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SENATE BILL 5239

State of Washington 65th Legislature 2017 Regular Session

By Senators Warnick, Takko, Ericksen, and Becker

- AN ACT Relating to ensuring that water is available to support development; amending RCW 19.27.097, 36.70A.070, and 58.17.110; adding a new section to chapter 90.44 RCW; creating a new section; and declaring an emergency.
- 5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 6 NEW SECTION. Sec. 1. By this act, the legislature is amending 7 the law that was under review by the supreme court of Washington in Whatcom County v. Western Washington Growth Management Hearings Board 8 (No. 91475-3, October 6, 2016), also known as the Hirst opinion. The 9 10 legislature finds that the Hirst opinion imposes new requirements that create substantial hardships for property owners who rely on 11 12 water drawn from wells to support reasonable uses of their property, 13 and that such requirements threaten to halt economic development 14 throughout the state, especially in rural areas. The legislature further finds that the new requirements imposed by the supreme court 15 16 in the Hirst opinion are unnecessary as a matter of public policy 17 because groundwater withdrawals that are exempt from permitting by the department of ecology under RCW 90.44.050 cumulatively represent 18 19 less than one percent of the total water used in Washington. Therefore, the legislature is amending pertinent statutes to ensure 20

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- that prospective application of the law is not controlled by the Hirst opinion.
- 3 **Sec. 2.** RCW 19.27.097 and 2015 c 225 s 17 are each amended to 4 read as follows:

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- 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, including but not limited to information pertaining to applicable water resources management rules adopted by the department of ecology. If an applicant for a building permit proposes to use a groundwater withdrawal that is exempt from permitting by the department of ecology under RCW 90.44.050 to supply potable water for a building, the local building permitting authority may determine that it is sufficient under this subsection for the applicant to provide evidence that water is physically available for use. 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 enterprise services 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.

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1 Sec. 3. RCW 36.70A.070 and 2015 c 241 s 2 are each amended to 2 read as follows:

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The comprehensive plan of a county or city that is required or chooses to plan under RCW 36.70A.040 shall consist of a map or maps, and descriptive text covering objectives, principles, and standards used to develop the comprehensive plan. The plan shall be an internally consistent document and all elements shall be consistent with the future land use map. A comprehensive plan shall be adopted and amended with public participation as provided in RCW 36.70A.140. Each comprehensive plan shall include a plan, scheme, or design for each of the following:

- land use element designating the proposed general (1)Α distribution and general location and extent of the uses of land, where appropriate, for agriculture, timber production, housing, industry, recreation, open spaces, general aviation airports, public utilities, public facilities, and other land uses. The land use element shall include population densities, building intensities, and estimates of future population growth. The land use element shall provide for protection of the quality and quantity of groundwater used for public water supplies. In providing for the protection of the quantity of groundwater used for public water supplies under this subsection, a county or city may rely on or refer to applicable water resources management rules adopted by the department of ecology. Wherever possible, the land use element should consider utilizing urban planning approaches that promote physical activity. Where applicable, the land use element shall review drainage, flooding, and storm water run-off in the area and nearby jurisdictions and provide guidance for corrective actions to mitigate or cleanse those discharges that pollute waters of the state, including Puget Sound or waters entering Puget Sound.
- (2) A housing element ensuring the vitality and character of established residential neighborhoods that: (a) Includes an inventory and analysis of existing and projected housing needs that identifies the number of housing units necessary to manage projected growth; (b) includes a statement of goals, policies, objectives, and mandatory provisions for the preservation, improvement, and development of housing, including single-family residences; (c) identifies sufficient land for housing, including, but not limited to, government-assisted housing, housing for low-income families, manufactured housing, multifamily housing, and group homes and foster

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care facilities; and (d) makes adequate provisions for existing and projected needs of all economic segments of the community.

- (3) A capital facilities plan element consisting of: (a) An inventory of existing capital facilities owned by public entities, showing the locations and capacities of the capital facilities; (b) a forecast of the future needs for such capital facilities; (c) the proposed locations and capacities of expanded or new capital facilities; (d) at least a six-year plan that will finance such capital facilities within projected funding capacities and clearly identifies sources of public money for such purposes; and (e) a requirement to reassess the land use element if probable funding falls short of meeting existing needs and to ensure that the land use element, capital facilities plan element, and financing plan within the capital facilities plan element are coordinated and consistent. Park and recreation facilities shall be included in the capital facilities plan element.
- 17 (4) A utilities element consisting of the general location, 18 proposed location, and capacity of all existing and proposed 19 utilities, including, but not limited to, electrical lines, 20 telecommunication lines, and natural gas lines.
 - (5) Rural element. Counties shall include a rural element including lands that are not designated for urban growth, agriculture, forest, or mineral resources. The following provisions shall apply to the rural element:
 - (a) Growth management act goals and local circumstances. Because circumstances vary from county to county, in establishing patterns of rural densities and uses, a county may consider local circumstances, but shall develop a written record explaining how the rural element harmonizes the planning goals in RCW 36.70A.020 and meets the requirements of this chapter.
 - (b) Rural development. The rural element shall permit rural development, forestry, and agriculture in rural areas. The rural element shall provide for a variety of rural densities, uses, essential public facilities, and rural governmental services needed to serve the permitted densities and uses. To achieve a variety of rural densities and uses, counties may provide for clustering, density transfer, design guidelines, conservation easements, and other innovative techniques that will accommodate appropriate rural densities and uses that are not characterized by urban growth and that are consistent with rural character.

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- 1 (c) Measures governing rural development. The rural element shall 2 include measures that apply to rural development and protect the 3 rural character of the area, as established by the county, by:
 - (i) Containing or otherwise controlling rural development;

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- (ii) Assuring visual compatibility of rural development with the surrounding rural area;
- (iii) Reducing the inappropriate conversion of undeveloped land into sprawling, low-density development in the rural area;
- (iv) Protecting critical areas, as provided in RCW 36.70A.060, and surface water and groundwater resources, which may include measures that rely on or refer to applicable water resources management rules adopted by the department of ecology; and
- 13 (v) Protecting against conflicts with the use of agricultural, 14 forest, and mineral resource lands designated under RCW 36.70A.170.
 - (d) Limited areas of more intensive rural development. Subject to the requirements of this subsection and except as otherwise specifically provided in this subsection (5)(d), the rural element may allow for limited areas of more intensive rural development, including necessary public facilities and public services to serve the limited area as follows:
 - (i) Rural development consisting of the infill, development, or redevelopment of existing commercial, industrial, residential, or mixed-use areas, whether characterized as shoreline development, villages, hamlets, rural activity centers, or crossroads developments.
 - (A) A commercial, industrial, residential, shoreline, or mixeduse area are subject to the requirements of (d)(iv) of this subsection, but are not subject to the requirements of (c)(ii) and (iii) of this subsection.
 - (B) Any development or redevelopment other than an industrial area or an industrial use within a mixed-use area or an industrial area under this subsection (5)(d)(i) must be principally designed to serve the existing and projected rural population.
 - (C) Any development or redevelopment in terms of building size, scale, use, or intensity shall be consistent with the character of the existing areas. Development and redevelopment may include changes in use from vacant land or a previously existing use so long as the new use conforms to the requirements of this subsection (5);
- 39 (ii) The intensification of development on lots containing, or 40 new development of, small-scale recreational or tourist uses,

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1 including commercial facilities to serve those recreational tourist uses, that rely on a rural location and setting, but that do 2 not include new residential development. A small-scale recreation or 3 tourist use is not required to be principally designed to serve the 4 existing and projected rural population. Public services and public 5 facilities shall be limited to those necessary to serve the 6 recreation or tourist use and shall be provided in a manner that does 7 not permit low-density sprawl; 8

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(iii) The intensification of development on lots containing isolated nonresidential uses or new development of isolated cottage industries and isolated small-scale businesses that principally designed to serve the existing and projected rural population and nonresidential uses, but do provide job opportunities for rural residents. Rural counties may allow the expansion of smallscale businesses as long as those small-scale businesses conform with the rural character of the area as defined by the local government according to RCW 36.70A.030(15). Rural counties may also allow new small-scale businesses to utilize a site previously occupied by an existing business as long as the new small-scale business conforms to the rural character of the area as defined by the local government 36.70A.030(15). Public services according to RCW facilities shall be limited to those necessary to serve the isolated nonresidential use and shall be provided in a manner that does not permit low-density sprawl;

(iv) A county shall adopt measures to minimize and contain the existing areas or uses of more intensive rural development, as appropriate, authorized under this subsection. Lands included in such existing areas or uses shall not extend beyond the logical outer boundary of the existing area or use, thereby allowing a new pattern of low-density sprawl. Existing areas are those that are clearly identifiable and contained and where there is a logical boundary delineated predominately by the built environment, but that may also include undeveloped lands if limited as provided in this subsection. The county shall establish the logical outer boundary of an area of more intensive rural development. In establishing the logical outer boundary, the county shall address (A) the need to preserve the character of existing natural neighborhoods and communities, (B) physical boundaries, such as bodies of water, streets and highways, land forms and contours, (C) the prevention of abnormally irregular boundaries, and (D) the ability to provide public

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- facilities and public services in a manner that does not permit lowdensity sprawl;
- 3 (v) For purposes of (d) of this subsection, an existing area or 4 existing use is one that was in existence:
- 5 (A) On July 1, 1990, in a county that was initially required to 6 plan under all of the provisions of this chapter;
 - (B) On the date the county adopted a resolution under RCW 36.70A.040(2), in a county that is planning under all of the provisions of this chapter under RCW 36.70A.040(2); or
- (C) On the date the office of financial management certifies the county's population as provided in RCW 36.70A.040(5), in a county that is planning under all of the provisions of this chapter pursuant to RCW 36.70A.040(5).
- (e) Exception. This subsection shall not be interpreted to permit in the rural area a major industrial development or a master planned resort unless otherwise specifically permitted under RCW 36.70A.360 and 36.70A.365.
- 18 (6) A transportation element that implements, and is consistent 19 with, the land use element.
- 20 (a) The transportation element shall include the following 21 subelements:
 - (i) Land use assumptions used in estimating travel;

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- (ii) Estimated traffic impacts to state-owned transportation facilities resulting from land use assumptions to assist the department of transportation in monitoring the performance of state facilities, to plan improvements for the facilities, and to assess the impact of land-use decisions on state-owned transportation facilities;
- 29 (iii) Facilities and services needs, including:
 - (A) An inventory of air, water, and ground transportation facilities and services, including transit alignments and general aviation airport facilities, to define existing capital facilities and travel levels as a basis for future planning. This inventory must include state-owned transportation facilities within the city or county's jurisdictional boundaries;
 - (B) Level of service standards for all locally owned arterials and transit routes to serve as a gauge to judge performance of the system. These standards should be regionally coordinated;
- 39 (C) For state-owned transportation facilities, level of service 40 standards for highways, as prescribed in chapters 47.06 and 47.80

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- RCW, to gauge the performance of the system. The purposes 1 reflecting level of service standards for state highways in the local 2 comprehensive plan are to monitor the performance of the system, to 3 improvement strategies, and to facilitate coordination 4 between the county's or city's six-year street, road, or transit 5 б program and the office of financial management's ten-year investment 7 program. The concurrency requirements of (b) of this subsection do not apply to transportation facilities and services of statewide 8 significance except for counties consisting of islands whose only 9 connection to the mainland are state highways or ferry routes. In 10 11 these island counties, state highways and ferry route capacity must 12 be a factor in meeting the concurrency requirements in (b) of this subsection; 13
 - (D) Specific actions and requirements for bringing into compliance locally owned transportation facilities or services that are below an established level of service standard;
 - (E) Forecasts of traffic for at least ten years based on the adopted land use plan to provide information on the location, timing, and capacity needs of future growth;
 - (F) Identification of state and local system needs to meet current and future demands. Identified needs on state-owned transportation facilities must be consistent with the statewide multimodal transportation plan required under chapter 47.06 RCW;
 - (iv) Finance, including:

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- (A) An analysis of funding capability to judge needs against probable funding resources;
- (B) A multiyear financing plan based on the needs identified in the comprehensive plan, the appropriate parts of which shall serve as the basis for the six-year street, road, or transit program required by RCW 35.77.010 for cities, RCW 36.81.121 for counties, and RCW 35.58.2795 for public transportation systems. The multiyear financing plan should be coordinated with the ten-year investment program developed by the office of financial management as required by RCW 47.05.030;
- 35 (C) If probable funding falls short of meeting identified needs, 36 a discussion of how additional funding will be raised, or how land 37 use assumptions will be reassessed to ensure that level of service 38 standards will be met;

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- (v) Intergovernmental coordination efforts, including an assessment of the impacts of the transportation plan and land use assumptions on the transportation systems of adjacent jurisdictions;
 - (vi) Demand-management strategies;

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- (vii) Pedestrian and bicycle component to include collaborative efforts to identify and designate planned improvements for pedestrian and bicycle facilities and corridors that address and encourage enhanced community access and promote healthy lifestyles.
- (b) After adoption of the comprehensive plan by jurisdictions required to plan or who choose to plan under RCW 36.70A.040, local jurisdictions must adopt and enforce ordinances which prohibit development approval if the development causes the level of service on a locally owned transportation facility to decline below the standards adopted in the transportation element of the comprehensive plan, unless transportation improvements or strategies to accommodate the impacts of development are made concurrent with the development. These strategies may include increased public transportation service, ride-sharing programs, demand management, and other transportation systems management strategies. For the purposes of this subsection (6), "concurrent with the development" means that improvements or strategies are in place at the time of development, or that a financial commitment is in place to complete the improvements or strategies within six years. If the collection of impact fees is delayed under RCW 82.02.050(3), the six-year period required by this subsection (6)(b) must begin after full payment of all impact fees is due to the county or city.
 - (c) The transportation element described in this subsection (6), the six-year plans required by RCW 35.77.010 for cities, RCW 36.81.121 for counties, and RCW 35.58.2795 for public transportation systems, and the ten-year investment program required by RCW 47.05.030 for the state, must be consistent.
- 32 (7) An economic development element establishing local goals, policies, objectives, and provisions for economic growth and vitality 33 and a high quality of life. The element shall include: (a) A summary 34 35 of the local economy such as population, employment, payroll, 36 sectors, businesses, sales, and other information as appropriate; (b) a summary of the strengths and weaknesses of the local economy 37 defined as the commercial and industrial sectors and supporting 38 39 factors such as land use, transportation, utilities, education, 40 workforce, housing, and natural/cultural resources; and (c) an

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identification of policies, programs, and projects to foster economic growth and development and to address future needs. A city that has chosen to be a residential community is exempt from the economic development element requirement of this subsection.

- 5 (8) A park and recreation element that implements, and is 6 consistent with, the capital facilities plan element as it relates to 7 park and recreation facilities. The element shall include: (a) 8 Estimates of park and recreation demand for at least a ten-year 9 period; (b) an evaluation of facilities and service needs; and (c) an 10 evaluation of intergovernmental coordination opportunities to provide 11 regional approaches for meeting park and recreational demand.
 - (9) It is the intent that new or amended elements required after January 1, 2002, be adopted concurrent with the scheduled update provided in RCW 36.70A.130. Requirements to incorporate any such new or amended elements shall be null and void until funds sufficient to cover applicable local government costs are appropriated and distributed by the state at least two years before local government must update comprehensive plans as required in RCW 36.70A.130.

Sec. 4. RCW 58.17.110 and 1995 c 32 s 3 are each amended to read 20 as follows:

- (1) The city, town, or county legislative body shall inquire into the public use and interest proposed to be served by the establishment of the subdivision and dedication. It shall determine:

 (a) If appropriate provisions are made for, but not limited to, the public health, safety, and general welfare, for open spaces, drainage ways, streets or roads, alleys, other public ways, transit stops, potable water supplies, sanitary wastes, parks and recreation, playgrounds, schools and schoolgrounds, and shall consider all other relevant facts, including sidewalks and other planning features that assure safe walking conditions for students who only walk to and from school; and (b) whether the public interest will be served by the subdivision and dedication.
- (2) A proposed subdivision and dedication shall not be approved unless the city, town, or county legislative body makes written findings that: (a) Appropriate provisions are made for the public health, safety, and general welfare and for such open spaces, drainage ways, streets or roads, alleys, other public ways, transit stops, potable water supplies, sanitary wastes, parks and recreation, playgrounds, schools and schoolgrounds and all other relevant facts,

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1 including sidewalks and other planning features that assure safe walking conditions for students who only walk to and from school; and 2 (b) the public use and interest will be served by the platting of 3 such subdivision and dedication. If it finds that the proposed 4 subdivision and dedication make such appropriate provisions and that 5 6 the public use and interest will be served, then the legislative body 7 shall approve the proposed subdivision and dedication. Dedication of land to any public body, provision of public improvements to serve 8 the subdivision, and/or impact fees imposed under RCW 82.02.050 9 through 82.02.090 may be required as a condition of subdivision 10 11 approval. Dedications shall be clearly shown on the final plat. No 12 dedication, provision of public improvements, or impact fees imposed under RCW 82.02.050 through 82.02.090 shall be 13 allowed that 14 constitutes an unconstitutional taking of private property. The legislative body shall not as a condition to the approval of any 15 16 subdivision require a release from damages to be procured from other 17 property owners.

(3) If the preliminary plat includes a dedication of a public park with an area of less than two acres and the donor has designated that the park be named in honor of a deceased individual of good character, the city, town, or county legislative body must adopt the designated name.

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- 23 (4) In approving a subdivision, dedication, or short subdivision
 24 under this chapter, a city, town, or county may rely on or refer to
 25 applicable water resources management rules adopted by the department
 26 of ecology to determine if appropriate provisions have been made for
 27 potable water supplies.
- NEW SECTION. Sec. 5. A new section is added to chapter 90.44 29 RCW to read as follows:
 - (1) A groundwater withdrawal that is exempt from the requirement to obtain a permit from the department under RCW 90.44.050 may not be deemed or considered to be causing impairment or injury to a base flow, minimum flow, minimum level, or other similar standard or policy, established by the department, regardless of the priority date of the base flow, minimum flow, minimum level, or other similar standard or policy.
- 37 (2) This section does not affect the ability of any person to 38 pursue a cause of action for the protection of any water right that

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- 1 is not a base flow, minimum flow, minimum level, or other similar
- 2 standard or policy, established by the department.
- 3 <u>NEW SECTION.</u> **Sec. 6.** If any provision of this act or its
- 4 application to any person or circumstance is held invalid, the
- 5 remainder of the act or the application of the provision to other
- 6 persons or circumstances is not affected.
- 7 NEW SECTION. Sec. 7. This act is necessary for the immediate
- 8 preservation of the public peace, health, or safety, or support of
- 9 the state government and its existing public institutions, and takes
- 10 effect immediately.

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