July 17, 2026

Challenges of Growth Management Act Provisions Related to Urban Growth Areas and City Annexations

I. Objectives

The intent of the Growth Management Act (GMA) is to focus urban growth within Urban Growth Areas (UGAs), with cities and counties coordinating land use and cities providing urban services. However, more than 35 years later, that vision has only been partially realized. The resulting development patterns have led to financial and infrastructure strain, political friction, and governance challenges that undermine effective UGA development, including erratic and disjointed responses to urgent housing needs.

The near-term objective of this preliminary assessment is to identify the evolving intent and effectiveness of current approaches to UGA management. The assessment presents preliminary findings and highlights core issues that prevent unincorporated UGAs from becoming part of cities. It sets the stage for collaborative work with stakeholders and legislators in the summer and fall of 2026. The assessment's longer-term objective is to build support for workable solutions to implement the GMA's vision for UGAs.

American Planning Association
Washington Chapter
Creating Great Communities for All

The American Planning Association (APA) is a national organization dedicated to serving the broad public interest and building great communities. The Washington Chapter (APA WA) membership includes about 1,400 professional and citizen planners who work for state, regional, tribal, and local governments, non-profit, and private sector clients, and for state universities as planning educators and students. APA WA prepares policy positions informed by APA National policy guidelines and state chapters' adopted legislative priorities.

About the authors

This paper is the combined effort of over a dozen Chapter members who have extensive technical and policy experience at all levels of planning in the state of Washington, including senior management roles. Their expertise and perspectives are informed by more than 300 years of collective experience serving communities in the State of Washington.

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II. Current Challenges and Context

One of the greatest challenges facing Washington families and communities is the cost of and access to housing. Meanwhile, our local governments are facing unprecedented fiscal challenges, restricting their ability to address housing needs. A strategic review is necessary to support local government response to the fiscal, housing, and infrastructure needs of our communities.

The state needs to add another million housing units in the coming 20 years.[1] This need has been the focus of dozens of amendments to GMA and efforts by cities and counties to adopt plans and regulations to provide capacity for new housing.

While recent legislation is prompting cities to do more to plan for housing, fundamental elements of GMA impact how housing goals can be achieved. A large portion of housing growth is occurring outside of cities, within the unincorporated urban area, and often in forms incompatible with city plans and standards. Meanwhile, counties are in a precarious financial position. Counties have limited ability to support the long-term costs associated with development of urban unincorporated areas.

In fact, at a June 11, 2026 work session of the House Local Government Committee of the Washington State Legislature[2], representatives of local governments and the building industry identified several issues related to urban growth areas and the need to address state laws that govern fiscal resources, regulations, annexation, and inter-governmental coordination to address housing. The stakeholder representatives presented specific details[3] and expressed general agreement that improvements to state statutes are needed to achieve GMA planning goals.

One objective of the GMA is eventually to transform unincorporated UGA lands into incorporated cities, either through their annexation to adjacent cities or through their incorporation as new cities. The concept of UGA transition from county to city jurisdiction was articulated in an early Growth Management Hearings Board decision which held:

"A major purpose of countywide planning policies is to ***facilitate the transformation of local governance*** *such that cities become the primary providers of urban governmental services within the urban growth area. …Further, when these citations in the Act are read together, they lead to a conclusion that can be paraphrased as '****that which is urban should be municipal.****'" [Emphasis added.] City of Snoqualmie v. King County (1992).*[4]

This UGA objective has evolved and become more explicit through state studies such as the *Road Map to Washington's Future* (2019)[5], and the *Vision 2050 Regional Plan*[6] adopted by the Puget Sound Regional Council (2020).

III. History – how did we get here?

A. 1889 to 1990

By the late 1930s, Washingtonians had gradually begun to settle outside of cities as new roads, bridges, and inexpensive land made it more appealing to live in the suburbs and commute from home to work. Industries also drew people outside of the large cities to suburban towns and rural areas, as they, too, sought cheaper land and easier transportation access for their services.

By 1988, over 50% of the state's population resided outside incorporated cities. Consequently, fragmented and blurred roles and authorities among cities, counties, and special districts created confusion, conflict, and competition.[7]

The *Quiet Crisis of Local Governance in Washington* (1988)[8] articulated the need for a clearer definition of the role of cities as urban service providers. That report inspired the GMA language at Revised Code of Washington (RCW) 36.70A.110 and 36.70A.210, which state that cities are the units of local government that are most appropriate to provide urban governmental services, including water and sewer. Urban services may be extended to the UGA; however, expansion of urban services outside of UGAs is largely prohibited except when necessary to protect public health or the environment.

B. 1990 to 2026 – the Growth Management Era

1. GROWTH MANAGEMENT ACT (GMA)

The GMA provides a framework for state agencies, regional, and local governments to accommodate and efficiently serve urban growth, designate and conserve working resource lands[9], and designate and protect environmentally critical areas.[10] The GMA also requires that all lands within the 29 "fully planning counties" be designated as one of three mutually exclusive types: urban growth areas[11], resource lands, and rural lands.[12]

While the GMA requires considering each of its 15 planning goals, the primary guidance goals relevant to UGAs are Planning Goals 1, 2 and 4, which read:

> **Planning Goal 1:** "Urban Growth. Encourage development in urban areas where adequate public facilities and services exist or can be provided in an efficient manner."
>
> **Planning Goal 2:** "Reduce sprawl.[13] Reduce the inappropriate conversion of undeveloped land into sprawling, low-density development."
>
> **Planning Goal 4:** "Housing. Plan for and accommodate housing affordable to all economic segments of the population of this state, promote a variety of residential densities and housing types, and encourage preservation of existing housing stock."

a. GMA General Authorities

The GMA makes an important distinction between the roles and responsibilities of cities and those of counties. RCW 36.70A.110 states: "(4) In general, cities are the units of local government most appropriate to provide urban governmental services." Further, RCW 36.70A.210 states: "(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."
Key requirements for both cities and counties include:

- **Comprehensive Planning:** Cities and counties must coordinate to designate UGAs and create long-term comprehensive plans that align with state goals[14].

- **Accommodating 20-Year Population:** All fully planning counties must work with cities to ensure there is sufficient land in the combination of city limits and unincorporated UGAs to accommodate the forecasted 20-year population, and associated housing allocations.[15] Certain high-growth counties must regularly monitor development data to confirm their UGAs still have enough capacity for the required 20-year supply of housing and commercial land.

- **Expansion:** UGA boundaries can only be expanded if the county demonstrates that current land supply with the combination of city limits and unincorporated UGAs is insufficient for forecasted population and housing growth and to address development pressures.[16]

b. GMA Changes over Time

1990: The Birth of GMA
The GMA became law in 1990 to address "unchecked growth," traffic congestion, and suburban sprawl. While it established goals, it did not initially mandate the specific "countywide" framework we see today.

1991: The Requirement for Countywide Planning Policies (CPPs)
The requirement for "fully planning" counties to adopt CPPs was added in 1991.

1992: First Adoptions
Major counties began adopting their first sets of CPPs. King County adopted its initial policies in July 1992, which established its first UGAs.[17] All other fully planning counties adopted their CPPs, which was a requirement for comprehensive plan grant funding from the state.

1995: Regional Integration
In the Puget Sound region, the VISION 2020 plan was updated to include MPPs, which then influenced how individual counties within the Puget Sound region updated their own CPPs. 37 of the state's 39 counties belong to Regional Transportation Planning Organizations (RTPOS) to coordinate and create consistency in transportation planning. Any of these counties may adopt multi-county planning policies under the GMA, although only King, Pierce, Snohomish, and Kitsap have done so as the Puget Sound Regional Council (PSRC).

2012 – Present: Modern Updates
CPPs (and MPPs) are periodically revised to align with changing state requirements regarding housing, climate change, and environmental justice and in the Puget Sound region, to align with VISION 2050. However, most CPPs have not been updated, or have had only minor updates since their original adoption.

2. URBAN GROWTH AREAS (UGAs)

a. Purpose of UGAs

UGAs are designated lands in which urban services are key to encourage and support their intensive development. The primary purpose of UGAs is to limit growth to areas already characterized by urban development patterns to protect rural lands and natural resources such as working farms and forests. UGAs support GMA planning goals in different ways:

- **Conserving Resource Lands:** By directing growth toward urban centers, UGAs help protect vital industries such as agriculture, forestry, mineral extraction, and ecotourism located on non-urban lands. UGAs limit "leapfrog" development that converts undeveloped rural and resource lands into low-density housing.

- **Accommodating Future Growth:** Counties must ensure their UGAs contain enough buildable land to house the projected population and employment growth for the next 20 years.

- **Promoting Efficient Provision of Infrastructure:** Designating cities within the municipal UGA as the appropriate provider of public services (e.g., sewer, water, and transit) serves the needs of development more efficiently and cost-effectively as it maximizes the use of existing systems. In turn, it also reduces the cost of public services and the tax burden on property owners.

- **Encouraging Density:** UGA land must be developed at urban densities, typically meaning a minimum of four residential units per acre. This rate compares to much lower densities allowed in rural areas, typically one residential unit per five acres or more.

b. State Fiscal Framework and UGAs

The unincorporated portions of UGAs are primarily low-density urban developments on relatively large lots because these land uses are less financially desirable for cities to annex than are commercial and industrial areas.

Existing state laws requiring local governmental services, and limited revenue to pay for those services, put Washington local governments in a fiscally unsustainable position.[18] This is a fact for cities as well as counties. In the past, this fiscal dilemma was masked by the initial burst of one-time fees and tax revenues without considering the ongoing costs to provide services to new development. In APA WA members' experience, annexation studies have consistently shown that where housing is both expensive and in short supply, revenues associated with new growth simply cannot keep up with the actual costs of extending urban services and maintaining associated infrastructure over time.

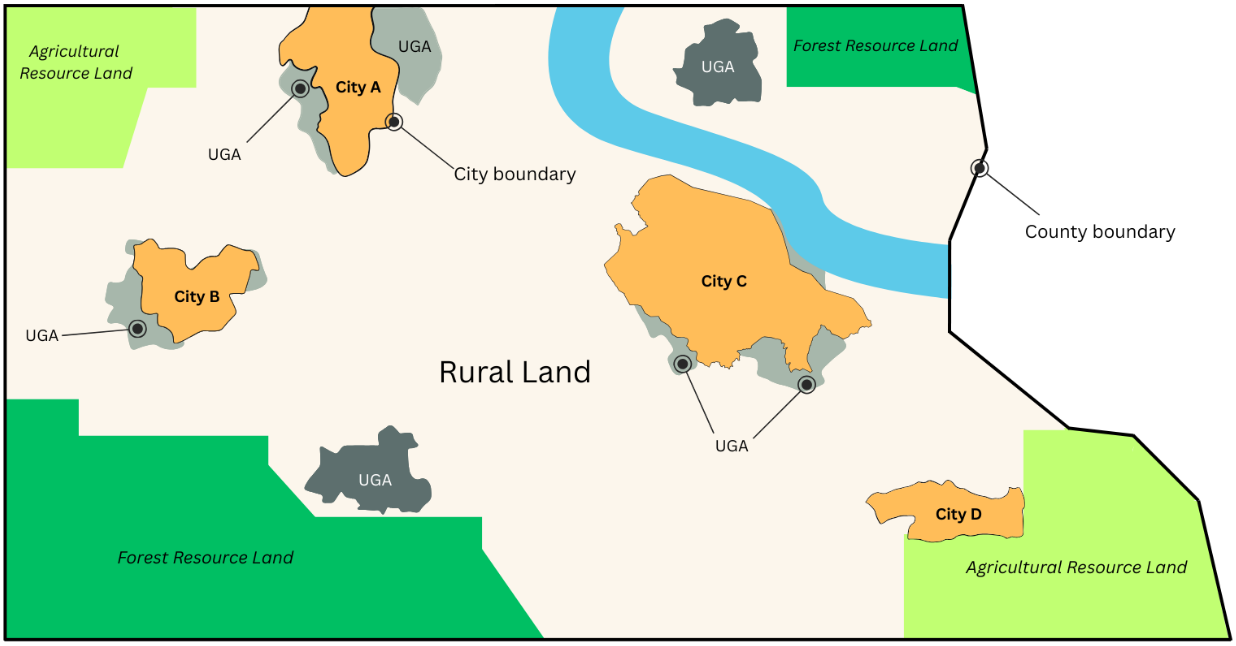
A study in Snohomish County found that single family residential zoned land contributes considerably less in overall property taxes than do other residential or commercial land use types. This financial difference can cause cities to avoid annexing primarily single family residential-developed areas.[19] Ultimately, it leads to cities not annexing their planned UGAs, resulting in significant areas of urban lands under county jurisdiction.

c. UGA Designation and Boundary Changes

Counties, in consultation with cities, have the authority to designate UGAs. The UGA, which is inclusive of city limits, is where urban growth can and should occur. The unincorporated UGA boundary is now based on four allocations: the 20-year population prediction, housing at all income brackets, zoning schemes, and land capacity analysis. Counties complete their responsibilities via comprehensive plan updates.

While most UGAs are associated with cities, there are some unincorporated UGAs that are not. These UGAs are entirely under the authority of counties. The county must assign part of its population allocation to the unincorporated UGAs and have a plan to provide them with urban services. UGAs not associated with cities must be included in the county's capital facilities element of the Comprehensive Plan. See Figure 1.

Figure 1: GMA Land Use Designations - UGAs, Rural, and Resource Lands



The collective urban growth area depicted in the county in Figure 1 consists of four cities and five unincorporated UGAs. Two UGAs are standalone, while three will annex to their adjacent cities (A, B, and C). The remainder of the county is designated as rural or resource land.

d. County and City UGA Responsibilities

Counties are required to allocate the 20-year population projection, provided by the Office of Financial Management (OFM), between their cities, urban unincorporated, and rural areas.[20] As of 2022, counties must use the Housing for All Planning Tool (HAPT), developed by the Department of Commerce, to allocate housing at all income brackets to cities and the rural areas.[21]

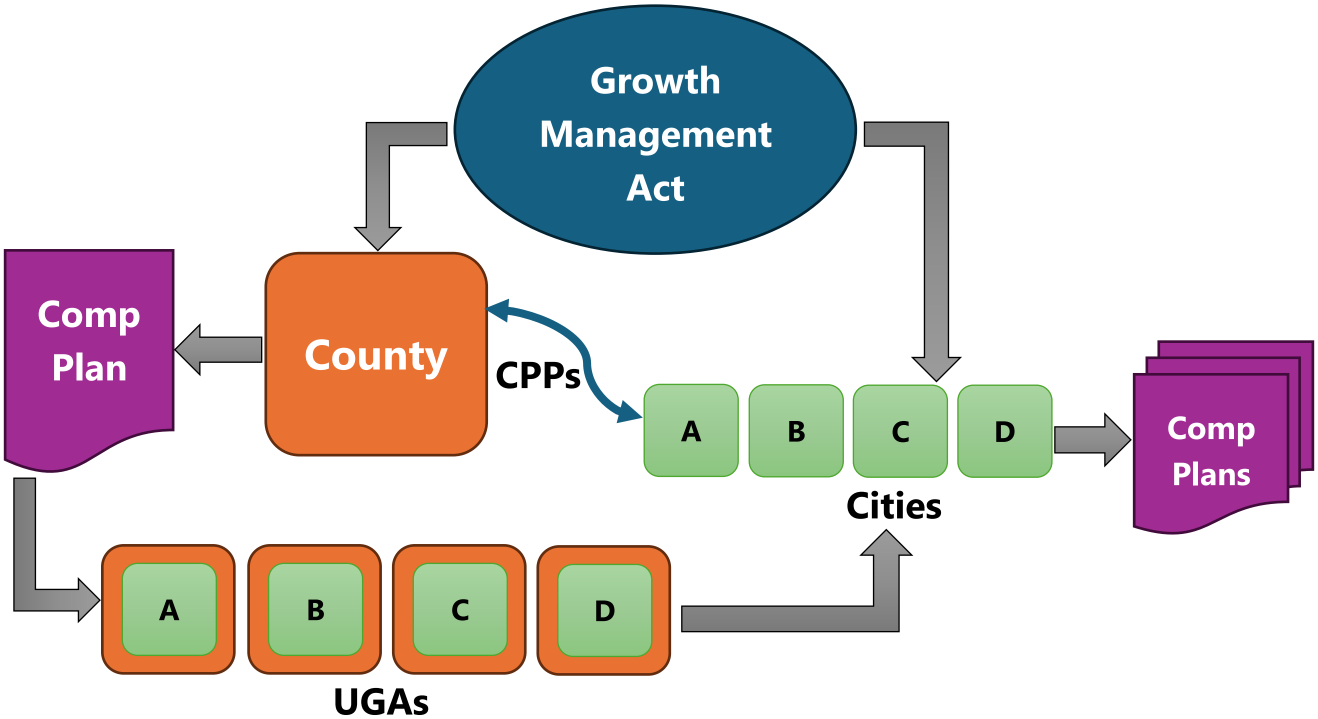
Following these allocations, counties, in coordination with cities, must update their land capacity analysis to ensure that existing unincorporated UGAs and rural areas can accommodate the remaining allocations. If those allocations cannot be accommodated in the rural areas or existing UGAs, then counties are required to evaluate changes to the UGAs to ensure the population and housing allocations can be accommodated.

When planning for these allocations, counties must first consider allowed development types and densities in the unincorporated UGAs. Then counties may consider changes to UGA boundaries. Although many counties have interlocal agreements with cities to allow city zoning designations and development regulations to apply in the unincorporated UGAs, as described below, the unincorporated UGA lands remain under county jurisdiction, and the county is ultimately responsible for ensuring compliance with the GMA within the unincorporated UGA.

The GMA states, "Cities are primary providers of urban governmental services within urban growth areas."[22] As a result, cities must update their capital facilities plan to demonstrate how they will adequately serve the UGA over the 20-year planning horizon. Coordination between counties and cities is critical when designating UGAs to ensure the UGA boundaries are limited to areas that the city plans to serve. However, the GMA does not *require* that a city annex the UGA when it provides services or before development occurs.

Figure 2 is a simplified process for designating UGAs. Under GMA, counties first coordinate with cities via the CPPs to allocate population projection and housing for all income levels across the county and its associated cities. Cities then update their capital facilities plans and adjust their comprehensive plans to ensure that they can accommodate the population and housing growth plus provide urban services over the 20-year planning horizon. Next, counties complete their periodic comprehensive plan updates, including designating UGAs for each city as well as the UGA boundaries. Finally, individual cities use their specific population and housing allocations within the designated UGA and complete their periodic comprehensive plan updates.

Figure 2: City-Associated UGA Designation Process, Simplified



Counties can consider swapping unincorporated UGA lands annually to address development pressures, provided the total acreage remains the same. UGAs are required to have a logical outer boundary; however, swaps cannot contain more than 15% critical areas and cannot include floodplain, except under very limited circumstances. In practice, these two provisions, logical outer boundary and less than 15% critical area, have proven to be a challenging requirement to meet.

Another challenge for using the UGA swap option is the fact that when UGAs were first designated 36 years ago, some counties intentionally established UGA boundaries significantly larger than necessary to accommodate 20 years of growth. Those counties have reported that it is now difficult to un-designate UGA because they meet with resistance from cities and developers who want to maintain options for future development.

e. UGA Co-Management

Planning for the unincorporated UGA associated with cities requires a coordinated effort because the UGA land remains the county's jurisdiction until the time it is annexed by the city. The GMA requires that UGAs are zoned for urban densities and that it allows for the expansion of city services. Many counties use interlocal agreements to specify how to co-manage UGAs. For example, a county may adopt the city's zoning designations and development regulations to apply in the unincorporated UGA.

Cities must include the UGA in their capital facilities plans and also plan for expanding their urban services in these areas.[23] However, the county is required to retain authority over public rights-of-way in the unincorporated UGA. While counties may adopt city zoning designations and development regulations for unincorporated UGAs, many opt not to due to the lack of funding and resources to maintain urban transportation infrastructure.

In 2026, Washington State legislators introduced HB 2201, which would have required counties to adopt city zoning designations and development regulations within the unincorporated UGA. This requirement was intended to provide opportunities for more affordable housing. However, opponents of the bill—largely county governments—pointed out that because every county addresses unincorporated UGA development based on local needs, requiring city zoning designations and development regulations without requiring annexation may worsen the coordination issues many jurisdictions already face.

3. COUNTYWIDE PLANNING POLICIES

Countywide Planning Policies (CPPs) are the GMA's mechanism for inter-jurisdictional coordination among counties, cities, and any interested federally recognized tribal governments. Pursuant to RCW 36.70A.210, a "countywide planning policy" is a written policy statement or statements used solely for establishing a countywide framework from which county and city comprehensive plans are developed and adopted. The GMA also authorizes "multicounty planning policies" (MPPs), which are regional frameworks adopted by two or more contiguous counties, each with a population of 450,000 or more. These frameworks ensure that city and county comprehensive plans are consistent as required in RCW 36.70A.100. Counties, consulting with their cities, have considerable flexibility in what is included in those policies. Counties have the ultimate authority as the adopting jurisdiction.

Annexation can be addressed through Countywide Planning Policies, including thresholds, timing, etc.

IV. ANNEXATION

A. Purpose

Annexation is the process of incorporating land within the UGA into city limits as the city grows and provides urban services (e.g., water, sewer, transportation) that support urban density of development. Cities charge rates and fees associated with services, and often those rates and fees are higher for properties located outside the city limits. Residents living in unincorporated UGAs cannot vote for officials making decisions regarding rates and fees. These factors, paired with the policy goals of the GMA, make it the best interest of property owners in UGAs who receive urban services from cities to be incorporated into the city limits. However, there is no requirement in state law for cities to annex the unincorporated UGA, even if they provide city services in those areas.

Prior to 2020, the annexation process required petition or affirmative votes of a majority of residents in the annexation area. This often led to annexation boundaries designed around those who were in favor of the annexation rather than the logical provision of municipal services. More often, annexations happened in smaller, piecemeal sections or not at all. As a result, large sections of unincorporated UGAs remain today.

B. Annexation Methods

Code cities use three primary methods of annexation that are relevant to this discussion: 1) the Direct Petition Method (60% petition); 2) the Election Method; and 3) the Interlocal Agreement Method. Similar statutory annexation methods also exist for both first class cities and towns.

1. Direct Petition[24]

This method first requires 10% of property owners of the area to submit an annexation petition to the City Council. If accepted, the annexation proceeds, but at least 60% of the property owners (represented by assessed value) must sign it. Because of the time and resources involved in this process, a developer or property owner with a personal interest often initiates this petition process. Area residents can be less trusting when this is the case, and municipal services and overall residential benefits tend to be secondary to specific developments and their impact.

2. Election[25]

This method can be initiated by petition or resolution and requires a ballot proposition. A majority of the voters living in the annexation area and who had voted in the previous election must vote in favor of the proposition. This method is costly and cumbersome for municipalities to undertake, so it is less common than the petition method. The other concerns are the state and local prohibitions on using public resources to promote or oppose a ballot measure[26], which can cause some cities and towns to avoid the method altogether for fear of legal risk.

3. Interlocal Agreement[27]

The Interlocal Agreement methods were added to statute in 2020 to encourage code-cities and towns to annex their UGAs through an interlocal (ILA) agreement between the city and county. The statutes require additional public notice and require both agencies to hold public hearings prior to accepting the ILA. Under one option, during ILA negotiation, the county and city must notify special districts within the annexation area about an opportunity to be party to the agreement. Several counties have used these methods – Lewis and Snohomish counties, and cities that include Lacey, Lake Stevens, and Woodway. However, some oppose this method and view it as a circumvention of the public process. In some instances, this has led to appeals that could make jurisdictions hesitant to use this process, counter to its intent.

C. Why Annexation Has Not Happened

RCW 36.70A.030 defines urban services to include "those public services and public facilities at an intensity historically and typically provided in cities". This definition in GMA, along with the subsequent *City of Snoqualmie v. King County* case, point to the assumption that cities would annex the unincorporated UGA over the 20-year planning period. However, the GMA does not require annexation. In many counties, the unincorporated UGA has been developed to urban densities, with urban services, but without annexation. Many potential reasons show why this has become the norm.

First are the economic barriers to annexation. Counties are not funded to plan for urban development nor to maintain urban infrastructure, but they are often left doing so for developed UGAs that cities are unwilling or unable to annex. Once the UGA is developed to urban densities, the cost of annexation to the city becomes prohibitive, and annexation does not occur.

Recent testimony before the House Local Government Committee of the Washington State Legislature by the Association of Washington Cities (AWC) on June 11, 2026[2] noted that cities are generally unwilling or unable to annex areas of the UGA developed to urban densities and with urban infrastructure. It brings them increased costs, such as policing the newly annexed areas, and these costs are usually not offset by the increase in tax base the annexed area brings. Cities are often more eager to annex commercial and industrial properties that, in most cases, pay more in taxes and create more benefits in overall economic activity than they require in services.

An additional challenge of unincorporated UGA developed to urban densities is a resident population that has grown accustomed to their situation. They often identify as part of the adjacent city, but they are county residents. They do not see any benefit based on their perception that annexation means that their taxes will increase.

Annexations are intensive processes, and they take a tremendous amount of staff time and resources to complete. Given the concerns often voiced by residents, robust community outreach and time to address interested parties' concerns is vital. While this communication can help avoid appeals later in the process, it adds significantly to the staff time and cost, and there is no guarantee of success.

These challenges can result in a patchwork of annexation that is not rational from a development perspective and that creates financial burden on counties that are not funded to act as urban municipalities.

D. State Attempts to Encourage Annexation

Recognizing the lack of annexation over the past 30 years, in 2023, the Legislature updated the annexation tax credit program to encourage annexation of remaining portions of unincorporated UGAs.[28] The Legislature's attempts to incentivize and simplify annexation have not yet sparked widespread annexation. The reason why is not fully understood at this time.

E. Incorporation

As mentioned, passing the GMA in 1990 set off a flurry of municipal incorporations, with 14 new cities formed in the approximate ten-year period after the passage. RCW 35.02.010, which is set to expire in mid-2028, allows communities located in the UGA to incorporate if they have at least 1,500 inhabitants, or 3,000 inhabitants if the area is located within five miles of a city or town with a population of at least 15,000 residents.[29] RCW Chapter 35.02 provides for additional incorporation procedures. Although the incorporation process can begin with a single resident's paying a fee and presenting an incorporation proposal to a county legislative body, the incorporation process ultimately requires a petition signed by 10% of voters in the proposed incorporation area, approval of the County's legislative body, approval by the county Boundary Review Board (BRB), if applicable, and a successful election of voters in the incorporation area. This process requires a significant output of resources by both incorporation proponents and the county. At the end of the process, the measure could still fail at the ballot box.

New cities are expensive to fund and operate as they must account for the provision and funding of every municipal service which may have been funded and provided by a variety of special purpose districts and the county prior to annexation. These services range from fire protection to roads and bridges to animal control. New cities obviously need these services and must provide them or contract them through a brand-new organization that uses the limited tools cities possess to build revenue streams. Although some counties support robust financial feasibility studies of incorporation[30] prior to annexation, this is not universal. As with annexation, at the time of incorporation, UGAs may already extend out to urban density, leaving new cities to inherit infrastructure built to county standards with costly, often deferred, maintenance. Further, if the area is already built out to urban density, the new city has already lost out on potential permitting fees and construction tax revenue as the county collected those funds at time of development.

A comprehensive plan may include clear goals and policies to support incorporation with policies that encourage the following: cooperative planning with community groups, developing incorporation-related interlocal agreements, and creating an annexation program to assess property values, revenues, expenditures, development opportunities, and incorporation timelines and transition processes. However, the tools and resources needed to implement these steps are limited.

Some counties explicitly prefer annexation over incorporation and include language regarding the same in their CPPs. For example, Pierce County CPP UGA-5.1 states[31], "Annexation is preferred over incorporation within the urban growth area." Additionally, King County CPP DP-24[32] states, "...Annexation is preferred over incorporation."

V. SPECIAL DISTRICTS

Special districts can present unique challenges to annexation. There are 65 types of special purpose districts that provide direct services to residents across the state. Virtually every parcel in Washington is covered by at least one special district, such as a school or fire district. The Municipal Research and Services Center (MRSC)[33] cites data from the Washington State Auditor's Office Financial Intelligence Tool that shows over 1,800 special purpose districts in the state. Special districts are organized under their own statutes which provide regulatory frameworks. Further, they may be required to adopt certain plans such as water plans or sewer plans that may also need to be approved by a variety of state and/or local agencies for the district to operate regularly or to obtain other needed approvals such as local franchise agreements.

Special districts sometimes provide services within municipalities themselves. In that case, often the district had already existed and provided services before the incorporation of the municipality. Then, during the planning stage, the district agreed to continue to provide the service instead of the district being assumed by the city. This could be for various reasons including cost, scale, and administrative and/or operational capacity, but it was often related to the district's also needing to continue to provide services in the adjacent area outside of the city. Today, we see districts that provide municipal-type services in and around several cities, such as the Sammamish Plateau Water & Sewer District, which includes parts of Issaquah, Sammamish, and unincorporated King County – both inside and outside the UGA.

The original 1990 version of the GMA legislation contained a provision requiring consistency between special districts and city and county plans. However, this section was vetoed over the exclusion of several types of special districts and citing existing case law that already required consistency. The provision would have directed special districts to perform their activities that affect land use "in conformity with the state policy goals and the comprehensive land use plan of the county or city having jurisdiction in the area where the activities occur." Further, the Legislature directed that special districts that operate in a city or county and provide certain public facilities or public services should "adopt or amend a capital facilities plan for its facilities that is consistent with the comprehensive plan and indicates the existing and projected capital facilities that are necessary to serve the projected growth for the area that is served by the special district."

Today, counties and cities must "endeavor in good faith to work with other public entities, such as special purpose districts" to gather information for the capital facilities elements of their comprehensive plans.[34] According to participants in the Washington Department of Commerce's Collaborative Roadmap Phase III and Phase IV projects, many participants reported the need for better coordination between counties and cities and special purpose districts. Further, the Review of Prior Studies and Findings (2024) supporting Phase IV states, "Participants said that excluding special purpose districts from the GMA framework has spawned confusion, competition, and conflict among counties, cities, and special districts and made implementation of GMA difficult."

This difficulty shows greatly in the issue of annexation. Special purpose districts must provide local services supported by revenue streams such as property taxes, levies, fees and charges, and local improvement districts. They often do this with little staff, technology, or financial resources. Annexation may reduce these revenues due to a reduced service area if service provision responsibilities also transfer to the annexing city.

Further, the special district may have significant capital debt that would remain after annexation. Also, it may lose economies of scale due to a reduced service area and the need to continue services in non-annexed areas. Lastly, after annexation, the special district may face complete assumption. It may be opposed to assumption for a variety of reasons, including hesitating to lay off staff and cease operation, especially when the provider has served many decades in the community. Additionally, some small special districts that provide services to UGAs are underfunded and understaffed. Because of this, they find it difficult or impossible to deliver to counties the information they need for their capital facilities element to plan for adequate facilities to serve the UGA.

VI. NEXT STEPS

We offer this preliminary assessment as a first step to identify the issues associated with the Growth Management Act provisions related to urban growth areas and annexations. We also hope that having this information assembled in one place will help all interested parties in diagnosing present-day challenges and provide a foundation on which to base future legislation and planning practice.

The authors of this preliminary assessment invite your members to review the attached document. We would appreciate learning about additional history, legislation, data, and good or bad examples of how the current system now works to facilitate a fuller understanding of this topic. If your members have thoughts on potential solutions, we welcome learning about those too.

Input should be directed to brooke.eidem@gmail.com.

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[1] https://www.commerce.wa.gov/washington-state-will-need-more-than-1-million-homes-in-next-20-years/

[2] https://tvw.org/video/house-local-government-2026061109/?eventID=2026061109

[3] https://app.leg.wa.gov/committeeschedules/Home/Documents/34184

[4] *City of Snoqualmie v. King County*, CPSGMHB Case No. 92-3-0004, Final Decision and Order (March 1, 1993), at *7 — 8, 1993 WL 839711, at *7

[5] The legislature funded *The Road Map to Washington's Future* in 2018 and 2019 in order to identify needed reforms to the Growth Management Act and other state planning laws. The recommended reforms included issues that go to the heart of local governance including fragmented land use, infrastructure, and services decision-making and revenues.

[6] The regional plan for the region that includes King, Pierce, Snohomish, and Kitsap counties and their eight-two cities is Vision 2050 adopted in 2020. The adopted reginal policy regarding annexation and incorporation is:

> "This regional plan expects that by 2050 all urban area will be annexed into existing cities or incorporated as new cities but also recognizes the challenges of this goal. PSRC, counties, and cities will continue to work together to address barriers to annexation and incorporation through supporting necessary changes to state annexation laws, opportunities for state and local incentives, and joint planning efforts. Much of the unincorporated urban growth area has been identified by nearby cities for potential annexation. For large, unincorporated communities, incorporation might be more viable. Counties are encouraged to work with residents to identify these areas and plan for their incorporation."

[7] *The Quiet Crisis of Local Governance in Washingto*n, State Local Governance Study Commission, 1988.

[8] https://seattle.bibliocommons.com/v2/record/S30C1058549

[9] The requirement to designate resource lands is set forth at RCW 36.70A.170 and the requirement to adopt regulations to conserve them is set forth at RCW 36.70A.060.

[10] The requirement to designate critical areas is set forth at RCW 36.70A.170 and the requirement to adopt regulations to protect them Is set forth at RCW 36.70A.060.

[11] The requirements for urban growth areas are set forth at RCW 36.70A.110.

[12] Rural lands are those lands that are not designated as urban or resource lands. The specific requirements for rural lands are set forth in paragraph (5) of RCW 36.70A.070

[13] WAC 365-196-010

[14] RCW 36.70A.110

[15] RCW 36.70A.110-115

[16] RCW 36.70A.110(3) and (8)

[17] www.historylink.org/File/7873

[18] https://dor.wa.gov/forms-publications/publications-subject/tax-topics/property-tax-how-1-property-tax-levy-limit-works

[19] Urban3 to AHA Joint Board, 2021

[20] RCW 36.70A.115: https://app.leg.wa.gov/RCW/default.aspx?cite=36.70A.115
[21] RCW 36.70A.070(2)
[22] RCW 36.70A.210
[23] RCW 36.70A.110
[24] RCW 35A.14.120-150
[25] RCW 35A.14.015-100
[26] RCW 29B.45.010
[27] RCW 35A.14.296 and 472
[28] RCW 82.14.415
[29] *Vashon Island Committee for Self-Government vs. Washington State Boundary Review Board for King County*, 127 Wn.2d 759 (1995),
[30] https://kingcounty.gov/en/dept/local-services/buildings-property/development-planning-regulations/regional-planning/annexations/potential-annexation-areas/fairwood
[31] https://cms.tacoma.gov/planning/Annexations/20260407_Annexations_TIPSheet.pdf
[32] https://cdn.kingcounty.gov/-/media/king-county/depts/local-services/permits/regional-planning/cpps/kingcounty-cpps-ord_19946-update.pdf?rev=75a43f11f2b64cd29a93eef0e0408a39&hash=A31CA4D07DB920BE9F24858EE1534C94
[33] https://mrsc.org/explore-topics/government-organization/special-districts/what-is-a-special-purpose-district
[34] RCW 36.70A.070(3)