

Multiple Agency Fiscal Note Summary

Bill Number: 5834 SB	Title: Urban growth areas
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Estimated Cash Receipts

NONE

Agency Name	2023-25		2025-27		2027-29	
	GF- State	Total	GF- State	Total	GF- State	Total
Local Gov. Courts						
Loc School dist-SPI						
Local Gov. Other	No fiscal impact					
Local Gov. Total						

Estimated Operating Expenditures

Agency Name	2023-25				2025-27				2027-29			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Department of Commerce	.2	62,186	62,186	62,186	.0	0	0	0	.0	0	0	0
Environmental and Land Use Hearings Office	.0	0	0	0	.0	0	0	0	.0	0	0	0
Total \$	0.2	62,186	62,186	62,186	0.0	0	0	0	0.0	0	0	0

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI									
Local Gov. Other	No fiscal impact								
Local Gov. Total									

Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Department of Commerce	.0	0	0	.0	0	0	.0	0	0
Environmental and Land Use Hearings Office	.0	0	0	.0	0	0	.0	0	0
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI									
Local Gov. Other	No fiscal impact								
Local Gov. Total									

Estimated Capital Budget Breakout

Prepared by: Cheri Keller, OFM	Phone: (360) 584-2207	Date Published: Final 1/ 8/2024
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Individual State Agency Fiscal Note

Bill Number: 5834 SB	Title: Urban growth areas	Agency: 103-Department of Commerce
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.1	0.3	0.2	0.0	0.0
Account					
General Fund-State 001-1	16,144	46,042	62,186	0	0
Total \$	16,144	46,042	62,186	0	0

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Maggie Douglas	Phone: 3607867279	Date: 01/02/2024
Agency Preparation: Buck Lucas	Phone: 360-725-3180	Date: 01/04/2024
Agency Approval: Gwen Stamey	Phone: (360) 790-1166	Date: 01/04/2024
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 01/04/2024

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

Section 1 amends RCW 36.70A.110, adding a new subsection (8), which outlines the option for a county, during the annual review under 36.70A.130(2)(a), to revise their urban growth area if the pattern of development has created pressures in areas that exceed available, developable land within the urban growth area (UGA). The bill includes the following criteria for the UGA revisions: (1) no increase in total surface area of the UGA, (2) added areas are not agricultural, forest or mineral resources lands of long-term importance, (3) less than 15% of the areas added are critical areas, (4) added areas are suitable for urban growth, (5) consistent with transportation element and capital facilities element (identified services and funding for those services), and (6) areas removed do not include urban growth or urban densities (urban growth is defined in the growth management act (GMA)).

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Agency Assumptions:

The Department of Commerce (department) will engage in rulemaking to implement the new provisions to modify Chapter 365-196 WAC, and update to our guidebook and other technical assistance materials. To provide by rule how the patterns of development that have created pressure in areas that exceed the buildable lands within the urban growth area are to be determined.

To complete this work, the department will require:

0.10 FTE Commerce Specialist 3 (209 hours) in FY24 and 0.25 FTE (522 hours) in FY25 to support rule development; to revise the current guidebook and technical assistance amendments; and to develop of guidance for GMA and Comprehensive Plans.

Salaries and Benefits:

FY24: \$11,426

FY25: \$28,890

Goods and Services:

The department assumes Assistant Attorney General consultation of \$5,250 will be required in FY25 to complete rulemaking, estimated 25 hours at \$210 per hour.

FY24: \$959

FY25: \$7,647

Intra-agency Reimbursements:

FY24: \$3,759

FY25: \$9,505

Note: Standard goods and services costs include supplies and materials, employee development and training ,Attorney

General costs, central services charges and agency administration. Intra-agency-administration costs (e.g. payroll, HR, IT) are funded under a federally approved cost allocation plan.

Total Costs:
 FY24: \$16,144
 FY25: \$46,042

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	16,144	46,042	62,186	0	0
Total \$			16,144	46,042	62,186	0	0

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.1	0.3	0.2		
A-Salaries and Wages	8,452	21,130	29,582		
B-Employee Benefits	2,974	7,760	10,734		
C-Professional Service Contracts					
E-Goods and Other Services	959	7,647	8,606		
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements	3,759	9,505	13,264		
9-					
Total \$	16,144	46,042	62,186	0	0

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

Job Classification	Salary	FY 2024	FY 2025	2023-25	2025-27	2027-29
Administrative Services - Indirect	111,168	0.0	0.0	0.0		
Commerce Specialist 3	84,518	0.1	0.3	0.2		
Total FTEs		0.1	0.3	0.2		0.0

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Amend WAC 365-196-310 at a minimum, and the department may create a new section to address the proposed changes.

Individual State Agency Fiscal Note

Bill Number: 5834 SB	Title: Urban growth areas	Agency: 468-Environmental and Land Use Hearings Office
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Maggie Douglas	Phone: 3607867279	Date: 01/02/2024
Agency Preparation: Dominga Soliz	Phone: 3606649173	Date: 01/04/2024
Agency Approval: Dominga Soliz	Phone: 3606649173	Date: 01/04/2024
OFM Review: Lisa Borkowski	Phone: (360) 742-2239	Date: 01/06/2024

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

Section 1 (8) Amends RCW 36.70A.110 by permitting redesignation of Urban Growth Areas (UGAs) (with certain restrictions on which lands may be included) without a corresponding population increase from the Office of Financial Management (OFM) if the county determines, at its annual review, an area of its county is experiencing a pattern of growth.

Conflicts over whether UGA expansion was proper or required is a frequent issue before the Growth Management Hearings Board (GMHB) and may increase petitions before the GMHB.

However, at this point, it is estimated that any impacts to the GMHB are minimal and absorbed by the GMHB and existing ELUHO personnel.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

None

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

None

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

None

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

Bill Number: 5834 SB

Title: Urban growth areas

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

Legislation Impacts:

- Cities:
- Counties: Counties may revise urban growth area boundaries to accommodate identified patterns of development, and likely future development pressure, for the next 20 year period. This act would have no fiscal impact as it is a local option for counties.
- Special Districts:
- Specific jurisdictions only:
- Variance occurs due to:

Part II: Estimates

- No fiscal impacts.
- Expenditures represent one-time costs:
- Legislation provides local option: Revising urban growth area boundaries on the basis of existing development patterns. Costs may start at \$35,000, per county, that take the local option.
- Key variables cannot be estimated with certainty at this time:

Estimated revenue impacts to:

None

Estimated expenditure impacts to:

None

Part III: Preparation and Approval

Fiscal Note Analyst: Jordan Laramie	Phone: 360-725-5044	Date: 01/08/2024
Leg. Committee Contact: Maggie Douglas	Phone: 3607867279	Date: 01/02/2024
Agency Approval: Allan Johnson	Phone: 360-725-5033	Date: 01/08/2024
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 01/08/2024

Part IV: Analysis

A. SUMMARY OF BILL

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

This legislation would amend the current urban growth area (UGA) statute of the Growth Management Act.

If a county determines that patterns of development have created pressure in areas that exceed available developable lands within a UGA, the UGA boundary may be revised to accommodate such identified and likely future development. However, the UGA boundary may only be revised in this way if the following conditions are met:

- That the revision may not result in an expansion of the total surface areas of the urban growth area.
- The areas added to the urban growth area are not or have not been designated as agricultural, forest, or mineral resource lands of long-term commercial significance.
- No more than 15 percent of the area added to the urban growth areas are critical areas.
- The areas added to the urban growth area are suitable for urban growth.
- The areas removed from the urban growth area do not include urban growth or urban densities.
- The revised urban growth area is contiguous.
- The planning jurisdiction's transportation element and capital facilities plan element have identified the facilities and services needed to serve urban growth, as well as, the funding to support these services.

This act would go into effect 90 days after adjournment of session in which it passes the legislature.

B. SUMMARY OF EXPENDITURE IMPACTS

Expenditure impacts of the legislation on local governments with the expenditure provisions identified by section number and when appropriate, the detail of expenditures. Delineated between city, county and special district impacts.

This act would have no fiscal impact because the bill does not require counties that fully plan under the Growth Management Act to take action. As a local option, fully planning counties, and the cities within them, would have greater discretion to make urban growth area (UGA) boundary revisions than existing statute.

Determination of whether UGA revisions would be necessary would vary by jurisdiction. The number of counties that take the local option cannot be known in advance.

FOR COUNTIES THAT CHOOSE THE LOCAL OPTION:

Anticipated costs would start at approximately \$35,000 per county that take the local option to revise a UGA boundary, as prescribed by this act. These costs would be higher in counties with more UGAs, such as the central Puget Sound region, because analysis to review existing and future patterns of development would be more extensive. Any revision must adhere to state and local laws, as well as countywide planning policies.

The Washington State Association of Counties indicate that this work would involve analysis of existing and revised boundaries, briefings, work sessions, and hearings. Planning department staff would research patterns of development as well as local UGA code, prepare the staff reports, draft and revise ordinances with the help of counsel before final publication, and prepare other materials in print and digital media to advance the boundary revision. Then planning staff would work with the county's planning commission, any general government committees, and board of county council for approval of the UGA boundary revision.

A similar process would be undertaken in any impacted cities who have boundary revision requirements if a county chooses the local option. In such cities, a similar and corresponding action to update and approve UGA boundary revisions would occur through the local planning department and the city council.

C. SUMMARY OF REVENUE IMPACTS

Revenue impacts of the legislation on local governments, with the revenue provisions identified by section number, and when appropriate, the detail of revenue sources. Delineated between city, county and special district impacts.

This legislation would not impact local government revenue.

SOURCES:

Local Government Fiscal Note Program, FN SB 5593 (2022)

Municipal Research and Services Center, Growth Management Act

Municipal Research and Services Center, Buildable Lands Program

Senate Bill Analysis, SB 5593 (2022)

Senate Housing & Local Government Committee Testimony, Jan. 12, 2022

Washington State Association of Counties