

SENATE BILL REPORT

ESB 5070

As Passed Senate, March 14, 1995

Title: An act relating to the study of the impact of growth management requirements on property values.

Brief Description: Requiring a study of the impact of the growth management act on property values.

Sponsors: Senators Haugen, Winsley, Drew, Sheldon and Fraser.

Brief History:

Committee Activity: Government Operations: 2/28/95, 3/1/95 [DP].
Passed Senate, 3/1/495, 46-3.

SENATE COMMITTEE ON GOVERNMENT OPERATIONS

Majority Report: Do pass.

Signed by Senators Haugen, Chair; Sheldon, Vice Chair; Drew, Heavey, McCaslin and Winsley.

Staff: Rod McAulay (786-7754)

Background: The Growth Management Act requires that certain counties in the state designate agricultural land, forest land, and mineral land within their boundaries. These counties must also establish urban growth boundaries to define areas in which urban services and urban growth will be accommodated. The act requires all counties and cities in the state to designate and protect critical areas. Critical areas include wetlands.

There is concern that in the process of designating special classes of land and in fixing urban growth boundaries, the value of privately owned property is reduced and it is argued that property owners should be compensated for any diminution in property value resulting from these actions, even if the impact does not meet the threshold requirements of an unconstitutional "taking."

It has also been asserted that land use regulations enhance private property values by preserving natural qualities and orderly development.

To assist in evaluating the cost and benefits of growth management activities, it is suggested that data be gathered regarding the actual impact of these regulations on property values.

The Growth Management Act requires the Attorney General, in consultation with the State Bar Association, to develop a continuing education course for local government and state agencies regarding government actions that may result in an unconstitutional taking of private property for public use. It is requested that this requirement be repealed, as the bar

association and other continuing legal education sponsors have independently provided numerous course offerings on this subject and can be expected to continue to do so.

Summary of Bill: The Department of Community, Trade, and Economic Development and the Department of Revenue, in cooperation with the offices of county assessors, are required to conduct a study of the negative and positive impact of implementation of the Growth Management Act on the market value of real estate. The study must include an analysis of the impact related to the designation of critical areas, agricultural land, forest land and mineral land and the fixing of urban growth boundaries. The departments are required to submit a report of their findings to the Legislature by January 1, 1996.

The requirement that the Attorney General, in consultation with the State Bar Association, develop a continuing education program on unconstitutional takings is repealed.

Appropriation: None.

Fiscal Note: Requested on February 21, 1995.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: Study should provide answers regarding the cost effectiveness of growth management. It will allay concerns and put facts on the table.

Testimony Against: None.

Testified: Scott Merriman, WA Environmental Council; Dave Williams, AWC; Steve Clagett, 1,000 Friends of WA.