

SENATE BILL REPORT

EHB 2285

As Reported by Senate Committee On:
Government Operations & Elections, March 26, 2009

Title: An act relating to local improvement districts and utility local improvement districts comprised of property in more than one city or town.

Brief Description: Addressing the formation of local improvement districts and utility local improvement districts comprised of property in more than one city or town.

Sponsors: Representatives Flannigan and Simpson.

Brief History: Passed House: 3/11/09, 70-26.

Committee Activity: Government Operations & Elections: 3/26/09 [DP, DNP, w/oRec].

SENATE COMMITTEE ON GOVERNMENT OPERATIONS & ELECTIONS

Majority Report: Do pass.

Signed by Senators Fairley, Chair; Oemig, Vice Chair; McDermott, Pridemore and Swecker.

Minority Report: Do not pass.

Signed by Senator Benton.

Minority Report: That it be referred without recommendation.

Signed by Senator Roach, Ranking Minority Member.

Staff: Aaron Gutierrez (786-7448)

Background: Cities and towns are authorized to finance a wide variety of public improvements with local improvement districts and utility local improvement districts (LIDs or districts), and may form districts that are composed, entirely or in part, of areas outside of the city's or town's corporate limits.

The costs of a LID may be paid, in whole or in part, through special assessments levied against property that is specially benefited by the proposed improvements.

The determination of whether an improvement confers special benefits to a property is made by comparing the fair market values of the property before and after the improvements are

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made. Once it is determined that a property is specially benefited, any LID assessment must be logically related to, and cannot exceed, the special benefit amount.

A LID may be created either through a resolution passed by the governing body of the city or town, or by the petition of property owners within the proposed district. Cities are not required to obtain the permission of benefited property owners in order to make the improvements and impose assessments; however, cities must provide adequate notice to affected properties so that the property owners may challenge the amount, existence, or character of the assessments before they become final. A city's or town's authority to proceed with a LID initiated by a resolution may be divested if a protest is timely filed by property owners representing those owners in the district that are subject to 60 percent or more of the total cost of the improvement. Property owners who file timely objections are entitled to appeal the decision of the legislative authority.

Summary of Bill: With the approval of the legislative authority of the adjoining city, cities are authorized to form LIDs or utility LIDs, for transportation and infrastructure purposes, that are composed of areas located, entirely or in part, within the adjoining city's boundaries.

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

Effective Date: The bill contains an emergency clause and takes effect immediately.

Staff Summary of Public Testimony: PRO: This bill will help the city of Ruston realign Ruston Way and other developments that are providing jobs to all the people here today. This clears up an oversight.

Persons Testifying: PRO: Representative Flannigan, prime sponsor; Jim Hedrick, Town of Ruston Council.