of the common schools under RCW 84.52.065 to the general fund of the state treasury for unrestricted use the amount computed in RCW 43.99H.040(6).

Sec. 16. RCW 84.52.065 and 1979 ex.s. c 218 s 1 are each amended to read as follows:

Subject to the limitations in RCW 84.55.010, in each year the state shall levy for collection in the following year for the support of common schools of the state a tax of three dollars and sixty cents per thousand dollars of assessed value upon the assessed valuation of all taxable property within the state adjusted to the state equalized value in accordance with the indicated ratio fixed by the state department of revenue.

As used in this section, "the support of common schools" includes the payment of the principal and interest on bonds issued for capital construction projects for the common schools.

Sec. 17. RCW 77.12.190 and 1987 c 506 s 27 are each amended to read as follows:

Moneys in the state wildlife fund may be used only for the purposes of this title, including the payment of principal and interest on bonds issued for capital projects.

NEW SECTION. **Sec. 18.** If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

NEW SECTION. **Sec. 19.** Sections 1 through 8 of this act shall constitute a new chapter in Title 43 RCW.

NEW SECTION. **Sec. 20.** This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect immediately.

Passed the House June 30, 1991.
Passed the Senate June 30, 1991.
Approved by the Governor July 11, 1991.
Filed in Office of Secretary of State July 11, 1991.

CHAPTER 32

[Reengrossed Substitute House Bill 1025]
GROWTH MANAGEMENT—REVISED PROVISIONS
Effective Date: 7/16/91

AN ACT Relating to growth strategies; amending RCW 36.70A.190, 36.70A.060, 43.155.070, 70.146.070, 43.88.110, 19.27.097, 36.70A.110, 43.62.035, 36.79.150, 47.26.080, 82.46.035, and 66.08.190; adding a new section to chapter 36.93 RCW; adding a new section to chapter 43.01 RCW; adding a new section to chapter 82.14 RCW; adding a new section to chapter 82.08 RCW; adding new sections to chapter 36.70A RCW; creating new sections; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

NEW SECTION. **Sec. 1.** SITING OF ESSENTIAL PUBLIC FACILITIES. (1) The comprehensive plan of each county and city that is planning under this chapter shall include a process for identifying and siting essential public facilities. Essential public facilities include those facilities that are typically difficult to site, such as airports, state education facilities and state or regional transportation facilities, state and local correctional facilities, solid waste handling facilities, and in-patient facilities including substance abuse facilities, mental health facilities, and group homes.

(2) The office of financial management shall maintain a list of those essential state public facilities that are required or likely to be built within the next six years. The office of financial management may at any time add facilities to the list. No local comprehensive plan or development regulation may preclude the siting of essential public facilities.

NEW SECTION. **Sec. 2.** COUNTY-WIDE PLANNING POLICIES. (1) The legislature recognizes that counties are regional governments within their boundaries, and cities are primary providers of urban governmental services within urban growth areas. For the purposes of this section, a "county-wide planning policy" is a written policy statement or statements used solely for establishing a county-wide framework from which county and city comprehensive plans are developed and adopted pursuant to this chapter. This framework shall ensure that city and county comprehensive plans are consistent as required in RCW 36.70A.100. Nothing in this section shall be construed to alter the land-use powers of cities.

(2) The legislative authority of a county that plans under RCW 36.70A.040 shall adopt a county-wide planning policy in cooperation with the cities located in whole or in part within the county as follows:

(a) No later than sixty calendar days from the effective date of this act, the legislative authority of the county shall convene a meeting with representatives of each city for the purpose of establishing a collaborative process that will provide a framework for the adoption of a county-wide planning policy;

(b) The process and framework for adoption of a county-wide planning policy specified in (a) of this subsection shall determine the manner in which the county and the cities agree to all procedures and provisions including but not limited to desired planning policies, deadlines, ratification of final agreements and demonstration thereof, and financing, if any, of all activities associated therewith;

(c) If a county fails for any reason to convene a meeting with representatives of cities as required in (a) of this subsection, the governor may immediately impose any appropriate sanction or sanctions on the county from those specified under section 26 of this act;

(d) If there is no agreement by October 1, 1991, the governor shall first inquire of the jurisdictions as to the reason or reasons for failure to reach an agreement. If the governor deems it appropriate, the governor may immediately

request the assistance of the department of community development to mediate any disputes that preclude agreement. If mediation is unsuccessful in resolving all disputes that will lead to agreement, the governor may impose appropriate sanctions from those specified under section 26 of this act on the county, city, or cities for failure to reach an agreement as provided in this section. The governor shall specify the reason or reasons for the imposition of any sanction; and

(e) No later than July 1, 1992, the legislative authority of the county shall adopt a county-wide planning policy according to the process provided under this section and that is consistent with the agreement pursuant to (b) of this subsection, and after holding a public hearing or hearings on the proposed county-wide planning policy.

(3) A county-wide planning policy shall at a minimum, address the following:

(a) Policies to implement RCW 36.70A.110;

(b) Policies for promotion of contiguous and orderly development and provision of urban services to such development;

(c) Policies for siting public capital facilities of a county-wide or state-wide nature;

(d) Policies for county-wide transportation facilities and strategies;

(e) Policies that consider the need for affordable housing, such as housing for all economic segments of the population and parameters for its distribution;

(f) Policies for joint county and city planning within urban growth areas;

(g) Policies for county-wide economic development and employment; and

(h) An analysis of the fiscal impact.

(4) Federal agencies and Indian tribes may participate in and cooperate with the county-wide planning policy adoption process. Adopted county-wide planning policies shall be adhered to by state agencies.

(5) Failure to adopt a county-wide planning policy that meets the requirements of this section may result in the imposition of a sanction or sanctions on a county or city within the county, as specified in section 26 of this act. In imposing a sanction or sanctions, the governor shall specify the reasons for failure to adopt a county-wide planning policy in order that any imposed sanction or sanctions are fairly and equitably related to the failure to adopt a county-wide planning policy.

(6) Cities and the governor may appeal an adopted county-wide planning policy to the growth planning hearings board within sixty days of the adoption of the county-wide planning policy.

(7) Multicounty planning policies shall be adopted by two or more counties, each with a population of four hundred fifty thousand or more, with contiguous urban areas and may be adopted by other counties, according to the process established under this section or other processes agreed to among the counties and cities within the affected counties throughout the multicounty region.

Sec. 3. RCW 36.70A.190 and 1990 1st ex.s. c 17 s 20 are each amended to read as follows:

(1) The department shall establish a program of technical and financial assistance and incentives to counties and cities to encourage and facilitate the adoption and implementation of comprehensive plans and development regulations throughout the state.

(2) The department shall develop a priority list and establish funding levels for planning and technical assistance grants both for counties and cities that plan under RCW 36.70A.040. Priority for assistance shall be based on a county's or city's population growth rates, commercial and industrial development rates, the existence and quality of a comprehensive plan and development regulations, and other relevant factors.

(3) The department shall develop and administer a grant program to provide direct financial assistance to counties and cities for the preparation of comprehensive plans under this chapter. The department may establish provisions for county and city matching funds to conduct activities under this subsection. Grants may be expended for any purpose directly related to the preparation of a county or city comprehensive plan as the county or city and the department may agree, including, without limitation, the conducting of surveys, inventories and other data gathering and management activities, the retention of planning consultants, contracts with regional councils for planning and related services, and other related purposes.

(4) The department shall establish a program of technical assistance:

(a) Utilizing department staff, the staff of other state agencies, and the technical resources of counties and cities to help in the development of comprehensive plans required under this chapter. The technical assistance may include, but not be limited to, model land use ordinances, regional education and training programs, and information for local and regional inventories; and

(b) Adopting by rule procedural criteria to assist counties and cities in adopting comprehensive plans and development regulations that meet the goals and requirements of this chapter. These criteria shall reflect regional and local variations and the diversity that exists among different counties and cities that plan under this chapter.

(5) The department shall provide mediation services to resolve disputes between counties and cities regarding, among other things, coordination of regional issues and designation of urban growth areas.

(6) The department shall provide planning grants to enhance citizen participation under RCW 36.70A.140.

NEW SECTION. **Sec. 4.** STATE AGENCIES REQUIRED TO COMPLY WITH COMPREHENSIVE PLANS. State agencies shall comply with the local comprehensive plans and development regulations and amendments thereto adopted pursuant to this chapter.

NEW SECTION. **Sec. 5.** GROWTH PLANNING HEARINGS BOARDS CREATED. (1) There are hereby created three growth planning hearings boards for the state of Washington. The boards shall be established as follows:

(a) An Eastern Washington board with jurisdictional boundaries including all counties that are required to or choose to plan under RCW 36.70A.040 and are located east of the crest of the Cascade mountains;

(b) A Central Puget Sound board with jurisdictional boundaries including King, Pierce, Snohomish, and Kitsap counties; and

(c) A Western Washington board with jurisdictional boundaries including all counties that are required or choose to plan under RCW 36.70A.040 and are located west of the crest of the Cascade mountains and are not included in the Central Puget Sound board jurisdictional boundaries. Skamania county, should it be required or choose to plan under RCW 36.70A.040, may elect to be included within the jurisdictional boundaries of either the Western or Eastern board.

(2) Each board shall only hear matters pertaining to the cities and counties located within its jurisdictional boundaries.

NEW SECTION. **Sec. 6.** GROWTH PLANNING HEARINGS BOARDS—MEMBER QUALIFICATIONS. (1) Each growth planning hearings board shall consist of three members qualified by experience or training in matters pertaining to land use planning and residing within the jurisdictional boundaries of the applicable board. At least one member of each board must be admitted to practice law in this state and at least one member must have been a city or county elected official. Each board shall be appointed by the governor and not more than two members at the time of appointment or during their term shall be members of the same political party. No more than two members at the time of appointment or during their term shall reside in the same county.

(2) Each member of a board shall be appointed for a term of six years. A vacancy shall be filled by appointment by the governor for the unexpired portion of the term in which the vacancy occurs. The terms of the first three members of a board shall be staggered so that one member is appointed to serve until July 1, 1994, one member until July 1, 1996, and one member until July 1, 1998.

NEW SECTION. **Sec. 7.** CONDUCT, PROCEDURE, AND COMPENSATION OF GROWTH PLANNING HEARINGS BOARDS. Each growth planning hearings board shall be governed by the following rules on conduct and procedure:

(1) Any board member may be removed for inefficiency, malfeasance, and misfeasance in office, under specific written charges filed by the governor. The governor shall transmit such written charges to the member accused and the chief justice of the supreme court. The chief justice shall thereupon designate a tribunal composed of three judges of the superior court to hear and adjudicate the

charges. Removal of any member of a board by the tribunal shall disqualify such member for reappointment.

(2) Each board member shall receive reimbursement for travel expenses incurred in the discharge of his or her duties in accordance with RCW 43.03.050 and 43.03.060. If it is determined that the review boards shall operate on a full-time basis, each member shall receive an annual salary to be determined by the governor pursuant to RCW 43.03.040. If it is determined that a review board shall operate on a part-time basis, each member shall receive compensation pursuant to RCW 43.03.250, provided such amount shall not exceed the amount that would be set if they were a full-time board member. The principal office of each board shall be located by the governor within the jurisdictional boundaries of each board. The boards shall operate on either a part-time or full-time basis, as determined by the governor.

(3) Each board member shall not: (a) Be a candidate for or hold any other public office or trust; (b) engage in any occupation or business interfering with or inconsistent with his or her duty as a board member; and (c) for a period of one year after the termination of his or her board membership, act in a representative capacity before the board on any matter.

(4) A majority of each board shall constitute a quorum for making orders or decisions, adopting rules necessary for the conduct of its powers and duties, or transacting other official business, and may act even though one position of the board is vacant. One or more members may hold hearings and take testimony to be reported for action by the board when authorized by rule or order of the board. The board may also appoint as its authorized agents one or more hearing examiners to assist the board in the performance of its hearing function pursuant to the authority contained in the administrative procedure act, chapter 34.05 RCW. The findings of the hearing examiner shall not become final until they have been formally approved by the board. Such hearing examiners must have demonstrated knowledge of land use planning and law. The board shall perform all the powers and duties specified in this chapter or as otherwise provided by law.

(5) Each board shall make findings of fact and prepare a written decision in each case decided by it, and such findings and decision shall be effective upon being signed by two or more members of the board and upon being filed at the board's principal office, and shall be open for public inspection at all reasonable times.

(6) All proceedings before the board or any of its members shall be conducted in accordance with such administrative rules of practice and procedure as the boards jointly prescribe. All three boards shall jointly meet to develop and adopt joint rules of practice and procedure, including rules regarding expeditious and summary disposition of appeals. The boards shall publish such rules and arrange for the reasonable distribution of the rules. The administrative procedure act, chapter 34.05 RCW, shall govern the administrative rules of practice and procedure adopted by the boards.

(7) The members of the boards shall meet jointly on at least an annual basis with the objective of sharing information that promotes the goals and purposes of this chapter.

NEW SECTION. **Sec. 8.** COMPREHENSIVE PLANS—DEVELOPMENT REGULATIONS—TRANSMITTAL TO STATE. (1) Each county and city proposing adoption of a comprehensive plan or development regulations under this chapter shall notify the department of its intent to adopt such plan or regulations at least sixty days prior to final adoption. State agencies including the department may provide comments to the county or city on the proposed comprehensive plan, or proposed development regulations, during the public review process prior to adoption.

(2) Each county and city planning under this chapter shall transmit a complete and accurate copy of its comprehensive plan or development regulations to the department within ten days after final adoption.

(3) Any amendments for permanent changes to a comprehensive plan or development regulation that are proposed by a county or city to its adopted plan or regulations shall be submitted to the department in the same manner as initial plans and development regulations under this section. Any amendments to a comprehensive plan or development regulations that are adopted by a county or city shall be transmitted to the department in the same manner as the initial plans and regulations under this section.

NEW SECTION. **Sec. 9.** MATTERS SUBJECT TO BOARD REVIEW. (1) A growth planning hearings board shall hear and determine only those petitions alleging either: (a) That a state agency, county, or city is not in compliance with the requirements of this chapter, or chapter 43.21C RCW as it relates to plans, regulations, and amendments thereto, adopted under RCW 36.70A.040; or (b) that the twenty-year growth management planning population projections adopted by the office of financial management pursuant to RCW 43.62.035 should be adjusted.

(2) A petition may be filed only by the state, a county or city that plans under this chapter, a person who has either appeared before the county or city regarding the matter on which a review is being requested or is certified by the governor within sixty days of filing the request with the board, or a person qualified pursuant to RCW 34.05.530.

(3) For purposes of this section "person" means any individual, partnership, corporation, association, governmental subdivision or unit thereof, or public or private organization or entity of any character.

(4) When considering a possible adjustment to a growth management planning population projection prepared by the office of financial management, a board shall consider the implications of any such adjustment to the population forecast for the entire state.

The rationale for any adjustment that is adopted by a board must be documented and filed with the office of financial management within ten working days after adoption.

If adjusted by a board, a county growth management planning population projection shall only be used for the planning purposes set forth in this chapter and shall be known as a "board adjusted population projection". None of these changes shall affect the official state and county population forecasts prepared by the office of financial management, which shall continue to be used for state budget and planning purposes.

NEW SECTION. **Sec. 10.** PETITIONS TO GROWTH PLANNING HEARINGS BOARDS—EVIDENCE TO BE CONSIDERED BY BOARD. (1) All requests for review to a growth planning hearings board shall be initiated by filing a petition that includes a detailed statement of issues presented for resolution by the board.

(2) All petitions relating to whether or not an adopted comprehensive plan, development regulation, or permanent amendment thereto, is in compliance with the goals and requirements of this chapter must be filed within sixty days after publication by the legislative bodies of the county or city. The date of publication for a city shall be the date the city publishes the ordinance, or summary of the ordinance, adopting the comprehensive plan or development regulations, or amendment thereto, as is required to be published. Promptly after adoption, a county shall publish a notice that it has adopted the comprehensive plan or development regulations, or amendment thereto. The date of publication for a county shall be the date the county publishes the notice that it has adopted the comprehensive plan or development regulations, or amendment thereto.

(3) Unless the board dismisses the petition as frivolous or finds that the person filing the petition lacks standing, the board shall, within ten days of receipt of the petition, set a time for hearing the matter.

(4) The board shall base its decision on the record developed by the city, county, or the state and supplemented with additional evidence if the board determines that such additional evidence would be necessary or of substantial assistance to the board in reaching its decision.

(5) The board, shall consolidate, when appropriate, all petitions involving the review of the same comprehensive plan or the same development regulation or regulations.

NEW SECTION. **Sec. 11.** FINAL ORDERS. (1) The board shall issue a final order within one hundred eighty days of receipt of the petition for review, or, when multiple petitions are filed, within one hundred eighty days of receipt of the last petition that is consolidated. Such a final order shall be based exclusively on whether or not a state agency, county, or city is in compliance with the requirements of this chapter, or chapter 43.21C RCW as it relates to plans, regulations, and amendments thereto, adopted under RCW 36.70A.040. In the final order, the board shall either: (a) Find that the state agency, county, or city is in compliance with the requirements of this chapter; or (b) find that the state agency, county, or city is not in compliance with the requirements of this chapter, in which case the board shall remand the matter to the affected state agency, county, or city and specify a reasonable time not in excess of one hundred eighty days within which the state agency, county, or city shall comply with the requirements of this chapter.

(2) Any party aggrieved by a final decision of the hearings board may appeal the decision to Thurston county superior court within thirty days of the final order of the board.

NEW SECTION. **Sec. 12.** LIMITATIONS ON APPEAL BY THE STATE. A request for review by the state to a growth planning hearings board may be made only by the governor, or with the governor's consent the head of an agency, or by the commissioner of public lands as relating to state trust lands, for the review of whether: (1) A county or city that is required or chooses to plan under RCW 36.70A.040 has failed to adopt a comprehensive plan or development regulations, or county-wide planning policies within the time limits established by this chapter; or (2) a county or city that is required or chooses to plan under this chapter has adopted a comprehensive plan, development regulations, or county-wide planning policies, that are not in compliance with the requirements of this chapter.

NEW SECTION. **Sec. 13.** PRESUMPTION OF VALIDITY—BURDEN OF PROOF—PLANS AND REGULATIONS. Comprehensive plans and development regulations, and amendments thereto, adopted under this chapter are presumed valid upon adoption. In any petition under this chapter, the board, after full consideration of the petition, shall determine whether there is compliance with the requirements of this chapter. In making its determination, the board shall consider the criteria adopted by the department under RCW 36.70A.190(4). The board shall find compliance unless it finds by a preponderance of the evidence that the state agency, county, or city erroneously interpreted or applied this chapter.

NEW SECTION. **Sec. 14.** NONCOMPLIANCE. (1) After the time set for complying with the requirements of this chapter under section 11(1)(b) of this act has expired, the board, on its own motion or motion of the petitioner, shall set a hearing for the purpose of determining whether the state agency, county, or city is in compliance with the requirements of this chapter.

(2) The board shall conduct a hearing and issue a finding of compliance or noncompliance. A hearing under this subsection shall be given the highest priority of business to be conducted by the board, and a finding shall be issued within forty-five days of the filing of the motion under subsection (1) of this section with the board.

(3) If the board finds that the state agency, county, or city is not in compliance, the board shall transmit its finding to the governor. The board may

recommend to the governor that the sanctions authorized by this chapter be imposed.

NEW SECTION. **Sec. 15.** PHASING OF COMPREHENSIVE PLANS SUBMITTAL. The department may adopt a schedule to permit phasing of comprehensive plan submittal for counties and cities planning under RCW 36.70A.040. This schedule shall not permit a comprehensive plan to be submitted greater than one hundred eighty days past the date that the plan was required to be submitted and shall be used to facilitate expeditious review and interjurisdictional coordination of comprehensive plans and development regulations.

NEW SECTION. **Sec. 16.** NEW FULLY CONTAINED COMMUNITIES. A county required or choosing to plan under RCW 36.70A.040 may establish a process as part of its urban growth areas, that are designated under RCW 36.70A.110, for reviewing proposals to authorize new fully contained communities located outside of the initially designated urban growth areas.

(1) A new fully contained community may be approved in a county planning under this chapter if criteria including but not limited to the following are met:

(a) New infrastructure is provided for and impact fees are established consistent with the requirements of RCW 82.02.050;

(b) Transit-oriented site planning and traffic demand management programs are implemented;

(c) Buffers are provided between the new fully contained communities and adjacent urban development;

(d) A mix of uses is provided to offer jobs, housing, and services to the residents of the new community;

(e) Affordable housing is provided within the new community for a broad range of income levels;

(f) Environmental protection has been addressed and provided for;

(g) Development regulations are established to ensure urban growth will not occur in adjacent nonurban areas;

(h) Provision is made to mitigate impacts on designated agricultural lands, forest lands, and mineral resource lands;

(i) The plan for the new fully contained community is consistent with the development regulations established for the protection of critical areas by the county pursuant to RCW 36.70A.170.

(2) New fully contained communities may be approved outside established urban growth areas only if a county reserves a portion of the twenty-year population projection and offsets the urban growth area accordingly for allocation to new fully contained communities that meet the requirements of this chapter. Any county electing to establish a new community reserve shall do so no more often than once every five years as a part of the designation or review of urban growth areas required by this chapter. The new community reserve shall be allocated on a project-by-project basis, only after specific project approval

procedures have been adopted pursuant to this chapter as a development regulation. When a new community reserve is established, urban growth areas designated pursuant to this chapter shall accommodate the unreserved portion of the twenty-year population projection.

Final approval of an application for a new fully contained community shall be considered an adopted amendment to the comprehensive plan prepared pursuant to RCW 36.70A.070 designating the new fully contained community as an urban growth area.

NEW SECTION. **Sec. 17.** NEW MASTER PLANNED RESORTS. Counties that are required or choose to plan under RCW 36.70A.040 may permit master planned resorts which may constitute urban growth outside of urban growth areas as limited by this section. A master planned resort means a self-contained and fully integrated planned unit development, in a setting of significant natural amenities, with primary focus on destination resort facilities consisting of short-term visitor accommodations associated with a range of developed on-site indoor or outdoor recreational facilities. A master planned resort may include other residential uses within its boundaries, but only if the residential uses are integrated into and support the on-site recreational nature of the resort.

A master planned resort may be authorized by a county only if:

(1) The comprehensive plan specifically identifies policies to guide the development of master planned resorts;

(2) The comprehensive plan and development regulations include restrictions that preclude new urban or suburban land uses in the vicinity of the master planned resort, except in areas otherwise designated for urban growth under RCW 36.70A.110;

(3) The county includes a finding as a part of the approval process that the land is better suited, and has more long-term importance, for the master planned resort than for the commercial harvesting of timber or agricultural production, if located on land that otherwise would be designated as forest land or agricultural land under RCW 36.70A.170;

(4) The county ensures that the resort plan is consistent with the development regulations established for critical areas; and

(5) On-site and off-site infrastructure impacts are fully considered and mitigated.

NEW SECTION. **Sec. 18.** PROTECTION OF PRIVATE PROPERTY. (1) The state attorney general shall establish by October 1, 1991, an orderly, consistent process, including a checklist if appropriate, that better enables state agencies and local governments to evaluate proposed regulatory or administrative actions to assure that such actions do not result in an unconstitutional taking of private property. It is not the purpose of this section to expand or reduce the scope of private property protections provided in the state and federal Constitu-

tions. The attorney general shall review and update the process at least on an annual basis to maintain consistency with changes in case law.

(2) Local governments that are required or choose to plan under RCW 36.70A.040 and state agencies shall utilize the process established by subsection (1) of this section to assure that proposed regulatory or administrative actions do not result in an unconstitutional taking of private property.

(3) The attorney general, in consultation with the Washington state bar association, shall develop a continuing education course to implement this section.

(4) The process used by government agencies shall be protected by attorney client privilege. Nothing in this section grants a private party the right to seek judicial relief requiring compliance with the provisions of this section.

***NEW SECTION.** Sec. 19. OPEN SPACE PROTECTION. When open space is to be protected for the purpose of public use and access, a county or city shall acquire sufficient interest to prevent its development. This acquisition requirement does not apply to the land areas needed to protect critical areas. County and city governments may utilize a variety of methods to limit the future use of, or otherwise conserve, selected open space including, but not limited to, incentive zoning, the acquisition by gift, purchase, grant, bequest, devise, lease, or otherwise, the fee simple interest or lesser interest, transfer of development right, easement, covenant, or other contractual right.*

***Sec. 19 was vetoed, see message at end of chapter.**

NEW SECTION. **Sec. 20.** ENVIRONMENTAL PLANNING PILOT PROJECTS. (1) The legislature intends to determine whether the environmental review process mandated under chapter 43.21C RCW may be enhanced and simplified, and coordination improved, when applied to comprehensive plans mandated by this chapter. The department of community development shall undertake pilot projects on environmental review to determine if the review process can be improved by fostering more coordination and eliminating duplicative environmental analysis which is made to assist decision makers approving comprehensive plans pursuant to this chapter. Such pilot projects should be designed and scoped to consider cumulative impacts resulting from plan decisions, plan impacts on environmental quality, impacts on adjacent jurisdictions, and similar factors in sufficient depth to simplify the analysis of subsequent specific projects being carried out pursuant to the approved plan.

(2) The legislature hereby authorizes the department of community development to establish, in cooperation with business, industry, cities, counties, and other interested parties, at least two but not more than four pilot projects, one of which shall be with a county, on enhanced draft and final nonproject environmental analysis of comprehensive plans prepared pursuant to this chapter, for the purposes outlined in subsection (1) of this section. The department of community development may select appropriate geographic subareas within a

comprehensive plan if that will best serve the purposes of this section and meet the requirements of chapter 43.21C RCW.

(3) An enhanced draft and final nonproject environmental analysis prepared pursuant to this section shall follow the rules adopted pursuant to chapter 43.21C RCW.

(4) Not later than December 31, 1993, the department of community development shall evaluate the overall effectiveness of the pilot projects under this section regarding preparing enhanced nonproject environmental analysis for the approval process of comprehensive plans and shall:

(a) Provide an interim report of its findings to the legislature with such recommendations as may be appropriate, including the need, if any, for further legislation;

(b) Consider adoption of any further rules or guidelines as may be appropriate to assist counties and cities in meeting requirements of chapter 43.21C RCW when considering comprehensive plans; and

(c) Prepare and circulate to counties and cities such instructional manuals or other information derived from the pilot projects as will assist all counties and cities in meeting the requirements and objectives of chapter 43.21C RCW in the most expeditious and efficient manner in the process of considering comprehensive plans pursuant to this chapter.

(5) The department of community development shall submit a final report to the legislature no later than December 31, 1995.

Sec. 21. RCW 36.70A.060 and 1990 1st ex.s. c 17 s 6 are each amended to read as follows:

FOREST, AGRICULTURE, AND MINERAL RESOURCE LANDS AND CRITICAL AREAS—DEVELOPMENT REGULATIONS. (1) Each county that is required or chooses to plan under RCW 36.70A.040, and each city within such county, shall adopt development regulations on or before September 1, 1991, to assure the conservation of agricultural, forest, and mineral resource lands designated under RCW 36.70A.170. Regulations adopted under this ((~~section~~)) subsection may not prohibit uses ((~~permitted~~)) legally existing on any parcel prior to their adoption and shall remain in effect until ((a)) the county or city adopts development regulations pursuant to RCW 36.70A.120. Such regulations shall assure that the use of lands adjacent to agricultural, forest, or mineral resource lands shall not interfere with the continued use, in the accustomed manner and in accordance with best management practices, of these designated lands for the production of food, agricultural products, or timber, or for the extraction of minerals. Counties and cities shall require that all plats, short plats, development permits, and building permits issued for development activities on, or within three hundred feet of, lands designated as agricultural lands, forest lands, or mineral resource lands, contain a notice that the subject property is within or near designated agricultural lands, forest lands, or mineral resource lands on

which a variety of commercial activities may occur that are not compatible with residential development for certain periods of limited duration.

(2) Each county ((~~that is required or chooses to plan under RCW 36.70A.040,~~)) and ((~~each~~)) city ((~~within such county,~~)) shall adopt development regulations ((~~on or before September 1, 1991, precluding land uses or development~~)) that ((~~is incompatible with the~~)) protect critical areas that are required to be designated under RCW 36.70A.170. For counties and cities that are required or choose to plan under RCW 36.70A.040, such development regulations shall be adopted on or before September 1, 1991. For the remainder of the counties and cities, such development regulations shall be adopted on or before March 1, 1992.

((~~(2)~~)) (3) Such counties and cities shall review these designations and development regulations when adopting their comprehensive plans under RCW 36.70A.040 and implementing development regulations under RCW 36.70A.120 and may alter such designations and development regulations to insure consistency.

(4) Forest land and agricultural land located within urban growth areas shall not be designated by a county or city as forest land or agricultural land of long-term commercial significance under RCW 36.70A.170 unless the city or county has enacted a program authorizing transfer or purchase of development rights.

NEW SECTION. **Sec. 22.** A new section is added to chapter 36.93 RCW to read as follows:

POWER TO DISBAND BOUNDARY REVIEW BOARD. When a county and the cities and towns within the county have adopted a comprehensive plan and consistent development regulations pursuant to the provisions of chapter 36.70A RCW, the county may, at the discretion of the county legislative authority, disband the boundary review board in that county.

Sec. 23. RCW 43.155.070 and 1990 1st ex.s. c 17 s 82 are each amended to read as follows:

BOARD TO CONSIDER WHETHER REGIONAL PLANS ARE ADOPTED WHEN MAKING LOANS. (1) To qualify for loans or pledges under this chapter the board must determine that a local government meets all of the following conditions:

(a) The city or county must be imposing a tax under chapter 82.46 RCW at a rate of at least one-quarter of one percent;

(b) The local government must have developed a long-term plan for financing public works needs; ((~~and~~))

(c) The local government must be using all local revenue sources which are reasonably available for funding public works, taking into consideration local employment and economic factors; and

(d) A county, city, or town that is required or chooses to plan under RCW 36.70A.040 must have adopted a comprehensive plan in conformance with the requirements of chapter 36.70A RCW, after it is required that the comprehensive

plan be adopted, and must have adopted development regulations in conformance with the requirements of chapter 36.70A RCW, after it is required that development regulations be adopted.

(2) The board shall develop a priority process for public works projects as provided in this section. The intent of the priority process is to maximize the value of public works projects accomplished with assistance under this chapter. The board shall attempt to assure a geographical balance in assigning priorities to projects. The board shall consider at least the following factors in assigning a priority to a project:

(a) Whether the local government receiving assistance has experienced severe fiscal distress resulting from natural disaster or emergency public works needs;

(b) Whether the project is critical in nature and would affect the health and safety of a great number of citizens;

(c) The cost of the project compared to the size of the local government and amount of loan money available;

(d) The number of communities served by or funding the project;

(e) Whether the project is located in an area of high unemployment, compared to the average state unemployment;

(f) Whether the project is the acquisition, expansion, improvement, or renovation by a local government of a public water system that is in violation of health and safety standards, including the cost of extending existing service to such a system;

(g) The relative benefit of the project to the community, considering the present level of economic activity in the community and the existing local capacity to increase local economic activity in communities that have low economic growth; and

(h) Other criteria that the board considers advisable.

(3) Existing debt or financial obligations of local governments shall not be refinanced under this chapter. Each local government applicant shall provide documentation of attempts to secure additional local or other sources of funding for each public works project for which financial assistance is sought under this chapter.

(4) Before November 1 of each year, the board shall develop and submit to the chairs of the ways and means committees of the senate and house of representatives a description of the emergency loans made under RCW 43.155.065 during the preceding fiscal year and a prioritized list of projects which are recommended for funding by the legislature, including one copy to the staff of each of the committees. The list shall include, but not be limited to, a description of each project and recommended financing, the terms and conditions of the loan or financial guarantee, the local government jurisdiction and unemployment rate, demonstration of the jurisdiction's critical need for the project and documentation of local funds being used to finance the public works project. The list shall also include measures of fiscal capacity for each

jurisdiction recommended for financial assistance, compared to authorized limits and state averages, including local government sales taxes; real estate excise taxes; property taxes; and charges for or taxes on sewerage, water, garbage, and other utilities.

(5) The board shall not sign contracts or otherwise financially obligate funds from the public works assistance account before the legislature has appropriated funds for a specific list of public works projects. The legislature may remove projects from the list recommended by the board. The legislature shall not change the order of the priorities recommended for funding by the board.

(6) Subsections (4) and (5) of this section do not apply to loans made for emergency public works projects under RCW 43.155.065.

Sec. 24. RCW 70.146.070 and 1986 c 3 s 10 are each amended to read as follows:

When making grants or loans for water pollution control facilities, the department shall consider the following:

(1) The protection of water quality and public health;

(2) The cost to residential ratepayers if they had to finance water pollution control facilities without state assistance;

(3) Actions required under federal and state permits and compliance orders;

(4) The level of local fiscal effort by residential ratepayers since 1972 in financing water pollution control facilities;

(5) The extent to which the applicant county or city, or if the applicant is another public body, the extent to which the county or city in which the applicant public body is located, has established programs to mitigate nonpoint pollution of the surface or subterranean water sought to be protected by the water pollution control facility named in the application for state assistance; and

(6) The recommendations of the Puget Sound water quality authority and any other board, council, commission, or group established by the legislature or a state agency to study water pollution control issues in the state.

A county, city, or town that is required or chooses to plan under RCW 36.70A.040 may not receive a grant or loan for water pollution control facilities unless it has adopted a comprehensive plan in conformance with the requirements of chapter 36.70A RCW, after it is required that the comprehensive plan be adopted, or unless it has adopted development regulations in conformance with the requirements of chapter 36.70A RCW, after it is required that development regulations be adopted.

NEW SECTION. **Sec. 25.** A new section is added to chapter 43.01 RCW to read as follows:

COUNTY-WIDE PLANNING POLICY INCENTIVES. Whenever a state agency is considering awarding grants or loans for a county, city, or town to finance public facilities, it shall consider whether the county, city, or town that is requesting the grant or loan is a party to a county-wide planning policy under section 2 of this act relating to the type of public facility for which the grant or loan is sought, and shall accord additional preference to the county, city, or town if such county-wide planning policy exists. Whenever a state agency is considering awarding grants or loans to a special district for public facilities, it shall consider whether the county, city, or town in whose planning jurisdiction the proposed facility is located is a party to a county-wide planning policy under section 2 of this act relating to the type of public facility for which the grant or loan is sought.

NEW SECTION. **Sec. 26.** NONCOMPLIANCE AND SANCTIONS. Upon receipt from the board of a finding that a state agency, county, or city is in noncompliance under section 14 of this act, or as a result of failure to meet the requirements of section 2 of this act, the governor may either:

(1) Notify and direct the director of the office of financial management to revise allotments in appropriation levels;

(2) Notify and direct the state treasurer to withhold the portion of revenues to which the county or city is entitled under one or more of the following: The motor vehicle fuel tax, as provided in chapter 82.36 RCW; the transportation improvement account, as provided in RCW 47.26.084; the urban arterial trust account, as provided in RCW 47.26.080; the rural arterial trust account, as provided in RCW 36.79.150; the sales and use tax, as provided in chapter 82.14 RCW; the liquor profit tax, as provided in RCW 66.08.190; and the liquor excise tax, as provided in RCW 82.08.170; or

(3) File a notice of noncompliance with the secretary of state and the county or city, which shall temporarily rescind the county or city's authority to collect the real estate excise tax under RCW 82.46.030 until the governor files a notice rescinding the notice of noncompliance.

Sec. 27. RCW 43.88.110 and 1987 c 502 s 5 are each amended to read as follows:

EXPENDITURE PROGRAMS—ALLOTMENTS—RESERVES. This section sets forth the expenditure programs and the allotment and reserve procedures to be followed by the executive branch for public funds. Allotments of an appropriation for any fiscal period shall conform to the terms, limits, or conditions of the appropriation.

(1) The director of financial management shall provide all agencies with a complete set of instructions for preparing a statement of proposed expenditures at least thirty days before the beginning of a fiscal period. The set of instructions need not include specific appropriation amounts for the agency.

(2) Within forty-five days after the beginning of the fiscal period or within forty-five days after the governor signs the omnibus biennial appropriations act, whichever is later, all agencies shall submit to the governor a statement of proposed expenditures at such times and in such form as may be required by the governor. If at any time during the fiscal period the governor projects a cash deficit as defined by RCW 43.88.050, the governor shall make across-the-board reductions in allotments so as to prevent a cash deficit, unless the legislature has

directed the liquidation of the cash deficit over one or more fiscal periods. Except for the legislative and judicial branches and other agencies headed by elective officials, the governor shall review the statement of proposed expenditures for reasonableness and conformance with legislative intent. Once the governor approves the statements of proposed expenditures, further revisions shall be made only at the beginning of the second fiscal year and must be initiated by the governor. However, changes in appropriation level authorized by the legislature, changes required by across-the-board reductions mandated by the governor, ((~~and~~)) changes caused by executive increases to spending authority, and changes caused by executive decreases to spending authority for failure to comply with the provisions of chapter 36.70A RCW may require additional revisions. Revisions shall not be made retroactively. Revisions caused by executive increases to spending authority shall not be made after June 30, 1987. However, the governor may assign to a reserve status any portion of an agency appropriation withheld as part of across-the-board reductions made by the governor and any portion of an agency appropriation conditioned on a contingent event by the appropriations act. The governor may remove these amounts from reserve status if the across-the-board reductions are subsequently modified or if the contingent event occurs. The director of financial management shall enter approved statements of proposed expenditures into the state budgeting, accounting, and reporting system within forty-five days after receipt of the proposed statements from the agencies. If an agency or the director of financial management is unable to meet these requirements, the director of financial management shall provide a timely explanation in writing to the legislative fiscal committees.

(3) It is expressly provided that all agencies shall be required to maintain accounting records and to report thereon in the manner prescribed in this chapter and under the regulations issued pursuant to this chapter. Within ninety days of the end of the fiscal year, all agencies shall submit to the director of financial management their final adjustments to close their books for the fiscal year. Prior to submitting fiscal data, written or oral, to committees of the legislature, it is the responsibility of the agency submitting the data to reconcile it with the budget and accounting data reported by the agency to the director of financial management. The director of financial management shall monitor agency expenditures against the approved statement of proposed expenditures and shall provide the legislature with quarterly explanations of major variances.

(4) The director of financial management may exempt certain public funds from the allotment controls established under this chapter if it is not practical or necessary to allot the funds. Allotment control exemptions expire at the end of the fiscal biennium for which they are granted. The director of financial management shall report any exemptions granted under this subsection to the legislative fiscal committees.

Sec. 28. RCW 19.27.097 and 1990 1st ex.s. c 17 s 63 are each amended to read as follows:

(1) Each applicant for a building permit of a building necessitating potable water shall provide evidence of an adequate water supply for the intended use of the building. Evidence may be in the form of a water right permit from the department of ecology, a letter from an approved water purveyor stating the ability to provide water, or another form sufficient to verify the existence of an adequate water supply. In addition to other authorities, the county or city may impose conditions on building permits requiring connection to an existing public water system where the existing system is willing and able to provide safe and reliable potable water to the applicant with reasonable economy and efficiency. An application for a water right shall not be sufficient proof of an adequate water supply.

(2) Within counties not required or not choosing to plan pursuant to RCW 36.70A.040, the county and the state may mutually determine those areas in the county in which the requirements of subsection (1) of this section shall not apply. The departments of health and ecology shall coordinate on the implementation of this section. Should the county and the state fail to mutually determine those areas to be designated pursuant to this subsection, the county may petition the department of community development to mediate or, if necessary, make the determination.

(3) Buildings that do not need potable water facilities are exempt from the provisions of this section. The department of ecology, after consultation with local governments, may adopt rules to implement this section, which may recognize differences between high-growth and low-growth counties.

Sec. 29. RCW 36.70A.110 and 1990 1st ex.s. c 17 s 11 are each amended to read as follows:

COMPREHENSIVE PLANS—URBAN GROWTH AREAS. (1) Each county that is required or chooses to adopt a comprehensive land use plan under RCW 36.70A.040 shall designate an urban growth area or areas within which urban growth shall be encouraged and outside of which growth can occur only if it is not urban in nature. Each city that is located in such a county shall be included within an urban growth area. An urban growth area may include more than a single city. An urban growth area may include territory that is located outside of a city only if such territory already is characterized by urban growth or is adjacent to territory already characterized by urban growth.

(2) Based upon the population ((~~forecast~~)) growth management planning population projection made for the county by the office of financial management, the urban growth areas in the county shall include areas and densities sufficient to permit the urban growth that is projected to occur in the county for the succeeding twenty-year period. Each urban growth area shall permit urban densities and shall include greenbelt and open space areas. Within one year of July 1, 1990, each county required to designate urban growth areas shall begin

consulting with each city located within its boundaries and each city shall propose the location of an urban growth area. The county shall attempt to reach agreement with each city on the location of an urban growth area within which the city is located. If such an agreement is not reached with each city located within the urban growth area, the county shall justify in writing why it so designated the area an urban growth area. A city may object formally with the department over the designation of the urban growth area within which it is located. Where appropriate, the department shall attempt to resolve the conflicts, including the use of mediation services.

(3) Urban growth should be located first in areas already characterized by urban growth that have existing public facility and service capacities to serve such development, and second in areas already characterized by urban growth that will be served by a combination of both existing public facilities and services and any additional needed public facilities and services that are provided by either public or private sources. Further, it is appropriate that urban government services be provided by cities, and urban government services should not be provided in rural areas.

Sec. 30. RCW 43.62.035 and 1990 1st ex.s. c 17 s 32 are each amended to read as follows:

DETERMINING POPULATION. The office of financial management shall determine the population of each county of the state annually as of April 1st of each year and on or before July 1st of each year shall file a certificate with the secretary of state showing its determination of the population for each county. The office of financial management also shall determine the percentage increase in population for each county over the preceding ten-year period, as of April 1st, and shall file a certificate with the secretary of state by July 1st showing its determination. At least once every ten years the office of financial management shall prepare ((a)) twenty-year growth management planning population ((~~forecast~~)) projections required by RCW 36.70A.110 for each county that adopts a comprehensive plan under RCW 36.70A.040 and shall review these projections with such counties before final adoption.

Sec. 31. RCW 36.79.150 and 1983 1st ex.s. c 49 s 15 are each amended to read as follows:

RURAL ARTERIAL TRUST ACCOUNT. (1) Whenever the board approves a rural arterial project it shall determine the amount of rural arterial trust account funds to be allocated for such project. The allocation shall be based upon information contained in the six-year plan submitted by the county seeking approval of the project and upon such further investigation as the board deems necessary. The board shall adopt reasonable rules pursuant to which rural arterial trust account funds allocated to a project may be increased upon a subsequent application of the county constructing the project. The rules adopted by the board shall take into account, but shall not be limited to, the following factors: ((~~(1)~~)) (a) The financial effect of increasing the original allocation for the project upon other rural arterial projects either approved or requested; ((~~(2)~~)) (b) whether the project for which an additional allocation is requested can be reduced in scope while retaining a usable segment; ((~~(3)~~)) (c) whether the original cost of the project shown in the applicant's six-year program was based upon reasonable engineering estimates; and ((~~(4)~~)) (d) whether the requested additional allocation is to pay for an expansion in the scope of work originally approved.

(2) The board shall not allocate funds, nor make payments under RCW 36.79.160, to any county or city identified by the governor under section 26 of this act.

Sec. 32. RCW 47.26.080 and 1988 c 167 s 13 are each amended to read as follows:

URBAN ARTERIAL TRUST ACCOUNT. There is hereby created in the motor vehicle fund the urban arterial trust account. All moneys deposited in the motor vehicle fund to be credited to the urban arterial trust account shall be expended for the construction and improvement of city arterial streets and county arterial roads within urban areas, for expenses of the transportation improvement board, or for the payment of principal or interest on bonds issued for the purpose of constructing or improving city arterial streets and county arterial roads within urban areas, or for reimbursement to the state, counties, cities, and towns in accordance with RCW 47.26.4252 and 47.26.4254, the amount of any payments made on principal or interest on urban arterial trust account bonds from motor vehicle or special fuel tax revenues which were distributable to the state, counties, cities, and towns.

The board shall not allocate funds, nor make payments of the funds under RCW 47.26.260, to any county, city, or town identified by the governor under section 26 of this act.

Sec. 33. RCW 82.46.035 and 1990 1st ex.s. c 17 s 38 are each amended to read as follows:

ADDITIONAL TAX—CERTAIN COUNTIES—BALLOT PROPOSITION—USE LIMITED TO CAPITAL PROJECTS. (1) The governing body of any county or any city that plans under RCW 36.70A.040(1) may impose an additional excise tax on each sale of real property in the unincorporated areas of the county for the county tax and in the corporate limits of the city for the city tax at a rate not exceeding one-quarter of one percent of the selling price. Any county choosing to plan under RCW 36.70A.040(2) and any city within such a county may only adopt an ordinance imposing the excise tax authorized by this section if the ordinance is first authorized by a proposition approved by a majority of the voters of the taxing district voting on the proposition at a general election held within the district or at a special election within the taxing district called by the district for the purpose of submitting such proposition to the voters.

(2) Revenues generated from the tax imposed under subsection (1) of this section shall be used by such counties and cities solely for financing capital projects specified in a capital facilities plan element of a comprehensive plan.

(3) Revenues generated by the tax imposed by this section shall be deposited in a separate account.

(4) As used in this section, "city" means any city or town.

(5) When the governor files a notice of noncompliance under section 26 of this act with the secretary of state and the appropriate county or city, the county or city's authority to impose the additional excise tax under this section shall be temporarily rescinded until the governor files a subsequent notice rescinding the notice of noncompliance.

Sec. 34. RCW 66.08.190 and 1988 c 229 s 4 are each amended to read as follows:

LIQUOR REVOLVING FUND—DISBURSEMENT OF EXCESS FUNDS TO STATE, COUNTIES AND CITIES. When excess funds are distributed, all moneys subject to distribution shall be disbursed as follows:

(1) Three-tenths of one percent to the department of community development to be allocated to border areas under RCW 66.08.195; and

(2) From the amount remaining after distribution under subsection (1) of this section, fifty percent to the general fund of the state, ten percent to the counties of the state, and forty percent to the incorporated cities and towns of the state.

(3) The governor may notify and direct the state treasurer to withhold the revenues to which the counties and cities are entitled under this section if the counties or cities are found to be in noncompliance pursuant to section 26 of this act.

NEW SECTION. **Sec. 35.** A new section is added to chapter 82.14 RCW to read as follows:

WITHHOLDING REVENUE—NONCOMPLIANCE. The governor may notify and direct the state treasurer to withhold the revenues to which the county or city is entitled under this chapter if a county or city is found to be in noncompliance pursuant to section 26 of this act.

NEW SECTION. **Sec. 36.** A new section is added to chapter 82.08 RCW to read as follows:

WITHHOLDING REVENUE—NONCOMPLIANCE. The governor may notify and direct the state treasurer to withhold the revenues to which the counties, cities, and towns are entitled under RCW 82.08.170 if the counties, cities, or towns are found to be in noncompliance pursuant to section 26 of this act.

NEW SECTION. **Sec. 37.** TEMPORARY COMMITTEE ON NATURAL RESOURCES OF STATE-WIDE SIGNIFICANCE. (1) There is created a temporary committee consisting of the commissioner of public lands, the director of parks and recreation, the director of wildlife, the director of fisheries, the director of ecology, the director of community development, the director of the interagency committee for outdoor recreation, or their designees, one representative from the association of Washington cities, one representative from the Washington state association of counties, and by appointment of the governor, three members of the public. In selecting the three members of the public to serve on this committee, the governor shall keep in mind the diversity of the state's natural resources and the diverse needs of state residents. The director of community development shall serve as the chair of the committee and the department shall provide staff to the committee. Members employed by the state shall serve without additional pay, and participation in the work of the committee shall be deemed performance of their employment. Members from the public at large shall be compensated in accordance with RCW 43.03.240 and shall be entitled to reimbursement individually for travel expenses incurred in performance of their duties as members of the committee in accordance with RCW 43.03.050 and 43.03.060.

(2) This section shall expire January 1, 1992.

NEW SECTION. **Sec. 38.** LEGISLATIVE REPORT ON NATURAL RESOURCES OF STATE-WIDE SIGNIFICANCE. (1) The committee established in section 37 of this act shall submit to the legislature a report on or before December 31, 1991, that develops recommendations on: (a) Criteria that could be used in identifying natural resources of state-wide significance; (b) minimum standards to protect natural resources of state-wide significance within the jurisdictions of cities or counties and means for resolving issues of protection between jurisdictions; (c) the need for acquisition of natural resources of state-wide significance; and (d) issues regarding designation of mineral resource lands of long-term commercial significance within and outside urban growth areas. In carrying out the responsibilities under this subsection, the committee shall consult with interested parties and shall conduct public hearings in various regions of the state. The committee shall consider the input obtained at such public hearings when developing the recommendations.

(2) For purposes of this section, natural resources of state-wide significance are those natural resources that possess outstanding natural, ecological, or scenic values, and are of the highest quality and most significant of their type. Because of their quality, they are of interest to all resident of the state.

(3) This section shall expire January 1, 1992.

NEW SECTION. **Sec. 39.** A new section is added to chapter 36.70A RCW to read as follows:

The department may extend the date by which a county or city is required to designate agricultural lands, forest lands, mineral resource lands, and critical areas under RCW 36.70A.170, or the date by which a county or city is required to protect such lands and critical areas under RCW 36.70A.060, if the county or city demonstrates that it is proceeding in an orderly fashion, and is making a good faith effort, to meet these requirements. An extension may be for up to an

additional one hundred eighty days. The length of an extension shall be based on the difficulty of the effort to conform with these requirements.

NEW SECTION. **Sec. 40.** HEADINGS. Section headings as used in this act do not constitute any part of the law.

NEW SECTION. **Sec. 41.** CODIFICATION. Sections 1, 2, 4 through 20, and 26 of this act are each added to chapter 36.70A RCW.

NEW SECTION. **Sec. 42.** This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect immediately.

Passed the House June 27, 1991.
Passed the Senate June 28, 1991.
Approved by the Governor July 16, 1991, with the exception of certain items which were vetoed.
Filed in Office of Secretary of State July 16, 1991.

Note: Governor's explanation of partial veto is as follows:

"I am returning herewith, without my approval as to section 19, Reengrossed Substitute House Bill No. 1025 entitled:

"AN ACT Relating to growth strategies."

I welcome this measure, and am pleased to sign it into law.

Passage of this legislation fulfills an important promise made to the state's citizens. It is a success story that should strengthen the public's faith in the democratic political process.

I commend the Legislature - and particularly the legislative leadership - for keeping its commitment to Washington citizens, and for working hard to ensure that this bill will effectively protect our quality of life.

Reengrossed Substitute House Bill No. 1025 builds on the landmark growth management legislation passed last year, and on the recommendations of the Growth Strategies Commission. Even more important, it builds trust: trust between citizens and their elected representatives, trust between businesses and local governments, and trust among the bipartisan group of legislators who crafted it. That trust is, in the end, the key element necessary for effective and sustained growth management.

While I welcome this legislation, I have determined that section 19 of this bill is so ambiguous that it gives rise to numerous legal interpretations of its meaning and invites litigation.

I am not alone in this belief. Among the many letters my office has received on this bill, the overwhelming opinion is that because key terms are left undefined, and because the language is vague, this section is likely to result in significant court action. Such litigation could result in a reduction of existing local authority to protect open space — thus producing a consequence that is the direct opposite of the section's intent. I intend to insist that we take actions that ensure that the existing authority of local governments to protect open space are not compromised in any way.

I support the intent of the negotiators to address the relationship between open space designation and protection of private property rights, and I believe that we can come to consensus on how to clarify this issue.

Clearly, it is better to negotiate than to litigate. And this issue is far too important to leave to the uncertainties of the judicial system. If we want clear and effective protection for open space, we have more work to do, and I am committed to working with legislators to make sure it gets done in the next legislative session.

With the exception of section 19, I am approving Reengrossed Substitute House Bill No. 1025."