03/2026
OFM Review: Marie Davis	Phone: (360) 890-1163	Date: 02/07/2026

## **Part IV: Analysis**

### **A. SUMMARY OF BILL**

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

This fiscal note reflects the language of engrossed HB 1345 of the 2026 legislative session.

This proposed legislation would authorize counties that fully plan under the Growth Management Act (GMA) to allow detached accessory dwelling units (ADUs) outside of urban growth areas if specific development regulations, code enforcement measures, reporting, and planning responsibilities are met.

Sec. 1 would authorize counties to permit one detached or attached ADUs per parcel in rural areas. Detached ADUs would be permitted given certain development regulations for maximum size, distance from the principal unit, water withdraw limits, water metering, and sewage capacity are met. Provisions for enforcement are required, as well as requirements to put limits on the population living in detached ADUs, based on rural county classification found in RCW 43.160.020.

Sec. 2 would add Sec. 1 to the definitions found in 36.70A.696 RCW.

This act would go into effect 90 days after the session in which it is passed.

### **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. This act would have no impact on counties that choose not to act.

The number of counties that would adopt this legislation is currently unknown, but likely to be non-zero. A 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 33 counties currently allow for accessory dwelling units within their local code. Of these counties, seven authorized attached and/or detached accessory dwelling units in rural areas.

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

For counties that take the local option, there would be indeterminate but likely moderate costs (less than \$50,000 per county) to incorporate these development regulations into local code, establish enforcement policies, and data collection methods. The Local Government Fiscal Note Program Unit Cost Model (2026) assumes that a new development regulation would have starting costs of approximately \$33,750 for each county that took the local option.

The number of counties that would adopt the provisions of this act, as well as the timing of ordinance adoption and if new administration and enforcement expenses would be incurred is currently unknown. The magnitude of these costs would depend on the permitting case load, inspection frequency, how many owners voluntarily comply with this act, as well as the number of permits, penalties, and fines processed. These factors cannot be known in advance.

#### **Adopting Development Regulations:**

The development regulations of Sec. 1(1)(a) through (k) or amend substantially similar development regulations in existing local code. Adopting these regulations may be substantially similar to those found in HB 1337 (2023) that expanded ADU requirement and placed minimum thresholds on development for ADUs constructed within urban growth areas.

For this work: A county planner would draft the ADU code amendments, reviewed by the planning team, managers, director, and county attorney(s). Four staff reports would be prepared and reviewed by planning staff, with two sent to the county council, which would require additional review by the county administrator. Administrative staff would handle advertisements, meeting packets/agendas, and meeting minutes for at least two planning commission and two

council meetings, which includes one public hearing. Meetings would be staffed by a planner, clerk, attorney, and the planning director, as well as the full county council. This work would likely combine the ADU development regulations and the new or amended enforcement mechanisms for compliance with requirements of this act.

The Local Government Fiscal Note Program Unit Cost Model (2026) assumes that a new development regulation would have costs of approximately \$33,750 in costs for each county that took the local option. This includes the staffing, administrative, legal, and advertising costs mentioned above, as well as updating publicly available documents and work to complete a State Environmental Policy environmental checklist.

#### Voluntary Enforcement and Compliance Pathway Policies:

Counties that adopted the detached ADU provisions of this act would also be required to establish a voluntary compliance process into local code for existing detached ADUs. This process would include adopting a pathway for compliance with existing detached ADUs and enforcement penalties for noncompliant owners.

There would be long-term enforcement responsibilities and compliance pathways policies that need to be established for the rural ADU authorization, including staffing to handle code enforcement activities, compliance tracking, and any related inspections or fines for unpermitted ADUs. This may increase the workload of existing code enforcement, administrative, and planning/permitting staff depending on the case load, inspection frequency, how many owners voluntarily comply with this act, as well as the number of permits, penalties, and fines processed. These factors cannot be known in advance.

#### Data Collection to Incorporate Detached ADUs into Comprehensive Planning:

Counties that authorize detached ADUs in rural areas must account for these developments in comprehensive plans and they must be used in the calculation for underlying density outside of urban growth areas. Additional work to add the detached ADUs to comprehensive planning would likely be minimal with most counties using permit tracking systems that would be able to account for new development, and enforcement processes that would collect data on existing units.

### **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 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 (ADUs). This act would have no impact on counties that choose not to act.

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

For counties that take the local option, there would be indeterminate revenue generated through enforcement policies and voluntary compliance of the detached ADU ordinance. This indeterminate revenue includes charging up to two times the regular permitting fee in Sec. 1(2)(a) or up to three times regular permitting fee in Sec. 1(2)(b).

The timing of ordinance adoption and if new administration and enforcement expenses would be incurred is currently unknown. The magnitude of the revenue generated would depend on how many owners voluntarily comply with this act, as well as the number of permits, penalties, and fines processed. These factors cannot be known in advance. Additionally, permit fees and the associated escalating penalties would vary by jurisdiction, on an annual basis.

#### SOURCES:

Association of Washington Cities, Salary Survey (2025)  
Local Government Fiscal Note Program, FN 1337 HB (2023)  
Local Government Fiscal Note Program, Unit Cost Model (2026)  
Municipal Research and Services Center, Accessory Dwelling Units  
Washington State Association of Counties