
SENATE BILL 5680

State of Washington

66th Legislature

2019 Regular Session

By Senators Lias, Zeiger, and Takko

1 AN ACT Relating to the creation of parks benefit districts;
2 adding a new section to chapter 35.21 RCW; adding a new section to
3 chapter 35.61 RCW; adding a new section to chapter 36.69 RCW; adding
4 a new section to chapter 82.14 RCW; and adding a new chapter to Title
5 36 RCW.

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

7 NEW SECTION. **Sec. 1.** The legislature finds that Washington
8 state will continue to see significant population growth, with the
9 most recent office of financial management forecasts estimating
10 nearly two million more people by the year 2040. In the face of this
11 dramatic growth, the legislature finds that it is more important than
12 ever to help preserve, maintain, and enhance local parks, trails, and
13 open spaces that are key contributors to the state's quality of life.

14 The legislature further finds that local parks and recreation
15 agencies confronted with growth, impacted heavily by the great
16 recession, and with limited resources are seeing a rapidly growing
17 maintenance backlog that mirrors the experience of Washington state
18 parks.

19 The legislature also finds that local parks agencies are dealing
20 with a tremendous growth in the number of sports participants and a
21 corollary of sharp increases in demand for local athletic fields,

1 including a nearly three hundred percent increase in adult sports
2 participation being experienced by one eastern Washington community.

3 Therefore, it is the intent of the legislature to establish
4 additional statutory tools to help local parks and recreation
5 agencies better address maintenance backlogs, preserve quality open
6 spaces, and expand and improve athletic fields to accommodate the
7 influx of adult and youth sports participants who are vying for use
8 of those fields. This goal can be better achieved by enabling local
9 parks and recreation agencies to establish parks benefit districts in
10 much the same way that the legislature empowered cities and counties
11 to form transportation benefit districts.

12 NEW SECTION. **Sec. 2.** A new section is added to chapter 35.21
13 RCW to read as follows:

14 The legislative authority of a city may establish a parks benefit
15 district subject to the provisions of this act.

16 NEW SECTION. **Sec. 3.** The definitions in this section apply
17 throughout this chapter unless the context clearly requires
18 otherwise.

19 (1) "City" means a city or town.

20 (2) "District" means a parks benefit district created under this
21 chapter.

22 NEW SECTION. **Sec. 4.** (1) The legislative authority of a county,
23 city, metropolitan park district under chapter 35.61 RCW, or park and
24 recreation district under chapter 36.69 RCW may establish a parks
25 benefit district within the county or city area for the purpose of
26 acquiring, constructing, improving, providing, and funding park
27 maintenance and improvement within the district. The park maintenance
28 and improvements shall be owned by: (a) The county of jurisdiction if
29 located in an unincorporated area, or (b) the city of jurisdiction if
30 located in an incorporated area. Park maintenance and improvements
31 shall be administered and maintained as other public park maintenance
32 and improvements.

33 (2) The members of the legislative authority proposing to
34 establish the district, acting ex officio and independently, shall
35 constitute the governing body of the district.

1 (3) The treasurer of the jurisdiction proposing to establish the
2 district shall act as the ex officio treasurer of the district unless
3 an interlocal agreement states otherwise.

4 (4) The electors of the district shall all be registered voters
5 residing within the district.

6 NEW SECTION. **Sec. 5.** (1) A district is a quasi-municipal
7 corporation, an independent taxing "authority" within the meaning of
8 Article VII, section 1 of the state Constitution, and a "taxing
9 district" within the meaning of Article VII, section 2 of the state
10 Constitution.

11 (2) A district constitutes a body corporate and possesses all the
12 usual powers of a corporation for public purposes as well as all
13 other powers that may now or hereafter be specifically conferred by
14 statute including, but not limited to, the authority to hire
15 employees, staff, and services, to enter into contracts, to acquire,
16 hold, and dispose of real and personal property, and to sue and be
17 sued. Public works contract limits applicable to the jurisdiction
18 that established the district apply to the district.

19 (3) To carry out the purposes of this chapter, and subject to the
20 provisions of section 7 of this act, a district is authorized to
21 impose a sales and use tax in accordance with section 22 of this act.

22 NEW SECTION. **Sec. 6.** (1) The legislative authorities proposing
23 to establish a district, modify the boundaries of an existing
24 district, or dissolve an existing district, when all indebtedness of
25 the district has been retired and anticipated responsibilities have
26 been satisfied, shall conduct a hearing at the time and place
27 specified in a notice published at least once, not less than ten days
28 before the hearing, in a newspaper of general circulation within the
29 proposed district. This notice shall be in addition to any other
30 notice required by law to be published. The notice shall, where
31 applicable, specify the functions or activities proposed to be
32 provided or funded, or the additional functions or activities
33 proposed to be provided or funded, by the district. Additional notice
34 of the hearing may be given by mail, by posting within the proposed
35 district, or in any manner the legislative authorities deem necessary
36 to notify affected persons. All hearings shall be public and the
37 legislative authorities shall hear objections from any person

1 affected by the formation, modification of the boundaries, or
2 dissolution of the district.

3 (2)(a) Following a hearing held pursuant to subsection (1) of
4 this section, the legislative authorities may establish a district,
5 modify the boundaries or functions of an existing district, or
6 dissolve an existing district, if the legislative authorities find
7 the action to be in the public interest and adopt an ordinance
8 providing for the action.

9 (b) The ordinance establishing a district shall specify the
10 functions and parks maintenance and improvements to be exercised or
11 funded and establish the boundaries of the district. Subject to the
12 provisions of section 18 of this act, functions or parks maintenance
13 and improvements proposed to be provided or funded by the district
14 may not be expanded beyond those specified in the notice of hearing,
15 unless additional notices are made, further hearings on the expansion
16 are held, and further determinations are made that it is in the
17 public interest to so expand the functions or parks maintenance and
18 improvements proposed to be provided or funded.

19 NEW SECTION. **Sec. 7.** (1) Except as provided in subsection (4)
20 of this section, taxes, fees, and charges may not be imposed by a
21 district without approval of a majority of the voters in the district
22 voting on a proposition at a general or special election. The
23 proposition must include a specific description of: (a) The park
24 maintenance or improvements proposed by the district; and (b) the
25 proposed taxes, fees, and charges imposed by the district to raise
26 revenue to fund the maintenance and improvement, as applicable.

27 (2) Voter approval under this section must be accorded
28 substantial weight regarding the validity of a park maintenance and
29 improvement.

30 (3) A district may not increase any taxes, fees, or charges
31 imposed under this chapter once the taxes, fees, or charges take
32 effect, except if authorized by the district voters pursuant to
33 section 22 of this act.

34 (4) A district that includes all the territory within the
35 boundaries of the jurisdiction or jurisdictions establishing the
36 district may impose, by a majority vote of the governing board of the
37 district, a fee or charge in accordance with section 13 of this act.

1 NEW SECTION. **Sec. 8.** (1) To carry out the purposes of this
2 chapter and notwithstanding RCW 39.36.020(1), a district may issue
3 general obligation bonds, not to exceed an amount, together with any
4 other outstanding nonvoter-approved general obligation indebtedness,
5 equal to one and one-half percent of the value of taxable property
6 within the district, as the term "value of the taxable property" is
7 defined in RCW 39.36.015. A district may additionally issue general
8 obligation bonds for capital purposes only, together with any
9 outstanding general obligation indebtedness, not to exceed an amount
10 equal to five percent of the value of the taxable property within the
11 district, as the term "value of the taxable property" is defined in
12 RCW 39.36.015, when authorized by the voters of the district pursuant
13 to Article VIII, section 6 of the state Constitution.

14 (2) General obligation bonds with a maturity in excess of forty
15 years shall not be issued. The governing body of the district shall
16 by resolution determine for each general obligation bond issue the
17 amount, date, terms, conditions, denominations, maximum fixed or
18 variable interest rate or rates, maturity or maturities, redemption
19 rights, registration privileges, manner of execution, manner of sale,
20 callable provisions, if any, covenants, and form, including
21 registration as to principal and interest, registration as to
22 principal only, or bearer. Registration may include, but not be
23 limited to: (a) A book entry system of recording the ownership of a
24 bond whether or not physical bonds are issued; or (b) recording the
25 ownership of a bond together with the requirement that the transfer
26 of ownership may only be effected by the surrender of the old bond
27 and either the reissuance of the old bond or the issuance of a new
28 bond to the new owner. Facsimile signatures may be used on the bonds
29 and any coupons. Refunding general obligation bonds may be issued in
30 the same manner as general obligation bonds are issued.

31 (3) Whenever general obligation bonds are issued to fund specific
32 projects or enterprises that generate revenues, charges, user fees,
33 or special assessments, the district may specifically pledge all or a
34 portion of the revenues, charges, user fees, or special assessments
35 to refund the general obligation bonds. The district may also pledge
36 any other revenues that may be available to the district.

37 (4) In addition to general obligation bonds, a district may issue
38 revenue bonds to be issued and sold in accordance with chapter 39.46
39 RCW.

1 (5) Revenue generated by impact fees shall not be used to
2 guarantee or retire bonds issued under this section.

3 NEW SECTION. **Sec. 9.** (1) A district may form a parks
4 improvement district to provide any park maintenance and improvement
5 it has the authority to provide, impose special assessments on all
6 property specially benefited by the park maintenance and improvement,
7 and issue special assessment bonds or revenue bonds to fund the costs
8 of the park maintenance and improvement. Parks improvement districts
9 shall be created and administered, and assessments shall be made and
10 collected, in the manner and to the extent provided by law to cities
11 and towns pursuant to chapters 35.43, 35.44, 35.49, 35.50, 35.51,
12 35.53, and 35.54 RCW. However, the duties devolving upon the city or
13 town treasurer under these chapters shall be imposed upon the
14 district treasurer for the purposes of this section. A parks
15 improvement district may only be formed under this section pursuant
16 to the petition method under RCW 35.43.120 and 35.43.125.

17 (2) The governing body of a district shall by resolution
18 establish for each special assessment bond issue the amount, date,
19 terms, conditions, denominations, maximum fixed or variable interest
20 rate or rates, maturity or maturities, redemption rights,
21 registration privileges, if any, covenants, and form, including
22 registration as to principal and interest, registration as to
23 principal only, or bearer. Registration may include, but not be
24 limited to: (a) A book entry system of recording the ownership of a
25 bond whether or not physical bonds are issued; or (b) recording the
26 ownership of a bond together with the requirement that the transfer
27 of ownership may only be effected by the surrender of the old bond
28 and either the reissuance of the old bond or the issuance of a new
29 bond to the new owner. Facsimile signatures may be used on the bonds
30 and any coupons. The maximum term of any special assessment bonds
31 shall not exceed thirty years beyond the date of issue. Special
32 assessment bonds issued pursuant to this section shall not be an
33 indebtedness of the district issuing the bonds, and the interest and
34 principal on the bonds shall only be payable from special assessments
35 made for the improvement for which the bonds were issued and any park
36 maintenance and improvement guaranty fund that the district has
37 created. The owner or bearer of a special assessment bond or any
38 interest coupon issued pursuant to this section shall not have any
39 claim against the district arising from the bond or coupon except for

1 the payment from special assessments made for the maintenance and
2 improvement for which the bonds were issued and any park maintenance
3 and improvement guaranty fund the district has created. The district
4 issuing the special assessment bonds is not liable to the owner or
5 bearer of any special assessment bond or any interest coupon issued
6 pursuant to this section for any loss occurring in the lawful
7 operation of its park maintenance and improvement guaranty fund. The
8 substance of the limitations included in this subsection shall be
9 plainly printed, written, or engraved on each special assessment bond
10 issued pursuant to this section.

11 (3) Assessments shall reflect any credits given by a district for
12 real property or property right donations made pursuant to RCW
13 47.14.030.

14 (4) The governing body may establish, administer, and pay money
15 into a park maintenance and improvement guaranty fund, in the manner
16 and to the extent provided by law to cities and towns under chapter
17 35.54 RCW, to guarantee special assessment bonds issued by the
18 district.

19 NEW SECTION. **Sec. 10.** Where physical bonds are issued pursuant
20 to section 8 or 9 of this act, the bonds shall be printed, engraved,
21 or lithographed on good bond paper and the manual or facsimile
22 signatures of both the treasurer and chairperson of the governing
23 body shall be included on each bond.

24 NEW SECTION. **Sec. 11.** (1) The proceeds of any bond issued
25 pursuant to section 8 or 9 of this act may be used to pay costs
26 incurred on a bond issue related to the sale and issuance of the
27 bonds. These costs include payments for fiscal and legal expenses,
28 obtaining bond ratings, printing, engraving, advertising, and other
29 similar activities.

30 (2) In addition, proceeds of bonds used to fund capital projects
31 may be used to pay the necessary and related engineering,
32 architectural, planning, and inspection costs.

33 NEW SECTION. **Sec. 12.** A district may accept and expend or use
34 gifts, grants, and donations.

35 NEW SECTION. **Sec. 13.** (1) Subject to the provisions in section
36 7 of this act, a district may impose a fee or charge on the

1 construction or reconstruction of commercial buildings, industrial
2 buildings, or on any other commercial or industrial building or
3 building space or appurtenance, or on the development, subdivision,
4 classification, or reclassification of land for commercial purposes,
5 only if done in accordance with chapter 39.92 RCW.

6 (2) Any fee or charge imposed under this section shall be used
7 exclusively for park maintenance and improvement. The fees or charges
8 imposed must be reasonably necessary as a result of the impact of
9 development, construction, or classification or reclassification of
10 land on identified park needs.

11 (3) If a county or city within the district area is levying a fee
12 or charge for park maintenance and improvement, the fee or charge
13 shall be credited against the amount of the fee or charge imposed by
14 the district.

15 NEW SECTION. **Sec. 14.** A district has the same powers as a
16 county or city to contract for park maintenance and improvement
17 projects and to enter into reimbursement contracts provided for in
18 chapter 35.72 RCW.

19 NEW SECTION. **Sec. 15.** Counties, cities, and other jurisdictions
20 may give funds to districts for the purposes of financing park
21 maintenance and improvement under this chapter.

22 NEW SECTION. **Sec. 16.** (1) The district governing body shall
23 develop a material change policy to address major plan changes that
24 affect project delivery or the ability to finance the plan. The
25 policy must at least address material changes to cost, scope, and
26 schedule; the level of change that will require governing body
27 involvement; and how the governing body will address those changes.
28 At a minimum, in the event that a park's maintenance and improvement
29 cost exceeds its original cost by more than twenty percent as
30 identified in a district's original finance plan, the governing body
31 shall hold a public hearing to solicit comment from the public
32 regarding how the cost change should be resolved.

33 (2) A district shall issue an annual report, indicating the
34 status of park maintenance and improvement costs, park maintenance
35 and improvement expenditures, revenues, and construction schedules to
36 the public and to newspapers of record in the district.

1 NEW SECTION. **Sec. 17.** The rule of strict construction does not
2 apply to this chapter and this chapter shall be liberally construed
3 to permit the accomplishment of its purposes.

4 NEW SECTION. **Sec. 18.** The legislative authority of a county may
5 establish a district subject to the provisions of this act.

6 NEW SECTION. **Sec. 19.** Sections 1 and 3 through 18 of this act
7 constitute a new chapter in Title 36 RCW.

8 NEW SECTION. **Sec. 20.** A new section is added to chapter 35.61
9 RCW to read as follows:

10 The authority of a metropolitan park district may establish a
11 parks benefit district subject to the provisions of this act.

12 NEW SECTION. **Sec. 21.** A new section is added to chapter 36.69
13 RCW to read as follows:

14 The authority of a park and recreation district may establish a
15 parks benefit district subject to the provisions of this act.

16 NEW SECTION. **Sec. 22.** A new section is added to chapter 82.14
17 RCW to read as follows:

18 (1) Subject to the provisions in section 7 of this act, a parks
19 benefit district under this act may fix and impose a sales and use
20 tax in accordance with the terms of this chapter. The tax authorized
21 in this section is in addition to any other taxes authorized by law
22 and shall be collected from those persons who are taxable by the
23 state under chapters 82.08 and 82.12 RCW upon the occurrence of any
24 taxable event within the boundaries of the district. The rate of tax
25 shall not exceed one-tenth of one percent of the selling price in the
26 case of a sales tax, or value of the article used in the case of a
27 use tax. Except as provided in subsection (2) of this section, the
28 tax may not be imposed for a period exceeding ten years. This tax, if
29 not imposed under the conditions of subsection (2) of this section,
30 may be extended for a period not exceeding ten years with an
31 affirmative vote of the voters voting at the election.

32 (2) The voter-approved sales tax initially imposed under this
33 section after July 1, 2019, may be imposed for a period exceeding ten
34 years if the moneys received under this section are dedicated for the

1 repayment of indebtedness incurred in accordance with the
2 requirements of this act.

3 (3) Money received from the tax imposed under this section must
4 be spent in accordance with the requirements of this act and the
5 district may deduct no more than three percent of the tax collected
6 for administration and collection expenses incurred by it.

--- **END** ---