
SUBSTITUTE SENATE BILL 6241

State of Washington

61st Legislature

2010 Regular Session

By Senate Economic Development, Trade & Innovation (originally sponsored by Senators Kilmer and Delvin)

READ FIRST TIME 02/05/10.

1 AN ACT Relating to creating community facilities districts; adding
2 a new section to chapter 82.02 RCW; and adding a new chapter to Title
3 36 RCW.

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

5 **PART I**

6 **GENERAL PROVISIONS**

7 NEW SECTION. **Sec. 101.** The legislature finds that:

8 (1) The state is projected to experience substantial population
9 growth in the next two decades and this growth will require substantial
10 new housing, places of employment, community facilities, and supporting
11 local, subregional, and regional infrastructure;

12 (2) In most areas of the state projected to accommodate substantial
13 growth, there are inadequate community facilities and infrastructure to
14 facilitate and support such growth. In addition, current public
15 financing options and resources are not adequate to provide the needed
16 community facilities and local, subregional, and regional
17 infrastructure;

1 (3) A more flexible type of financing mechanism known as a
2 community facilities district should be available to counties, cities,
3 and towns so that needed community facilities and local, subregional,
4 and regional infrastructure can be provided; and

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

9 (5) It is in the interest of the people of the state of Washington
10 to authorize the establishment of community facility districts as
11 independently governed, special purpose districts, vested with the
12 corporate authority included under Article VII, section 9 of the state
13 Constitution to make local improvements in accordance with this chapter
14 and to carry out the purposes specifically authorized under this
15 chapter.

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

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

20 (2) "Community facilities district" or "district" means a district
21 created under this chapter.

22 (3) "Facility" or "facilities" means the local improvements
23 included under section 501 of this act.

24 (4) "Legislative authority" means the governing body of a county,
25 city, or town to which a petition or amended petition is submitted,
26 where the proposed or existing community facilities district is
27 located.

28 (5) "Petition" means a request, meeting the requirements of section
29 201 of this act, made by landowners to form a community facilities
30 district and to voluntarily submit their land to the assessments, fees,
31 and charges authorized under this chapter and includes an amended
32 petition meeting the requirements of section 201(3) of this act.

33 (6) "Special assessment" means an assessment imposed in accordance
34 with the requirements of this chapter.

35 **PART II**

1 **COMMUNITY FACILITIES DISTRICT FORMATION**

2 NEW SECTION. **Sec. 201.** Community facilities districts are
3 authorized to be formed for the purposes authorized under this chapter.
4 Community facility districts must include land within urban growth
5 areas designated under the state growth management act, and may be
6 located in portions of one or more cities, towns, or counties when
7 created in accordance with this chapter.

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

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

14 (b) Be executed by one hundred percent of all owners of private
15 property located within the boundaries of the proposed district. The
16 property owners must include a request to subject their property to the
17 assessments, fees, and/or charges, up to the amount included in the
18 petition and authorized under this chapter;

19 (c) Include a certification by the petitioners that they want to
20 voluntarily submit their property to the authority of the district
21 under this chapter to approve the petitioner's request to submit their
22 property to the assessments, fees, and/or charges, up to the amount
23 included in the petition and authorized under this chapter;

24 (d) Include a general explanation of the objective and plan of the
25 district;

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

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

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

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

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

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

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

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

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

32 NEW SECTION. **Sec. 203.** Notice of all public hearings must include
33 a description of the proposal, be mailed to all petitioners, and must
34 be published once a week for three consecutive weeks in the official
35 paper of the applicable county, city, or town prior to the date set for
36 the hearing. The notice must be posted for not less than fifteen days

1 prior to the date of the hearing in each of three public places within
2 the boundaries of the proposed district. Each notice must contain the
3 time, date, and place of the public hearing.

4 NEW SECTION. **Sec. 204.** At the time and place of the public
5 hearing, the legislative authority must consider the petition. The
6 legislative authority must receive any evidence it deems material that
7 supports or opposes the formation of the district, including the
8 inclusion or exclusion of land. Unless an amended petition satisfying
9 the requirements of section 201 of this act is approved in accordance
10 with the requirements of this chapter, no land outside the boundaries
11 described in the petition may be included within the proposed district.
12 With the exception of the authority of any court hearing an appeal made
13 in accordance with the requirements of this chapter, no land inside the
14 boundaries of an approved petition may be removed from the district
15 unless an amended petition satisfying the requirements of section 201
16 of this act is approved in accordance with the requirements of this
17 chapter.

18 NEW SECTION. **Sec. 205.** (1) The legislative authority may act on
19 the petition to form a community facilities district at the public
20 hearing held under section 204 of this act and in no event may the
21 legislative authority's decision be issued later than thirty days after
22 the day of the public hearing. The legislative authority must approve
23 the petition by resolution or ordinance if the legislative authority
24 determines, in its sole discretion, that the petitioners will benefit
25 from the proposed district and that the formation of the district will
26 be in the best interest of the county, city or town, as applicable, and
27 that formation of the district is consistent with the requirements of
28 Washington's growth management act.

29 (2) A community facilities district may not be formed unless the
30 legislative authority of each jurisdiction included within the
31 boundaries of the proposed district makes the finding required under
32 subsection (1) of this section with respect to the property included
33 within that jurisdiction's boundaries and with respect to the interest
34 of the jurisdiction.

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

1 (4) All resolutions approving a petition must conform to the terms
2 and conditions contained in the petition, including the maximum amounts
3 of special assessments, fees, and/or charges set forth in the petition,
4 and must designate the name and number of the community facilities
5 district being formed.

6 NEW SECTION. **Sec. 206.** (1) Any person who objects to formation of
7 the district may appeal the final decision of a legislative authority
8 to approve a petition for formation of a community facilities district
9 by filing an appeal with the superior court of the county in which any
10 part of the district is located within fifteen days of the legislative
11 authority's decision.

12 (2) If no appeal is filed within fifteen days of a legislative
13 authority's approval of the petition, the legislative authority's
14 decision is deemed valid, complete, and final, and neither the legal
15 existence of the district, nor the terms and conditions of an approved
16 petition can thereafter be challenged or questioned by any person on
17 the grounds of procedural defect or otherwise. Certified copies of
18 each approval must be filed with the auditor of the county or counties
19 in which the community facilities district is located.

20 **PART III**
21 **COMMUNITY FACILITIES DISTRICT BOARD OF SUPERVISORS**

22 NEW SECTION. **Sec. 301.** (1) A community facilities district must
23 be governed by a board of supervisors possessing the powers set forth
24 under section 401 of this act. The board of supervisors must be
25 appointed by the applicable legislative authority. Except as expressly
26 provided under this section, each legislative authority is authorized
27 to appoint members to the board of supervisors only from among the
28 members of its own governing body. The legislative authority of the
29 jurisdiction having the greatest area within the district must appoint
30 the petitioner members required under subsection (2) or (3) of this
31 section. The term of office of each supervisor is three years and
32 until a successor is appointed, except that the supervisors first
33 appointed serve for one and two years respectively from the date of
34 their appointments, as designated in their appointments.

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

6 (3) If the boundaries of the district include more than one
7 jurisdiction, then the board of supervisors consists of: (a) Two
8 members appointed from the legislative authority of the jurisdiction
9 containing the largest geographic portion of the approved district; (b)
10 one member appointed from the legislative authority of each additional
11 jurisdiction in which the district is located; and (c) either one or
12 two members appointed from the list of eligible petitioners included in
13 the petition as provided in section 201(1)(h) of this act, depending on
14 the number of additional members that are required to result in an
15 overall odd number of supervisors.

16 (4) Local jurisdictions may appoint qualified professionals with
17 expertise in municipal finance in lieu of one or more appointments from
18 the legislative authority of that jurisdiction. A jurisdiction's
19 appointments to the board of supervisors may consist of a combination
20 of qualified professionals authorized under this section and one or
21 more members from the legislative authority of that jurisdiction.
22 Nothing contained in this section authorizes a jurisdiction to exceed
23 the maximum number of appointments set forth under subsection (2) or
24 (3) of this section.

25 (5) Vacancies on the board must be filled by appointments by the
26 legislative authority authorized to make appointments under this
27 section. Vacancies must be filled by a person in the same position
28 vacating the board, which for initial petitioner members includes
29 property owners within the boundaries of an approved district.
30 Supervisors must serve without compensation, but they are entitled to
31 expenses, including traveling expenses, necessarily incurred in
32 discharge of their duties. The board must designate a chair from time
33 to time.

34 **PART IV**
35 **COMMUNITY FACILITIES DISTRICT POWERS**

1 NEW SECTION. **Sec. 401.** (1) A community facilities district
2 created in accordance with this chapter is an independently governed,
3 special purpose district, vested with the corporate authority included
4 under Article VII, section 9 of the state Constitution to make local
5 improvements in accordance with this chapter.

6 (2) Subject to the terms and conditions of an approved petition, a
7 community facilities district has the powers necessary to carry out the
8 specific purposes authorized under this chapter including, but not
9 limited to, the authority to:

10 (a) Acquire, purchase, hold, lease, finance, manage, occupy,
11 construct, and sell real and personal property, facilities, or any
12 interest therein, either inside or outside of the boundaries of the
13 district;

14 (b) Finance and construct facilities authorized under this chapter;

15 (c) Enter into and perform any and all contracts;

16 (d) Levy and enforce the collection of special assessments, fees,
17 and charges, for district revenue, against the property included within
18 a district approved in accordance with this chapter;

19 (e) Enter into lease-purchase agreements with or without an option
20 to purchase;

21 (f) Enter into executory conditional sales contracts, leases, and
22 installment promissory notes;

23 (g) Borrow money to the extent and in the manner authorized by this
24 chapter;

25 (h) Hold in trust property useful to accomplishment of the
26 authority granted under this chapter;

27 (i) Issue revenue bonds in accordance with chapter 39.46 RCW and
28 the requirements of this chapter, payable from revenue of the district
29 that is legally available to be pledged to secure the revenue bonds,
30 which must include, but not be limited to, special assessments;

31 (j) Contract with any municipal corporation, governmental, or
32 private agencies to carry out the purposes authorized by this chapter;

33 (k) Sue and be sued;

34 (l) Accept and receive on behalf of the district any money or
35 property donated, devised, or bequeathed to the district and carry out
36 the terms of the donation, devise, or bequest, if it is within the
37 powers granted by law to community facilities districts or, in the

1 absence of such terms, expend or use the money or property for district
2 purposes as determined by the board of supervisors; and

3 (m) Do any and all lawful acts required and expedient to carry out
4 the express authority provided in this chapter.

5 **PART V**

6 **COMMUNITY FACILITIES DISTRICT FINANCES**

7 NEW SECTION. **Sec. 501.** (1) Through the use of district revenue
8 derived through special assessments, fees, and charges authorized under
9 this chapter and, consistent with the terms and conditions of a
10 petition approved in accordance with this chapter, a community
11 facilities district may finance all or a portion of the following
12 costs, expenses, and facilities whether located inside or outside the
13 boundaries of an approved district:

14 (a) The cost, or any portion thereof, of the purchase, finance,
15 lease, sublease, construction, expansion, improvement, or
16 rehabilitation of any facility with an estimated life of five years or
17 longer;

18 (b) The planning and design work that is directly related to the
19 purchase, construction, expansion, improvement, or rehabilitation of a
20 facility, including engineering, architectural, planning, and
21 inspection costs;

22 (c) Facilities listed in RCW 35.43.040 to the extent not specified
23 in this section;

24 (d) Sanitary sewage systems, including collection, transport,
25 storage, treatment, dispersal, effluent use, and discharge;

26 (e) Drainage and flood control systems, including collection,
27 transport, diversion, storage, detention, retention, dispersal, use,
28 and discharge;

29 (f) Water systems for domestic, industrial, irrigation, municipal,
30 or community facilities purposes, including production, collection,
31 storage, treatment, transport, delivery, connection, and dispersal;

32 (g) Highways, streets, roadways, and parking facilities, including
33 all areas for vehicular use for travel, ingress, egress, and parking;

34 (h) Areas for pedestrian, equestrian, bicycle, or other nonmotor
35 vehicle use for travel, ingress, egress, and parking;

1 (i) Pedestrian malls, parks, recreational facilities, and open-
2 space facilities for the use of members of the public for
3 entertainment, assembly, and recreation;

4 (j) Landscaping, including earthworks, structures, lakes, and other
5 water features, plants, trees, and related water delivery systems;

6 (k) Public buildings, public safety facilities, and community
7 facilities;

8 (l) Publicly owned natural gas transmission and distribution
9 facilities, facilities for the transmission or distribution of
10 electrical energy, and limited communications facilities, specifically
11 poles, trenches, and conduits, for use of any communications provider;

12 (m) Street lighting;

13 (n) Traffic control systems and devices, including signals,
14 controls, markings, and signage;

15 (o) Systems of surface, underground, or overhead railways,
16 tramways, buses, or any other means of mass transportation facilities,
17 including passenger, terminal, station parking, and related facilities
18 and areas for passenger and vehicular use for travel, ingress, egress,
19 and parking;

20 (p) Library, educational, and cultural facilities; and

21 (q) Facilities similar to those listed in this section.

22 (2) The district may not finance public or private residential
23 dwellings, "nonprofit facilities" as defined in RCW 43.180.300,
24 "healthcare facilities" as defined in RCW 70.37.020, "higher education
25 facilities" as defined in RCW 28B.070.020, or "economic development
26 activities" as defined in RCW 43.163.010.

27 NEW SECTION. **Sec. 502.** (1) Consistent with the terms and
28 conditions of a petition approved in accordance with this chapter, a
29 community facilities district may impose special assessments on
30 property located inside the district and benefited by the facilities
31 provided, or to be provided, by a district and may pledge all or a
32 portion of the revenues, together with any other revenues that may be
33 legally available to the district, to the payment of revenue bonds as
34 authorized under this chapter. The term of the special assessment is
35 limited to forty years or the term of any bonds issued by or on behalf
36 of the district to which the revenue generated by the special
37 assessment is specifically dedicated or obligated.

1 (2) Any reasonable method or combination of methods may be proposed
2 in the petition to compute special assessments, determine manifest
3 degrees of benefit or use from facilities, activities, or improvements
4 funded directly or indirectly by special assessments under this
5 section, and to arrive at a final assessment roll. Administrative and
6 operational costs incurred by the district may be proportionally
7 included in these special assessments. A petition meeting the
8 requirements of section 201 of this act may provide for the reduction
9 or waiver of special assessments for low-income households as that term
10 is defined in RCW 36.130.010.

11 (3) The board must set a date, time, and place for hearing any
12 objections to the system of assessments and the special assessment roll
13 set forth in the petition. Objections must be made in writing, must
14 clearly state the grounds for objections, and must be filed with the
15 board prior to the public hearing. Objections to a special assessment
16 or final assessments roll that are not made as provided in this section
17 are deemed waived and will not be considered by the board or a court on
18 appeal.

19 (4) The board of supervisors may require that a system of
20 assessment utilize a differential system of assessment to distinguish
21 between different classes of property within the district and must
22 require that the system of assessments reflects the benefit accruing to
23 the assessed property as a result of the proposed activities to be
24 funded thereby.

25 (a) If the board finds that the system of assessments included in
26 the petition or amended petition satisfies the requirements of this
27 subsection (4), then the board of supervisors may adopt an ordinance or
28 resolution approving the system or systems of assessment and finalizing
29 the assessment roll.

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

36 (c) If the petition is revised by the board in any way, then the
37 petitioner must have the opportunity to take either of the following
38 unanimous actions: (i) Amend or rescind the petition; or (ii) accept

1 the changes made by the board, upon which occurrence the board must
2 adopt an ordinance approving the revised system of assessments and the
3 final assessment roll as modified by the board.

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

8 (a)(i) The appeal must be made within ten days after publication of
9 a notice that the ordinance or resolution approving the system of
10 special assessment and the final special assessment roll has been
11 adopted by filing written notice of the appeal with the board and the
12 clerk of the superior court in the county in which the real property is
13 situated.

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

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

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

37 (c)(i) Within five days after the transcript is filed in the
38 superior court, the appellant must give written notice to the board

1 that the transcript is filed. The notice must state a time, not less
2 than three days from the service thereof, when the appellant will call
3 up the cause for hearing. The superior court must, at this time or at
4 a later time as may be fixed by order of the court, hear and determine
5 the appeal without a jury, and the cause must have preference over all
6 civil causes pending in the court, except proceedings under an act
7 relating to eminent domain in that jurisdiction and actions of forcible
8 entry and detainer.

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

12 (iii) A certified copy of the decision of the court must be filed
13 with the officer having custody of the special assessment roll, and he
14 or she must modify and correct the special assessment roll in
15 accordance with the decision.

16 (d)(i) Any appeal must be made to the supreme court or the court of
17 appeals from the judgment of the superior court, as in other cases.
18 However, the appeal must be taken within fifteen days after the date of
19 the entry of the judgment of the superior court, and the record and
20 opening brief of the appellant in the cause must be filed in the
21 supreme court or the court of appeals within sixty days after the
22 appeal is taken by notice as provided in this section.

23 (ii) The time for filing the record and serving and filing of
24 briefs may be extended by order of the superior court, or by
25 stipulation of the parties concerned. The supreme court or the court
26 of appeals on the appeal may correct, modify, confirm, or annul the
27 special assessment or annual special assessments insofar as the same
28 affects the property of the appellant.

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

33 (6) Any assessment approved under the provisions of this act may be
34 segregated upon a petition of one hundred percent of the owners of the
35 property subject to the assessment to be segregated. The segregation
36 must be made as nearly as possible on the same basis as the original
37 assessment was levied. The board must approve a petition for
38 segregation of the assessment and amend the assessment roll so long as

1 the total of the segregated parts of the assessment equal the
2 assessment before segregation. As to any property originally entered
3 upon the roll the assessment upon which has not been raised, no
4 objections to the approval of the petition for segregation may be
5 considered by the jurisdiction in which the district is located, the
6 board, or by any court on appeal. Assessments must be collected in
7 districts pursuant to the district's previous assessment roll until the
8 amendment to the assessment roll is finalized under this section.

9 (7) Assessments may not be increased without the approval of one
10 hundred percent of the property owners subject to the proposed
11 increase.

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

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

26 ******NOTICE******

27
28 **THIS PROPERTY IS SUBJECT TO THE ASSESSMENTS, FEES, AND CHARGES ITEMIZED**
29 **BELOW AND APPROVED BY COMMUNITY FACILITIES DISTRICT # AS**
30 **THE OWNER OR POTENTIAL BUYER OF THIS PROPERTY, YOU ARE, OR WOULD BE,**
31 **RESPONSIBLE FOR PAYMENT OF THE AMOUNTS ITEMIZED BELOW.**

32 **PLEASE REFER TO RCW 36.---.--- (section 502, chapter . . ., Laws of 2010**
33 **(section 502 of this act)) OR CONTACT YOUR COUNTY AUDITOR FOR**
34 **ADDITIONAL INFORMATION.**

35 (9) Special assessments are due at the same time property taxes are
36 due and constitute liens on the land or improvements upon which they
37 are imposed. Special assessments must be collected and foreclosed by

1 the appropriate officers of the jurisdiction within which the district
2 is located, in the same manner provided by law for the foreclosure of
3 liens held by cities or towns against property in local improvement
4 districts. The treasurer of the county or counties in which the
5 district is located may impose a fee for collecting special assessments
6 not to exceed one percent of the dollar value of special assessments
7 collected.

8 NEW SECTION. **Sec. 503.** (1) The district may utilize the revenue
9 derived in accordance with this chapter for the payment of principal
10 and interest on revenue bonds and/or special assessment bonds issued to
11 fund or reimburse the costs of facilities authorized under this chapter
12 and may otherwise utilize the revenue to directly fund the costs of
13 providing the facilities authorized under this chapter on a pay-as-you-
14 go basis.

15 (2) The board of supervisors may establish, administer, and pay or
16 otherwise obligate the revenue generated in accordance with this
17 chapter into a specific fund created by or on behalf of the district,
18 in order to guarantee payment of obligations incurred in connection
19 with facilities provided under this chapter, including the payment of
20 principal and interest on any bonds issued by or on behalf of the
21 district.

22 (3) The proceeds of any bond issued pursuant to this chapter may be
23 used to pay any and all costs related to providing the facilities
24 authorized under this chapter, including expenses incurred in
25 connection with issuance of the bonds.

26 (4) The reporting requirements of RCW 39.44.210 apply to any bond
27 issuance under this chapter.

28 NEW SECTION. **Sec. 504.** (1) Consistent with the terms and
29 conditions of a petition approved under this chapter, the board of
30 supervisors may by resolution, for community facilities district
31 purposes authorized by law, fix and impose a benefit charge on personal
32 property, real property, and improvements to real property which are
33 located within the community facilities district on the date specified
34 and which have or will receive the benefits provided by the community
35 facilities district, to be paid by the owners of the properties.

1 (2) A benefit charge imposed must be reasonably proportioned to the
2 measurable benefits to property resulting from the facilities and
3 services afforded by the district. It is acceptable to allocate the
4 benefit charges to the properties based on any reasonable method. All
5 charges are subject to contest by the property owners subject to the
6 charges on the grounds of unreasonable or capricious allocation in
7 excess of the measurable benefits to the property resulting from
8 services afforded by the district.

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

13 (4) The resolution establishing benefit charges must specify, by
14 legal geographical areas or other specific designations, the charge to
15 apply to each property by location, type, or other designation, or
16 other information that is necessary to the proper computation of the
17 benefit charge to be charged to each property owner subject to the
18 resolution. The district must determine and identify the personal
19 properties, real property, and improvements to real property which are
20 subject to a benefit charge in each community facilities district and
21 must furnish and deliver to the treasurer of the county or counties in
22 which the district is located a listing of the properties with
23 information describing the location, legal description, and address of
24 the person to whom the statement of benefit charges is to be mailed,
25 the name of the owner, and the value of the property and improvements,
26 together with the benefit charge to apply to each.

27 (5) Each community facilities district must contract, prior to the
28 imposition of a benefit charge for the administration and collection of
29 the benefit charge by the treasurer of the county or counties in which
30 the district is located. The treasurer must deduct a percent, as
31 provided by contract for reimbursement of expenses incurred by the
32 assessor and treasurer in the administration of the resolution and this
33 chapter. The treasurer must make distributions each year, as the
34 charges are collected, in the amount of the benefit charges imposed on
35 behalf of each district, less the deduction provided for in the
36 contract.

1 NEW SECTION. **Sec. 505.** Subject to applicable debt limits, a
2 community facilities district may incur general indebtedness for the
3 purposes expressly authorized under this chapter.

4 NEW SECTION. **Sec. 506.** No bonds issued by or on behalf of a
5 community facilities district are obligations of any city, town,
6 county, or the state of Washington or any political subdivision thereof
7 other than the district and the bonds will so state, unless the
8 legislative authority of the city, town, county, or the legislature
9 expressly authorizes particular bonds to be guaranteed by or
10 obligations of its respective city, town, county, or of the state.

11 NEW SECTION. **Sec. 507.** (1) If a district is located entirely
12 within one county, then the treasurer of that county is the treasurer
13 of the district. If the community facilities district is located in
14 more than one county, then the treasurer of the district is the
15 treasurer of the county with the greatest area included within the
16 district. Except as specifically provided under this chapter, the
17 duties of a treasurer are as provided under applicable law.

18 (2) The district treasurer must establish a community facilities
19 district fund, into which must be paid all district revenues. The
20 district treasurer must also maintain any special funds created by the
21 board of supervisors of the community facilities district, into which
22 the district treasurer must place all money as the board of supervisors
23 may, by resolution, direct. The treasurer may create such subfunds,
24 accounts, and subaccounts as he or she deems necessary.

25 (3) The district treasurer may pay assessment bonds and revenue
26 bonds and the accrued interest thereon in accordance with their terms
27 from the appropriate fund when interest or principal payments become
28 due.

29 (4) All interest collected on community facilities district funds
30 belongs to the district and must be deposited to its credit in the
31 proper district funds.

32 **PART VI**
33 **IMPACT FEES**

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

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

5 **PART VII**
6 **MISCELLANEOUS PROVISIONS**

7 NEW SECTION. **Sec. 701.** All assessments, fees, and charges,
8 imposed on the respective lots, tracts, parcels of land, and other
9 property included within the boundaries of an approved district in
10 accordance with this chapter, are a lien upon the property from the
11 date of final approval and are paramount and superior to any other lien
12 or encumbrance whatsoever, theretofore or thereafter created, except a
13 lien for general taxes.

14 NEW SECTION. **Sec. 702.** Sections 101 through 507 and 701 of this
15 act constitute a new chapter in Title 36 RCW.

16 NEW SECTION. **Sec. 703.** If any provision of this act or its
17 application to any person or circumstance is held invalid, the
18 remainder of the act or the application of the provision to other
19 persons or circumstances is not affected.

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