
HOUSE BILL 1366

State of Washington

66th Legislature

2019 Regular Session

By Representatives Sullivan, Jenkin, Ryu, Entenman, Doglio, Pollet, and Santos

Read first time 01/21/19. Referred to Committee on Local Government.

1 AN ACT Relating to removing disincentives to the creation of
2 community facilities districts; amending RCW 36.145.110 and
3 36.145.080; and adding a new section to chapter 43.21C RCW.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **Sec. 1.** RCW 36.145.110 and 2010 c 7 s 502 are each amended to
6 read as follows:

7 (1) The board of supervisors of a community facilities district
8 may impose special assessments on property located inside the
9 district and benefited by the facilities and improvements provided,
10 or to be provided, by a district, whether the facilities and
11 improvements are located inside or outside of the boundaries of the
12 proposed district. The requirements and powers of a district relating
13 to the formation, assessment, collection, foreclosure, and other
14 powers of a special assessment district are as set forth in chapters
15 35.43, 35.44, 35.49, and 35.50 RCW, except where otherwise addressed
16 under this chapter. In any case where the provisions of this chapter
17 conflict with the requirements under any other chapter that applies
18 to the formation, assessment, collection, foreclosure, or other
19 powers of a special assessment district, the provisions of this
20 chapter control.

1 (2) Except as otherwise expressly provided under this chapter,
2 the special assessments imposed and collected on property within a
3 district may not exceed the amount set forth in a petition or amended
4 petition approved in accordance with this chapter.

5 (3) The term of the special assessment is limited to the lesser
6 of (a) (~~twenty-eight~~) thirty-five years or (b) (~~two years less~~
7 ~~than~~) the full term of any bonds issued by or on behalf of the
8 district to which the assessments or other revenue of the district is
9 specifically dedicated, pledged, or obligated.

10 (4) The computation of special assessments must follow the
11 requirements of chapter 35.44 RCW, including the authority to use any
12 method or combination of methods to compute assessments which may be
13 deemed by the board of supervisors to fairly reflect the benefit to
14 the properties being assessed. The method of assessment may utilize
15 the supplemental authority granted under chapter 35.51 RCW. A
16 petition meeting the requirements of RCW 36.145.020 may provide for
17 the reduction or waiver of special assessments for low-income
18 households as that term is defined in RCW 36.130.010.

19 (5) The board must set a date, time, and place for hearing any
20 objections to the assessment roll, which hearing must occur no later
21 than one hundred twenty days from final approval of formation of the
22 district. Petitioners or representatives thereof serving on the board
23 of supervisors must not participate in the determination of the
24 special assessment roll or vote on the confirmation of that
25 assessment roll. The restriction in this subsection does not apply to
26 members of the board of supervisors appointed from among the
27 qualified professionals that petitioners may nominate under RCW
28 36.145.020(1)(h).

29 (6) The procedures and requirements for assessments, hearings on
30 the assessment roll, filing of objections to the assessment roll, and
31 appeals from the decision of the board approving or rejecting the
32 assessment roll, must be as set forth in RCW 35.44.010 through
33 35.44.020, 35.44.080 through 35.44.110, and 35.44.190 through
34 35.44.270.

35 (7) At the hearing on the assessment roll, and(~~r~~) in no event
36 later than thirty days after the day of the hearing, the board may
37 adopt a resolution approving the assessment roll or may correct,
38 revise, raise, lower, change, or modify the assessment roll or any
39 part thereof, and provide the petitioner with a detailed explanation
40 of the changes made by the board.

1 (8) If the assessment roll is revised by the board in any way,
2 then, within thirty days of the board's decision, the petitioner(s)
3 must unanimously make one of the following elections: (a) Rescind the
4 petition; or (b) accept the changes made by the board, upon which
5 occurrence the board must adopt a resolution approving the assessment
6 roll as modified by the board.

7 (9) Reassessments, assessments on omitted property, and
8 supplemental assessments are governed by the provisions set forth
9 under chapter 35.44 RCW.

10 (10) Any assessment approved under the provisions of this chapter
11 may be segregated upon a petition of one hundred percent of the
12 owners of the property subject to the assessment to be segregated.
13 The segregation must be made as nearly as possible on the same basis
14 as the original assessment was levied and approved by the board. The
15 board, in approving a petition for segregation and amendment of the
16 assessment roll, must do so in a fashion such that the total of the
17 segregated parts of the assessment equal the assessment before
18 segregation. As to any property originally entered upon the roll the
19 assessment upon which has not been raised, no objections to the
20 approval of the petition for segregation, the resulting assessment,
21 or the amended assessment roll may be considered by the jurisdiction
22 in which the district is located, the board, or by any court on
23 appeal. Assessments must be collected in districts pursuant to the
24 district's previous assessment roll until the amendment to the
25 assessment roll is finalized under this section.

26 (11) Except as provided under chapter 35.44 RCW, assessments may
27 not be increased without the approval of one hundred percent of the
28 property owners subject to the proposed increase.

29 (12) Special assessments must be collected by the district
30 treasurer determined in accordance with RCW 36.145.140.

31 (13) A notice of any special assessment imposed under this
32 chapter must be provided to the owner of the assessed property, not
33 less than once per year, with the following appearing at the top of
34 the page in at least fourteen point, bold font:

35 ******NOTICE******

36
37 **THIS PROPERTY IS SUBJECT TO THE ASSESSMENTS ITEMIZED BELOW AND**
38 **APPROVED BY COMMUNITY FACILITIES DISTRICT # AS THE OWNER**

1 OR POTENTIAL BUYER OF THIS PROPERTY, YOU ARE, OR WOULD BE,
2 RESPONSIBLE FOR PAYMENT OF THE AMOUNTS ITEMIZED BELOW.

3 PLEASE REFER TO RCW 36.145.110 OR CONTACT YOUR COUNTY AUDITOR FOR
4 ADDITIONAL INFORMATION.

5 (14) The district treasurer responsible for collecting special
6 assessments may account for the costs of handling the assessments and
7 may collect a fee not to exceed the measurable costs incurred by the
8 treasurer.

9 **Sec. 2.** RCW 36.145.080 and 2010 c 7 s 301 are each amended to
10 read as follows:

11 (1) A community facilities district must be governed by a board
12 of supervisors possessing the powers set forth under RCW 36.145.090.
13 The board of supervisors must be appointed by each applicable
14 legislative authority within sixty days of the formation of the
15 district. Except as expressly provided under this section, each
16 applicable legislative authority is authorized to appoint members to
17 the board of supervisors only from among the members of its own
18 governing body. Each applicable legislative authority must appoint
19 the petitioner members or nominees required under subsection (2) or
20 (3) of this section. The term of office of each supervisor is three
21 years and until a successor is appointed, except that the supervisors
22 first appointed serve for one and two years respectively from the
23 date of their appointments, as designated in their appointments.

24 (2) Except as provided in subsection (3) of this section, if the
25 proposed district is located entirely within a single jurisdiction,
26 then the board of supervisors consists of: (a) Three members of the
27 legislative authority of the jurisdiction; and (b) two members
28 appointed from among the list of eligible supervisors included in the
29 petition as provided in RCW 36.145.020(1)(h). All members of the
30 board of supervisors must be natural persons.

31 (3) If all or a portion of the proposed district is located
32 within unincorporated land that is entirely surrounded by an
33 incorporated city or town, then the board of supervisors consists of:
34 (a) Two members appointed from the county legislative authority; (b)
35 two members appointed from the legislative authority of the city or
36 town that is the additional legislative authority under RCW
37 36.145.010(4); and (c) one member appointed from the list of eligible
38 petitioners included in the petition as provided in RCW

1 36.145.020(1)(h), depending on the number of additional members that
2 are required to result in an overall odd number of supervisors.

3 (4) If the county, city, or town is the exclusive legislative
4 authority pursuant to RCW 36.145.010, then the board of supervisors
5 consists of: (a) Three members appointed from such county, city, or
6 town; and (b) two members from the list of eligible petitioners or
7 nominees included in the petition, as provided in RCW
8 36.145.020(1)(h), to result in an overall odd number of supervisors.

9 (5) The legislative authorities may appoint qualified
10 professionals with expertise in municipal finance in lieu of one or
11 more appointments authorized in this section. A jurisdiction's
12 appointments to the board of supervisors may consist of a combination
13 of qualified professionals authorized under this section and one or
14 more members from the applicable legislative authority. Nothing
15 contained in this section authorizes a legislative authority to
16 exceed the maximum number of appointments set forth under subsection
17 (2) or (3) of this section.

18 (6) A vacancy on the board must be filled by the legislative
19 authority authorized to make the appointment to the applicable
20 supervisor position under this section. Vacancies must be filled by a
21 person in the same position vacating the board, which for initial
22 petitioner members or nominees includes successor owners of property
23 located within the boundaries of an approved district. If the
24 approved district was originally located entirely on unincorporated
25 land and the unincorporated land has been annexed into a city or
26 town, then, as of the effective date of annexation, the city or town
27 is deemed the exclusive legislative authority for the purposes of
28 this chapter and the composition of the board must be structured
29 accordingly, as provided in this section. Elected members of the
30 applicable legislative authority serving as supervisors must serve
31 without compensation, but they are entitled to expenses, including
32 traveling expenses, necessarily incurred in the discharge of their
33 duties. The board must designate a chair from time to time.

34 (7) Qualified professionals appointed to the board of supervisors
35 are entitled to reasonable compensation in accordance with their
36 professional expertise, and expenses, including traveling expenses,
37 necessarily incurred in the discharge of their duties.

38 NEW SECTION. Sec. 3. A new section is added to chapter 43.21C
39 RCW to read as follows:

1 The formation of a community facilities district under chapter
2 36.145 RCW is exempted from compliance with this chapter, unless such
3 formation constitutes a final agency decision to undertake
4 construction of a structure or facility not otherwise exempt under
5 state law or rule.

--- **END** ---