

1 community facilities district should be available to counties, cities,
2 and towns so that needed community facilities and local, subregional,
3 and regional infrastructure can be provided; and

4 (4) This chapter is intended to facilitate voluntary landowner
5 financing of community facilities and local, subregional, and regional
6 infrastructure by authorizing the creation of community facilities
7 districts.

8 NEW SECTION. **Sec. 102.** The definitions in this section apply
9 throughout this chapter unless the context clearly requires otherwise.

10 (1) "Board of supervisors" or "board" means the governing body of
11 a community facilities district.

12 (2) "Community facilities district" or "district" means a municipal
13 corporation, an independent taxing "authority" within the meaning of
14 Article VII, section 1 of the state Constitution, and a "taxing
15 district" within the meaning of Article VII, section 2 of the state
16 Constitution created by a petition submitted to and approved by a
17 legislative authority of a county, city, or town in which the district
18 is located. A district may include land located in portions of one or
19 more cities, towns, or counties when created in accordance with this
20 chapter.

21 (3) "Legislative authority" means the governing body of a county,
22 city, or town to which a petition or amended petition is submitted,
23 where the proposed or existing community facilities district is
24 located.

25 (4) "Local improvement district" means any local improvement
26 district, utility local improvement district, local utility district,
27 road improvement district, or any similar unit created by a municipal
28 or quasi-municipal corporation or local government, including a
29 district, for the purpose of levying special assessments against
30 property specially benefited by improvements relating to the districts.

31 (5) "Petition" or "amended petition" means a request, meeting the
32 requirements of section 201 of this act, made by landowners to form a
33 community facilities district and to voluntarily submit their land to
34 the assessments, fees, charges, and excess levies authorized under this
35 chapter.

36 (6) "Value of the taxable property" has the same meaning as
37 provided in RCW 39.36.015.

1 **PART II**

2 **COMMUNITY FACILITIES DISTRICT FORMATION**

3 NEW SECTION. **Sec. 201.** Community facilities districts are
4 authorized to be formed for the purposes authorized under this chapter
5 and may include one or more counties, cities, towns, or other political
6 subdivisions.

7 (1) To form a community facilities district, a petition must be
8 presented to the legislative authority of each jurisdiction included
9 within the boundaries of the proposed district. The petition must:

10 (a) Designate and describe the boundaries of the district by metes
11 and bounds or reference to United States townships, ranges, and legal
12 subdivisions;

13 (b) Be executed by one hundred percent of all owners of private
14 property located within the boundaries of the proposed district. The
15 property owners must request that their property be subject to the
16 assessments, fees, charges and excess levies authorized under this
17 chapter;

18 (c) Include a certification by the petitioners that they want to
19 voluntarily submit their land to the authority of the district under
20 this chapter, including the assessments, fees, charges, and excess
21 levies authorized under this chapter;

22 (d) Include a general explanation of the objective and plan of the
23 district. The petition may include an initial assessment, fee, charge,
24 or proposed excess levy assessment;

25 (e) Declare the district will be conducive to public health,
26 safety, and welfare;

27 (f) Assert that the purpose for forming the district will be a
28 benefit to the land located in the district;

29 (g) Be accompanied by an "obligation" signed by at least two
30 petitioners who agree to pay the costs of the formation process; and

31 (h) Include a list of petitioners who are willing and able to serve
32 on the board of supervisors. All petitioners within a proposed
33 district are eligible to include their name on the list of eligible
34 supervisors.

35 (i) If it proposes a special assessment, include: (i) Each
36 separate lot, tract, parcel of land, or other property in the district;
37 (ii) the acreage of the property; (iii) the name and address of the
38 owner or reputed owner of each lot, tract, parcel of land, or other

1 property as shown on the tax rolls of the county assessor; and (iv) the
2 special assessment proposed to be imposed on each lot, tract, parcel of
3 land, or other property.

4 (2) The petition must be filed with the auditor of each county in
5 which property included within the proposed district is located. The
6 auditor for the county in which the largest geographic portion of the
7 proposed district is located must be the lead auditor. Within ten days
8 of the lead auditor's receipt of the petition, the lead auditor must
9 confirm that the petition has been validly executed by one hundred
10 percent of all owners of the property located within the proposed
11 district, including confirmation by the auditors of all other counties
12 with whom the petition was filed. Within ten days of the lead
13 auditor's finding that the petition either does or does not contain the
14 required signatures, the lead auditor must either (a) transmit the
15 petition, together with a certificate of sufficiency attached thereto,
16 to each legislative authority petitioned for formation of the district;
17 or (b) return the petition to the petitioners with a list of property
18 owners who must sign the petition in order to comply with this section.
19 There are no restrictions on the number of petitions that may be
20 submitted by one or more property owners.

21 (3) A petition may be amended for any reason if signed by one
22 hundred percent of the owners of property located within the district
23 proposed in the amended petition.

24 NEW SECTION. **Sec. 202.** A public hearing on the petition must be
25 held by the legislative authority of each jurisdiction included within
26 the boundaries of the proposed district, not less than twenty, but not
27 more than forty days, from the date that the lead county auditor issues
28 the certificate of sufficiency required under section 201 of this act.

29 NEW SECTION. **Sec. 203.** Notice of all public hearings must be
30 published for three consecutive weeks in the official paper of the
31 applicable county, city, or town prior to the date set for the hearing.
32 The notice must be posted for not less than fifteen days prior to the
33 date of the hearing in each of three public places within the
34 boundaries of the proposed district. Each notice must contain the
35 time, date, and place of the public hearing.

1 NEW SECTION. **Sec. 204.** At the time and place of the public
2 hearing, the legislative authority must consider the petition. The
3 legislative authority must receive any evidence it deems material that
4 supports or opposes the formation of the district, including the
5 inclusion or exclusion of land. No land outside the boundaries
6 described in the petition may be included within the proposed district
7 without an amended petition satisfying the requirements of section 201
8 of this act.

9 NEW SECTION. **Sec. 205.** (1) The legislative authority may act on
10 the petition to form a community facilities district at the public
11 hearing held under section 204 of this act and in no event may the
12 legislative authority's decision be issued later than ten days after
13 the day of the public hearing. The legislative authority should
14 approve the petition by resolution or ordinance if the legislative
15 authority determines that the petitioners will benefit from the
16 proposed district and that the formation of the district will be
17 conducive to public health, safety, and welfare. If it is unable to
18 make this finding, then the legislative authority should reject the
19 petition.

20 (2) A community facilities district may not be formed unless the
21 legislative authority of each jurisdiction included within the
22 boundaries of the proposed district makes the finding required under
23 subsection (1) of this section with respect to the property included
24 within that jurisdiction's boundaries.

25 (3) Two or more legislative authorities may adopt a joint
26 resolution approving a petition.

27 (4) All resolutions approving a petition must conform to the terms
28 and conditions contained in the petition and must designate the name
29 and number of the community facilities district being formed.

30 NEW SECTION. **Sec. 206.** (1) Any person on record as objecting to
31 formation of the district at the public hearing held under section 204
32 of this act may appeal the final decision of a legislative authority to
33 approve or reject a petition for formation of a community facilities
34 district by filing an appeal with the superior court of the county in
35 which any part of the district is located within five days of the
36 legislative authority's decision.

1 (2) If no appeal is filed within five days of a legislative
2 authority's approval of the petition, the legislative authority's
3 decision is deemed valid, complete, and final, and its legal existence
4 cannot thereafter be challenged or questioned by any person on the
5 grounds of procedural defect or otherwise. Certified copies of each
6 approval must be filed with the auditor of the county or counties in
7 which the community facilities district is located.

8 **PART III**

9 **COMMUNITY FACILITIES DISTRICT BOARD OF SUPERVISORS**

10 NEW SECTION. **Sec. 301.** (1) A community facilities district must
11 be independently governed by a board of supervisors possessing the
12 necessary powers required for the district to carry out all lawful
13 purposes authorized under this chapter. A majority vote of the entire
14 legislative authority is required to approve appointments to the board
15 of supervisors. Each legislative authority is authorized to appoint
16 members to the board of supervisors from its own jurisdiction only.
17 Nothing in this chapter provides authority for one legislative
18 authority to vote on an appointment of a member to the board of
19 supervisors from a separate jurisdiction. The term of office of each
20 supervisor is three years and until a successor is appointed, except
21 that the supervisors first appointed serve for one and two years
22 respectively from the date of their appointments, as designated in
23 their appointments.

24 (2) If the boundaries of a district include only one jurisdiction,
25 then the board of supervisors consists of: (a) Three members of the
26 legislative authority of the applicable jurisdiction; and (b) two
27 members appointed from among the petitioners listed in the petition as
28 provided in section 201(1)(h) of this act.

29 (3) If the boundaries of the district include more than one
30 jurisdiction, then the board of supervisors consists of: (a) Two
31 members appointed from the legislative authority containing the largest
32 geographic portion of the approved district; (b) one member appointed
33 from the legislative authority of each additional jurisdiction in which
34 the district is located; and (c) either one or two members appointed
35 from the list of eligible petitioners included in the petition as

1 provided in section 201(1)(h) of this act, depending on the number of
2 additional members that are required to result in an overall odd number
3 of supervisors.

4 (4) Vacancies on the board must be filled by appointments by the
5 board. Vacancies must be filled by a person in the same position
6 vacating the board. A majority of the supervisors constitutes a quorum
7 and the concurrence of a majority is required for all appointments.
8 Supervisors must serve without compensation, but they are entitled to
9 expenses, including traveling expenses, necessarily incurred in
10 discharge of their duties. The board must designate a chair from time
11 to time.

12 NEW SECTION. **Sec. 302.** (1) Prior to the first meeting of the
13 board, all members of the board must take and subscribe to an official
14 oath for the faithful discharge of the duties of office as required in
15 subsection (2) of this section. This oath must be filed in the office
16 of the auditor of each county in which the district is located.

17 (2) A board member is required to take and subscribe an oath or
18 affirmation in compliance with the appropriate statute, or if none is
19 specified, that he or she will faithfully and impartially discharge the
20 duties of the office to the best of his or her ability. This oath or
21 affirmation must be administered and certified by any officer or notary
22 public authorized to administer oaths, without charge therefor.

23 NEW SECTION. **Sec. 303.** (1) All meetings of the board of
24 supervisors must be conducted in accordance with chapter 42.30 RCW, the
25 open public meetings act. The attendance of a majority constitutes a
26 quorum for the transaction of business.

27 (2) All records of the board of supervisors must be open to
28 inspection in accordance with chapter 42.56 RCW, the public records
29 act.

30 (3) The board of supervisors must adopt a seal for the district,
31 manage and conduct the business affairs of the district, make and
32 execute all necessary contracts, employ any necessary services, and
33 adopt reasonable rules to govern the district and to perform its
34 functions, and generally perform all acts as may be necessary to carry
35 out the objects of the creation of the district.

1 **PART IV**

2 **COMMUNITY FACILITIES DISTRICT POWERS**

3 NEW SECTION. **Sec. 401.** A community facilities district is a
4 municipal corporation, an independent taxing "authority" within the
5 meaning of Article VII, section 1 of the state Constitution, and a
6 "taxing district" within the meaning of Article VII, section 2 of the
7 state Constitution. A community facilities district constitutes a body
8 corporate and possesses all the usual powers of a corporation for
9 public purposes as well as all other powers that may now or hereafter
10 be specifically conferred by statute, including, but not limited to,
11 the authority to hire employees, staff, and services, to enter into
12 contracts, to acquire, hold, and dispose of real and personal property,
13 and to sue and be sued. All actions of a district must be consistent
14 with the terms and conditions of the petition or amended petition
15 approved in accordance with this chapter.

16 NEW SECTION. **Sec. 402.** Consistent with the terms and conditions
17 set forth in a petition, a community facilities district has the full
18 and exclusive authority to carry out its purposes under this chapter
19 and to that end may:

20 (1) Acquire, purchase, hold, lease, finance, manage, occupy,
21 construct, and sell real and personal property, facilities, or any
22 interest therein;

23 (2) Enter into and perform any and all necessary contracts;

24 (3) Levy, assess, and enforce the collection of assessments, fees,
25 charges, and excess levies in the manner and subject to the limitations
26 provided in this chapter against the property owned by the petitioners
27 under a petition approved in accordance with this chapter; and

28 (4) Do any and all lawful acts required and expedient to carry out
29 the purpose of this chapter.

30 NEW SECTION. **Sec. 403.** A community facilities district may
31 execute executory conditional sales contracts, leases, installment
32 promissory notes secured by a deed of trust, or mortgages, or any other
33 security instrument with a governmental entity or a private party for
34 the construction, finance, lease, purchase or sale of any real or
35 personal property, or property rights, subject to the following:

1 (1)(a) The purchase price specified in a contract or promissory
2 note to purchase property may not result in a total indebtedness in
3 excess of three-eighths of one percent of the value of the taxable
4 property in the district.

5 (b) If a proposed purchase contract or promissory note would result
6 in a total indebtedness in excess of that amount specified in (a) of
7 this subsection, a proposition to determine whether that contract or
8 promissory note may be executed must be submitted to the voters within
9 the district for approval or rejection in the same manner that bond
10 issues for capital purposes are submitted to the voters.

11 (2) A community facilities district may jointly execute contracts
12 authorized by this section, if the entire amount of the purchase price
13 does not result in a joint total indebtedness in excess of the
14 nonvoter-approved indebtedness limitation of any city, town, county, or
15 district that participates in the jointly executed contract.

16 **PART V**

17 **COMMUNITY FACILITIES DISTRICT FINANCES**

18 NEW SECTION. **Sec. 501.** (1) Consistent with the terms and
19 conditions in a petition, a community facilities district may finance
20 through the use of any method authorized under this chapter:

21 (a) The cost, or any portion thereof, of the purchase, finance,
22 lease, sublease, construction, expansion, improvement, or
23 rehabilitation of any facility with an estimated life of five years or
24 longer; and

25 (b) The planning and design work that is directly related to the
26 purchase, construction, expansion, improvement, or rehabilitation of a
27 facility.

28 (2) A community facilities district may finance the cost, or any
29 portion thereof, of facilities including, but not limited to, the
30 following:

31 (a) Facilities listed in RCW 35.43.040 to the extent not specified
32 in this section;

33 (b) Sanitary sewage systems, including collection, transport,
34 storage, treatment, dispersal, effluent use, and discharge;

35 (c) Drainage and flood control systems, including collection,

1 transport, diversion, storage, detention, retention, dispersal, use,
2 and discharge;

3 (d) Water systems for domestic, industrial, irrigation, municipal,
4 or community facilities purposes, including production, collection,
5 storage, treatment, transport, delivery, connection, and dispersal;

6 (e) Highways, streets, roadways, and parking facilities, including
7 all areas for vehicular use for travel, ingress, egress, and parking;

8 (f) Areas for pedestrian, equestrian, bicycle, or other nonmotor
9 vehicle use for travel, ingress, egress, and parking;

10 (g) Pedestrian malls, parks, recreational facilities, and open-
11 space facilities for the use of members of the public for
12 entertainment, assembly, and recreation;

13 (h) Landscaping, including earthworks, structures, lakes, and other
14 water features, plants, trees, and related water delivery systems;

15 (i) Public buildings, public safety facilities, and community
16 facilities;

17 (j) Natural gas transmission and distribution facilities,
18 facilities for the transmission or distribution of electrical energy,
19 and communication facilities including, but not limited to, telephone
20 and internet lines and cables and wireless systems;

21 (k) Lighting systems;

22 (l) Traffic control systems and devices, including signals,
23 controls, markings, and signage;

24 (m) Systems of surface, underground, or overhead railways,
25 tramways, buses, or any other means of mass transportation facilities,
26 including passenger, terminal, station parking, and related facilities
27 and areas for passenger and vehicular use for travel, ingress, egress,
28 and parking;

29 (n) Library, educational, and cultural facilities; and

30 (o) Facilities similar to those listed in this section.

31 NEW SECTION. **Sec. 502.** Consistent with the terms and conditions
32 in a petition, a community facilities district may construct, finance,
33 lease, invest, or fund, in whole or in part, any of the activities
34 authorized under this chapter, in connection with community facilities
35 in any place, inside or outside the boundaries of the district. The
36 district's authority to fund activities as granted herein extends to
37 directly or indirectly funding the same activities undertaken by or on

1 behalf of any other municipal or quasi-municipal corporation authorized
2 to engage in the listed activities pursuant to applicable law,
3 including, without limitation the payment of lease obligations and
4 impact fees in connection with or resulting from the authorized
5 activities.

6 NEW SECTION. **Sec. 503.** (1) A community facilities district may
7 form a local improvement district to provide any improvement it has the
8 authority to provide, impose special assessments on all property
9 specially benefited by the improvements, utilize the revenue for the
10 payment of special assessment bonds or any other public or private
11 bonds issued by or on behalf of any public entity, and otherwise fund
12 the costs of improvements and activities authorized under this chapter
13 and included in a petition approved in accordance with this chapter.

14 (2) The board of supervisors may establish, administer, and pay the
15 revenue generated from the special assessments into a local improvement
16 guaranty fund, or otherwise obligate the revenue, to guarantee payment
17 of obligations incurred in connection with activities authorized under
18 this chapter including the payment of principal and interest on any
19 bonds issued by or on behalf of the district in order to finance any
20 and all improvements or activities authorized under this chapter.

21 (3) The proceeds of any bond issued pursuant to this chapter may be
22 used to pay any and all costs related to any of the activities
23 authorized under this chapter. In addition, proceeds of bonds issued
24 by or on behalf of the district may be used to pay the necessary and
25 related engineering, architectural, planning, and inspection costs.

26 (4) The petitioners for formation of a community facilities
27 district may enter into an agreement with a county, city, or town
28 waiving their right as property owners to protest formation of a local
29 improvement district, in accordance with the requirements of RCW
30 35.43.182.

31 NEW SECTION. **Sec. 504.** A community facilities district may:

32 (1) Levy an ad valorem property tax in excess of the one percent
33 limitation upon the property within the district for a one-year period
34 whenever authorized by the voters of the district under Article VII,
35 section 2(a) of the state Constitution and RCW 84.52.052 for operating
36 funds, capital outlay funds, and cumulative reserve funds; and

1 (2) Provide for the retirement of voter-approved general obligation
2 and revenue bonds, by levying bond retirement ad valorem property tax
3 levies in excess of the one percent limitation whenever authorized by
4 the voters of the district under Article VII, section 2(b) of the state
5 Constitution and RCW 84.52.056.

6 NEW SECTION. **Sec. 505.** A community facilities district may
7 contract indebtedness, and refund the same, for any authorized district
8 purpose including expenses of maintenance, operation, administration,
9 and the acquisition, financing, and construction of facilities, and
10 evidence the same by the issuance and sale of general obligation or
11 revenue bonds.

12 NEW SECTION. **Sec. 506.** (1) A community facilities district may
13 incur general indebtedness for capital purposes and may issue general
14 obligation bonds together with any outstanding general obligation
15 indebtedness not to exceed an amount equal to five percent of the value
16 of the taxable property within the district, when authorized by the
17 voters of the district under Article VIII, section 6 of the state
18 Constitution.

19 (2) The bonds may be retired by assessments, fees, charges, and
20 excess levies authorized under this chapter.

21 (3) When general obligation bonds are issued to fund specific
22 projects or enterprises that generate revenues in the form of rates,
23 charges, or fees, the community facilities district may specifically
24 pledge all or a portion of the revenues to guarantee payment of the
25 general obligation bonds. The district may also pledge any other
26 revenues that may be available to the district.

27 NEW SECTION. **Sec. 507.** No bonds issued by or on behalf of a
28 community facilities district are obligations of any city, town,
29 county, or the state of Washington or any political subdivision thereof
30 other than the district and the bonds will so state, unless the
31 legislative authority of the city, town, county, or the legislature
32 expressly authorizes particular bonds to be guaranteed by or
33 obligations of its respective city, town, county, or of the state.

1 **Sec. 508.** RCW 84.52.052 and 2004 c 129 s 22 are each amended to
2 read as follows:

3 The limitations imposed by RCW 84.52.050 through 84.52.056(~~(7)~~) and
4 (~~(RCW)~~) 84.52.043 (~~(shall)~~) do not prevent the levy of additional taxes
5 by any taxing district, except school districts and fire protection
6 districts, in which a larger levy is necessary in order to prevent the
7 impairment of the obligation of contracts. As used in this section,
8 the term "taxing district" means any county, metropolitan park
9 district, park and recreation service area, park and recreation
10 district, water-sewer district, solid waste disposal district, public
11 facilities district, flood control zone district, county rail district,
12 service district, public hospital district, road district, rural county
13 library district, island library district, rural partial-county library
14 district, intercounty rural library district, cemetery district, city,
15 town, transportation benefit district, emergency medical service
16 district with a population density of less than one thousand per square
17 mile, cultural arts, stadium, and convention district, ferry district,
18 city transportation authority, (~~(or)~~) regional fire protection service
19 authority, or community facilities district.

20 Any (~~(such)~~) taxing district may levy taxes at a rate in excess of
21 the rate specified in RCW 84.52.050 through 84.52.056 and 84.52.043, or
22 84.55.010 through 84.55.050, when authorized so to do by the voters of
23 (~~(such)~~) the taxing district in the manner set forth in Article VII,
24 section 2(a) of the Constitution of this state at a special or general
25 election to be held in the year in which the levy is made.

26 A special election may be called and the time therefor fixed by the
27 county legislative authority, or council, board of commissioners, or
28 other governing body of any (~~(such)~~) the taxing district, by giving
29 notice thereof by publication in the manner provided by law for giving
30 notices of general elections, at which special election the proposition
31 authorizing (~~(such)~~) the excess levy (~~(shall)~~) must be submitted in
32 such form as to enable the voters favoring the proposition to vote
33 "yes" and those opposed thereto to vote "no."

34 NEW SECTION. **Sec. 509.** A community facilities district may accept
35 and receive on behalf of the district any money or property donated,
36 devised, or bequeathed to the district. The district may carry out the
37 terms of the donation, devise, or bequest, if it is within the powers

1 granted by law to community facilities districts. In the absence of
2 such terms, a community facilities district may expend or use the money
3 or property for district purposes as determined by the board of
4 supervisors.

5 NEW SECTION. **Sec. 510.** At the time of making general tax levies
6 each year, each legislative authority of the county or counties in
7 which a community facilities district is located must make the levies
8 authorized under this chapter for district purposes against the real
9 and personal property in the district. The tax levies must be part of
10 the general tax roll and be collected as a part of the general taxes
11 against the property in the district.

12 NEW SECTION. **Sec. 511.** (1) The treasurer of the county in which
13 a community facilities district is located is the treasurer of the
14 district. If the community facilities district is located in more than
15 one county, the treasurer of the district is the treasurer of the
16 county in which the district has the highest assessed value. The
17 county treasurer must receive and disburse community facilities
18 district revenues, collect taxes authorized and levied under this
19 chapter, and credit the district revenues to the proper fund.

20 (2) The district treasurer must establish a community facilities
21 district fund, into which must be paid all district revenues. The
22 district treasurer must also maintain any special funds created by the
23 board of supervisors of the community facilities district, into which
24 the district treasurer must place all money as the board of supervisors
25 may, by resolution, direct.

26 NEW SECTION. **Sec. 512.** (1) Except as provided in subsections (2)
27 and (3) of this section, money received for the account of the district
28 on warrants must be paid against the proper funds of the district. The
29 warrants must be issued on vouchers approved and signed by a majority
30 of the board of supervisors and the district secretary.

31 (2) After auditing all payrolls and bills, the board of supervisors
32 may authorize the issuing of one general certificate to the county
33 treasurer, to be signed by the secretary of the board, authorizing the
34 county to pay all the warrants specified by date, number, name, and

1 amount, and the accounting funds on which the warrants must be drawn;
2 thereupon the district secretary may issue the warrants specified in
3 the general certificate.

4 (3) The county treasurer may also pay general obligation bonds,
5 assessment bonds, and revenue bonds and the accrued interest thereon in
6 accordance with their terms from the appropriate fund when interest or
7 principal payments become due. The county treasurer must report in
8 writing monthly to the secretary of the district the amount of money
9 held by the county in each fund and the amounts of receipts and
10 disbursements for each fund during the preceding month.

11 (4) All interest collected on community facilities district funds
12 belongs to the district and must be deposited to its credit in the
13 proper district funds.

14 NEW SECTION. **Sec. 513.** (1) Consistent with the terms and
15 conditions of a petition approved under this chapter, the board of
16 supervisors may by resolution, for community facilities district
17 purposes authorized by law, fix and impose a benefit charge on personal
18 property, real property, and improvements to real property which are
19 located within the community facilities district on the date specified
20 and which have or will receive the benefits provided by the community
21 facilities district, to be paid by the owners of the properties.

22 (2) A benefit charge imposed must be reasonably proportioned to the
23 measurable benefits to property resulting from the facilities and
24 services afforded by the district. It is acceptable to allocate the
25 benefit charges to the properties based on any reasonable method. All
26 charges are subject to contest by the property owners subject to the
27 charges on the grounds of unreasonable or capricious allocation in
28 excess of the measurable benefits to the property resulting from
29 services afforded by the district.

30 (3) For administrative purposes, the benefit charge imposed on any
31 individual property may be compiled into a single charge, provided that
32 the district, upon request of the property owner, provide an itemized
33 list of charges for each measurable benefit included in the charge.

34 NEW SECTION. **Sec. 514.** The resolution establishing benefit
35 charges must specify, by legal geographical areas or other specific
36 designations, the charge to apply to each property by location, type,

1 or other designation, or other information that is necessary to the
2 proper computation of the benefit charge to be charged to each property
3 owner subject to the resolution. The secretary of the district must
4 determine and identify the personal properties, real property, and
5 improvements to real property which are subject to a benefit charge in
6 each community facilities district and must furnish and deliver to the
7 county treasurer of that county a listing of the properties with
8 information describing the location, legal description, and address of
9 the person to whom the statement of benefit charges is to be mailed,
10 the name of the owner, and the value of the property and improvements,
11 together with the benefit charge to apply to each.

12 NEW SECTION. **Sec. 515.** Each community facilities district must
13 contract, prior to the imposition of a benefit charge, for the
14 administration and collection of the benefit charge by each county
15 treasurer, who must deduct a percent, as provided by contract to
16 reimburse the county for expenses incurred by the county assessor and
17 county treasurer in the administration of the resolution and this
18 chapter. The county treasurer must make distributions each year, as
19 the charges are collected, in the amount of the benefit charges imposed
20 on behalf of each district, less the deduction provided for in the
21 contract.

22 NEW SECTION. **Sec. 516.** (1) Consistent with the terms and
23 conditions of a petition, special assessments may be imposed by the
24 district on privately owned real property within the district to
25 finance the activities of the district authorized under this chapter.
26 The term of the special assessment is limited to thirty years or the
27 term of any bonds issued by or on behalf of the district to which the
28 revenue generated by the special assessment is specifically dedicated
29 or obligated.

30 (2) Any method or combination of methods may be used in the
31 petition to compute special assessments, determine manifest degrees of
32 benefit or use from facilities, activities, or improvements funded
33 directly or indirectly by special assessments under this section, and
34 to arrive at a final assessment roll. Special assessments may be
35 imposed to pay for all activities authorized under this chapter.

1 Administrative and operational costs incurred by the district may be
2 proportionally included in these special assessments.

3 (3) The board must set a date, time, and place for hearing any
4 objections to the system of assessments and the special assessment roll
5 set forth in the petition. Objections must be made in writing, must
6 clearly state the grounds for objections, and must be filed with the
7 board prior to the public hearing. Objections to a special assessment
8 or final assessments roll that are not made as provided in this section
9 are deemed waived and will not be considered by the board or a court on
10 appeal.

11 (4) The board of supervisors must ensure that the system or systems
12 of assessment included in the petition utilizes a differing system of
13 assessment for different classes of property within the district and
14 that the assessments reflect to the special benefit accruing to the
15 assessed property as a result of the proposed activities to be funded
16 thereby.

17 (a) If the system of assessments included in the petition or
18 amended petition satisfies the requirements of this subsection (4),
19 then the board of supervisors must adopt an ordinance or resolution
20 approving the system or systems of assessment and finalizing the
21 assessment roll.

22 (b) If the system of assessments included in the petition or
23 amended petition does not satisfy the requirements of this subsection
24 (4), then the board may correct, revise, raise, lower, change, or
25 modify the special assessment roll or any part thereof, and return the
26 petition to the petitioner with a detailed explanation of the changes
27 made by the board.

28 (c) If the petition is revised by the board in any way, then the
29 petitioner must have the opportunity to take either of the following
30 unanimous actions: (i) Amend or withdraw the petition prior to the
31 board's final approval of the system of assessments and the assessment
32 roll; or (ii) accept the changes made by the board, upon which
33 occurrence the board must adopt the ordinance approving the system of
34 assessments and the final assessment roll as modified by the board.

35 (5) The decision of the board upon any objection to the special
36 assessment roll may be appealed to the superior court only if
37 objections are timely made in the manner prescribed under subsection
38 (3) of this section.

1 (a)(i) The appeal must be made within ten days after publication of
2 a notice that the ordinance or resolution approving the system of
3 special assessment and the final special assessment roll has been
4 adopted by filing written notice of the appeal with the board and the
5 clerk of the superior court in the county in which the real property is
6 situated.

7 (ii) The notice of appeal must describe the property subject to the
8 assessment forming the basis for the appeal and must set forth the
9 specific objections of the appellant to the special assessment.

10 (iii) Within ten days from the filing of the notice of appeal with
11 the clerk of the superior court, the appellant must file with the clerk
12 of the court a transcript consisting of the special assessment roll
13 together with the resolution confirming the special assessment roll and
14 the record of the board with reference to the special assessment. The
15 transcript, upon payment of the necessary fees therefor, must be
16 furnished by the officer having custody of the special assessment roll
17 and must be certified to contain full, true, and correct copies of all
18 matters and proceedings required to be included in the transcript. The
19 fees must be the same as the fees payable to the county clerk for the
20 preparation and certification of transcripts on appeal to the supreme
21 court or the court of appeals in civil actions.

22 (b) At the time of the filing of the notice of appeal with the
23 clerk of the superior court, a sufficient bond in the sum of two
24 hundred dollars, with a surety or sureties thereon as provided by law
25 for appeals in civil cases, must be filed. If the appeal is
26 unsuccessful, the appellant must pay all costs incurred by the board
27 because of the appeal. The court may order the appellant, upon
28 application therefor, to execute and file the additional bond or bonds
29 as the necessity of the case may require.

30 (c)(i) Within three days after the transcript is filed in the
31 superior court, the appellant must give written notice to the board
32 that the transcript is filed. The notice must state a time, not less
33 than three days from the service thereof, when the appellant will call
34 up the cause for hearing. The superior court must, at this time or at
35 a later time as may be fixed by order of the court, hear and determine
36 the appeal without a jury, and the cause must have preference over all
37 civil causes pending in the court, except proceedings under an act

1 relating to eminent domain in that county and actions of forcible entry
2 and detainer.

3 (ii) The judgment of the court must confirm, correct, modify, or
4 annul the special assessment or annual special assessments insofar as
5 the same affects the property of the appellant.

6 (iii) A certified copy of the decision of the court must be filed
7 with the officer having custody of the special assessment roll, and he
8 or she must modify and correct the special assessment roll in
9 accordance with the decision.

10 (d)(i) An appeal must be made to the supreme court or the court of
11 appeals from the judgment of the superior court, as in other cases.
12 However, the appeal must be taken within fifteen days after the date of
13 the entry of the judgment of the superior court, and the record and
14 opening brief of the appellant in the cause must be filed in the
15 supreme court or the court of appeals within sixty days after the
16 appeal is taken by notice as provided in this section.

17 (ii) The time for filing the record and serving and filing of
18 briefs may be extended by order of the superior court, or by
19 stipulation of the parties concerned. The supreme court or the court
20 of appeals on the appeal may correct, modify, confirm, or annul the
21 special assessment or annual special assessments insofar as the same
22 affects the property of the appellant.

23 (iii) A certified copy of the order of the supreme court or the
24 court of appeals upon the appeal must be filed with the officer having
25 custody of the special assessment roll, who must thereupon modify and
26 correct the special assessment roll in accordance with the decision.

27 (6) The system or systems of assessment must be reviewed and
28 finalized by the board of supervisors at least once every two years.
29 A system or systems of assessment must be finalized on or before the
30 first of September in the year that it is finalized. If the board of
31 supervisors is responsible for establishing a system or systems of
32 assessment for more than one district, then the board of supervisors
33 may, at its option, stagger the initial finalization of the systems of
34 assessment for different districts over a period of up to two years.
35 Assessments must be collected in districts pursuant to the district's
36 previous system of assessment until the system or systems of assessment
37 under this chapter are finalized under this section.

1 (7) Every district must use the assessed value applicable to forest
2 land, farm and agricultural land, or open space land, under chapter
3 84.33 or 84.34 RCW, when the land has been designated as such and the
4 assessed value is used as a component in determining the district
5 assessment. If a district uses a fractional amount of assessed value
6 as a component in determining the district assessment, then a
7 fractional amount of the value applicable to forest land, farm and
8 agricultural land, or open space land, under chapter 84.33 or 84.34
9 RCW, must be used.

10 (8)(a) Or before December 1st of each year, the district must adopt
11 a budget reflecting the special assessments approved under this chapter
12 consistent with the terms of the petition. A copy of the resolution
13 and the budget must be forwarded immediately to the treasurer of the
14 county or counties in which the district is located.

15 (b) Special assessments necessary to generate funds for this budget
16 must be imposed pursuant to the system or systems of assessment
17 approved by the board of supervisors. Special assessments must be
18 collected by the county treasurer or treasurers within which the
19 district is located. Notice of the special assessments must be
20 included on all annual notices of property taxes and included on a
21 separate notice mailed separately from the notice of property taxes
22 due, not less than once per year, with the following notice appearing
23 at the top of the page in at least fourteen point, bold font:

24 ******NOTICE******

25
26 **THIS PROPERTY IS SUBJECT TO THE ASSESSMENTS, FEES, CHARGES, AND EXCESS**
27 **LEVIES ITEMIZED BELOW AND APPROVED BY COMMUNITY FACILITIES DISTRICT #**
28 **. AS THE OWNER OR POTENTIAL BUYER OF THIS PROPERTY, YOU ARE,**
29 **OR WOULD BE, RESPONSIBLE FOR PAYMENT OF THE AMOUNTS ITEMIZED BELOW.**
30 **PLEASE REFER TO RCW 36.---.--- (section 516, chapter . . ., Laws of 2010**
31 **(this act)) OR CONTACT YOUR COUNTY AUDITOR FOR ADDITIONAL INFORMATION.**

32 (9) Special assessments are due at the same time property taxes are
33 due and constitute liens on the land or improvements upon which they
34 are imposed. Delinquent special assessments are foreclosed in the same
35 manner, and subject to the same time schedules, interest, and penalties
36 as delinquent property taxes. County treasurers may impose a fee for

1 collecting special assessments not to exceed one percent of the dollar
2 value of special assessments collected.

3 **PART VI**
4 **IMPACT FEES**

5 NEW SECTION. **Sec. 601.** A new section is added to chapter 82.02
6 RCW to read as follows:

7 A community facilities district may not be required to pay an
8 impact fee under the provisions of RCW 82.02.050 through 82.02.090.

9 NEW SECTION. **Sec. 602.** (1) The board of supervisors may develop
10 and adopt programs for the purpose of jointly funding, from public and
11 private sources, improvements authorized under this chapter that are
12 necessitated in whole or in part by economic development and growth
13 within a district's boundaries. The board of supervisors must adopt
14 the programs by ordinance after notice and public hearing. Each
15 program must contain the elements described in this section.

16 (2) The program must identify the geographic boundaries of the
17 entire area or areas generally benefited by the proposed improvement.

18 (3) The program must authorize impact fees to be imposed on new
19 development within the district's boundaries for the purpose of
20 providing a portion of the funding for reasonable and necessary
21 improvements to solve the cumulative impacts of the planned growth and
22 development. The fees may not exceed the amount that the board of
23 supervisors can demonstrate is reasonably necessary as a direct result
24 of the proposed development within a given district.

25 (4) The program must provide that the funds collected as a result
26 of a particular new development are used in substantial part to pay for
27 improvements mitigating the impacts of the development or be refunded
28 to the property owners of record. Fees paid toward more than one
29 improvement may be pooled and expended on any one of the improvements
30 mitigating the impact of the development.

31 (5)(a) The administrative element of the program includes:

32 (i) An opportunity for administrative appeal by the developer and
33 hearing before an independent examiner of the amount of the impact fee
34 imposed;

1 (ii) Establishment of a designated account for the public and
2 private funds appropriated or collected for the improvements identified
3 in the plan; and

4 (iii) Methods to enforce collection of the public and private funds
5 identified in the program.

6 (b) The program may not be amended in a manner to relieve the
7 district of any contractual obligations made to prior developers.

8 NEW SECTION. **Sec. 603.** Subject to the provisions in RCW
9 36.73.065, the board of supervisors may impose a fee or charge, within
10 a district, on the construction or reconstruction of commercial
11 buildings, industrial buildings, or on any other commercial or
12 industrial building or building space or appurtenance, or on the
13 development, subdivision, classification, or reclassification of land
14 for commercial purposes, only if done in accordance with chapter 39.92
15 RCW. Any fee or charge imposed under this section must be used
16 exclusively for improvements constructed within a district. The fees
17 or charges imposed must be reasonably necessary as a result of the
18 impact of development, construction, or classification or
19 reclassification of land on identified needs.

20 **PART VII**

21 **MISCELLANEOUS PROVISIONS**

22 NEW SECTION. **Sec. 701.** (1) All assessments, fees, charges, and
23 excess levies on the respective lots, tracts, parcels of land, and
24 other property voluntarily submitted to under this chapter are a lien
25 upon the property and must be placed in the hands of the county
26 treasurer for collection.

27 (2) A lien created under subsection (1) of this section is
28 paramount and superior to any other lien or encumbrance whatsoever,
29 theretofore or thereafter created, except a lien for general taxes.
30 All liens arising under this chapter must be affirmatively disclosed in
31 all conveyances occurring after creation of the lien in the form
32 provided under section 516(8) of this act.

33 NEW SECTION. **Sec. 702.** Sections 101 through 507, 509 through 516,
34 602, 603, and 701 of this act constitute a new chapter in Title 36 RCW.

1 NEW SECTION. **Sec. 703.** If any provision of this act or its
2 application to any person or circumstance is held invalid, the
3 remainder of the act or the application of the provision to other
4 persons or circumstances is not affected.

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