H-3739.1		

## SUBSTITUTE HOUSE BILL 2186

State of Washington 63rd Legislature 2014 Regular Session

By House Local Government (originally sponsored by Representatives Takko, Orcutt, Reykdal, Fey, S. Hunt, Wilcox, Green, Haler, Buys, Blake, and Van De Wege)

READ FIRST TIME 01/30/14.

- 1 AN ACT Relating to local government selection of the appropriate
- 2 sewer systems as part of growth management; amending RCW 36.70A.110;
- 3 and creating new sections.

circumstances in urban growth areas.

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- 4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 5 NEW SECTION. Sec. 1. (1)The legislature finds 6 interpretations of the growth management act have unduly restricted communities and have added unnecessary cost and litigation to their 8 efforts to meet the sewage needs of their residents. The legislature 9 intends to grant local governments the authority to make decisions 10 related to the types and use of sewage systems based on particular
- 12 (2) The legislature finds that the growth management act grants 13 local governments the authority to decide what type of approved system 14 adequately provides sewer services, in accordance with state and 15 federal health standards.
- 16 **Sec. 2.** RCW 36.70A.110 and 2010 c 211 s 1 are each amended to read 17 as follows:
- 18 (1) Each county that is required or chooses to plan under RCW

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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 whether or not the urban growth area includes a city, or is adjacent to territory already characterized by urban growth, or is a designated new fully contained community as defined by RCW 36.70A.350.

(2) Based upon the growth management population projection made for the county by the office of financial management, the county and each city within the county shall include areas and densities sufficient to permit the urban growth that is projected to occur in the county or city for the succeeding twenty-year period, except for those urban growth areas contained totally within a national historical reserve. As part of this planning process, each city within the county must include areas sufficient to accommodate the broad range of needs and uses that will accompany the projected urban growth including, as appropriate, medical, governmental, institutional, commercial, service, retail, and other nonresidential uses.

Each urban growth area shall permit urban densities and shall include greenbelt and open space areas. In the case of urban growth areas contained totally within a national historical reserve, the city may restrict densities, intensities, and forms of urban growth as determined to be necessary and appropriate to protect the physical, cultural, or historic integrity of the reserve. An urban growth area determination may include a reasonable land market supply factor and shall permit a range of urban densities and uses. In determining this market factor, cities and counties may consider local circumstances. Cities and counties have discretion in their comprehensive plans to make many choices about accommodating growth.

Within one year of July 1, 1990, each county that as of June 1, 1991, was required or chose to plan under RCW 36.70A.040, shall begin consulting with each city located within its boundaries and each city shall propose the location of an urban growth area. Within sixty days of the date the county legislative authority of a county adopts its resolution of intention or of certification by the office of financial

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management, all other counties that are required or choose to plan under RCW 36.70A.040 shall begin this consultation with each city located within its boundaries. 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 adequate existing public facility and service capacities to serve such development, second in areas already characterized by urban growth that will be served adequately 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, and third in the remaining portions of the urban growth areas. Urban growth may also be located in designated new fully contained communities as defined by RCW 36.70A.350.
- (4)(a) In general, cities are the units of local government most appropriate to provide urban governmental services. However, cities and counties may allow approved and conforming on-site sewage systems that meet applicable codes and standards as an alternative to mandatory sanitary sewer system connections for existing, individual, on-site sewage systems if: (i) The property served by the on-site sewage system is located within existing development of an urban growth area; and (ii) the cost to a property owner to connect to a sanitary sewer system is cost prohibitive. In general, it is not appropriate that urban governmental services be extended to or expanded in rural areas except in those limited circumstances shown to be necessary to protect basic public health and safety and the environment and when such services are financially supportable at rural densities and do not permit urban development.
  - (b) For the purposes of this subsection (4):
- (i) "Cost prohibitive" means that the cost to a property owner to

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connect to a sanitary sewer system exceeds the total installed cost of a site-specific, approved on-site sewage system by the greater of either fifteen percent or five thousand dollars;

- (ii) "Cost of an approved on-site sewage system" includes all direct and indirect costs associated with the design, application, permitting, approval, installation, material, and other appurtenances, including final inspection of the on-site system;
- (iii) "Cost to a property owner to connect to a sanitary sewer system" includes all direct and indirect costs associated with the requirement of the property owner to connect; and
- (iv) "Existing" means in existence when the city or county is considering whether to allow an approved and conforming on-site sewage system in accordance with (a) of this subsection (4).
- (5) On or before October 1, 1993, each county that was initially required to plan under RCW 36.70A.040(1) shall adopt development regulations designating interim urban growth areas under this chapter. Within three years and three months of the date the county legislative authority of a county adopts its resolution of intention or of certification by the office of financial management, all other counties that are required or choose to plan under RCW 36.70A.040 shall adopt development regulations designating interim urban growth areas under this chapter. Adoption of the interim urban growth areas may only occur after public notice; public hearing; and compliance with the state environmental policy act, chapter 43.21C RCW, and under this section. Such action may be appealed to the growth management hearings board under RCW 36.70A.280. Final urban growth areas shall be adopted at the time of comprehensive plan adoption under this chapter.
- (6) Each county shall include designations of urban growth areas in its comprehensive plan.
- (7) An urban growth area designated in accordance with this section may include within its boundaries urban service areas or potential annexation areas designated for specific cities or towns within the county.
- (8)(a) Except as provided in (b) of this subsection, the expansion of an urban growth area is prohibited into the one hundred year floodplain of any river or river segment that: (i) Is located west of the crest of the Cascade mountains; and (ii) has a mean annual flow of

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one thousand or more cubic feet per second as determined by the department of ecology.

- (b) Subsection (8)(a) of this section does not apply to:
- (i) Urban growth areas that are fully contained within a floodplain and lack adjacent buildable areas outside the floodplain;
- (ii) Urban growth areas where expansions are precluded outside floodplains because:
- 8 (A) Urban governmental services cannot be physically provided to 9 serve areas outside the floodplain; or
  - (B) Expansions outside the floodplain would require a river or estuary crossing to access the expansion; or
    - (iii) Urban growth area expansions where:

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- (A) Public facilities already exist within the floodplain and the expansion of an existing public facility is only possible on the land to be included in the urban growth area and located within the floodplain; or
- (B) Urban development already exists within a floodplain as of July 26, 2009, and is adjacent to, but outside of, the urban growth area, and the expansion of the urban growth area is necessary to include such urban development within the urban growth area; or
- (C) The land is owned by a jurisdiction planning under this chapter or the rights to the development of the land have been permanently extinguished, and the following criteria are met:
- (I) The permissible use of the land is limited to one of the following: Outdoor recreation; environmentally beneficial projects, including but not limited to habitat enhancement or environmental restoration; storm water facilities; flood control facilities; or underground conveyances; and
- 29 (II) The development and use of such facilities or projects will 30 not decrease flood storage, increase storm water runoff, discharge 31 pollutants to fresh or salt waters during normal operations or floods, 32 or increase hazards to people and property.
- 33 (c) For the purposes of this subsection (8), "one hundred year floodplain" means the same as "special flood hazard area" as set forth in WAC 173-158-040 as it exists on July 26, 2009.
- NEW SECTION. Sec. 3. (1) The legislature recognizes that issues related to the transition between on-site sewage systems and community

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sanitary sewage systems are complex. In addition to potential connection costs to individual property owners that can be substantial, there are significant service, financing, and environmental issues that a sanitary sewer system service provider must consider when deciding whether to exercise its authority to require a connection to a sewer system or, in limited circumstances, decline to exercise that authority.

(2) By November 1, 2015, the department of commerce must update its guidance to sanitary sewer system service providers with respect to factors that the department recommends the service providers consider when determining whether to exercise their authority to mandate connections to sanitary sewer systems. In complying with this subsection (2), the department must, at a minimum, consult with stakeholders representing: (a) On-site septic operators; (b) cities; (c) counties; (d) special purpose districts; (e) the environmental community; and (f) the business community.

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