

SENATE BILL REPORT

ESB 6031

As Amended by House, March 7, 2014

Title: An act relating to lake and beach management districts.

Brief Description: Concerning lake and beach management districts.

Sponsors: Senator Sheldon.

Brief History:

Committee Activity: Natural Resources & Parks: 1/23/14, 1/30/14 [DP].

Passed Senate: 2/12/14, 41-8.

Passed House: 3/07/14, 74-24.

SENATE COMMITTEE ON NATURAL RESOURCES & PARKS

Majority Report: Do pass.

Signed by Senators Pearson, Chair; Liias, Ranking Member; Dansel, Hargrove, Hewitt, Kline and Parlette.

Staff: Curt Gavigan (786-7437)

Background: Counties may create lake or beach management districts to finance the improvement and maintenance of lakes or beaches within or partially within county boundaries. The district may include all or a portion of a lake or beach and the adjacent land areas. Lake or beach management districts are created by resolution adopted by a county legislative body or by a petition filed by certain landowners. A county must hold a public hearing on the proposed management district and may adopt a resolution submitting the question of creating the district to the owners of land within the proposed district, including publicly owned land. A ballot must be mailed to each owner or reputed owner of any land within the proposed management district and the resolution requires a simple majority vote in favor of creation.

A county legislative body must adopt an ordinance creating the lake or beach management district and, within 15 days, file with the county treasurer a description of the lake or beach improvement or maintenance activities the district will finance. The county must then establish and collect the special assessments or rates and charges imposed to finance and perform improvement and maintenance activities. Counties may impose annual special

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assessments and rates and charges on all lands within the district for the duration of the district without a related issuance of lake or beach management district bonds.

A county may issue lake or beach management district bonds to obtain money sufficient to cover unpaid special assessments but not in excess of the costs and expenses of improvement or maintenance activities. Counties issuing bonds must create a special fund or funds from which it will pay all or a portion of the costs of the improvement or maintenance activities. A county may also create a lake or beach management district bond guaranty fund for each issue of bonds that exists only for the life of the bonds for which it was created.

Summary of Engrossed Bill: Property Acquisition. Counties may acquire real property or property rights within or outside a lake or beach management district and promote the conservation and stewardship of upland properties adjoining lakes or beaches with funds collected from special assessments or rates and charges imposed on property in a management district. A county may use special assessments or rates and charges for improvement, defined to include the acquisition of real property or property rights within or outside the management district. A legislative finding that it is in the public interest to promote the conservation, enhancement, preservation, and stewardship of shorelines and upland properties adjoining lakes and beaches is added.

A county may (1) own real property and property rights; (2) transfer real property and property rights to another state or local governmental entity; (3) contract with a public or private entity to hold real property and property rights in trust for the management district; (4) monitor and enforce the terms of a real property right; (5) impose and amend terms, conditions, and encumbrances on real property or property rights; and (6) accept gifts, grants, and loans in connection with real property or property right acquisition.

A lake or beach management district must have written approval from a majority of district property owners prior to acquiring any real property or property rights under this act. In addition, a county must hold a public hearing and adopt an amended resolution before an existing management district may acquire property rights under this act. The bill extends to 30 days the time in which a county must file with the county treasurer a description of the proposed lake or beach improvement and maintenance activities.

Revenue Bonds. A county may issue lake or beach management district revenue bonds, i.e., bonds payable only from special assessments or rates and charges, or both, associated with a particular management district. A majority of district property owners must provide written approval prior to issuing revenue bonds under this act. A revenue bond owner may claim payment from an associated special fund or funds if created by a county. A county is not limited from issuing other bonds for general county purposes.

A county may deposit into a lake or beach management district guaranty fund any money legally available for that purpose and, after repayment of all revenue bonds and assessment installments, may use any amounts remaining in the guaranty fund for lake or beach improvement and maintenance activities or other county purposes. County legislative authorities may not stop the imposition of special assessments if any lake or beach management district revenue bonds are outstanding or if an existing contract might be impaired.

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony on Original Bill: PRO: This bill benefits wildlife habitats, protects water quality, and assists jobs. The ability to acquire real property or property rights facilitates conservation and management of natural features and assists communications between communities and other owners. This bill preserves lakes and beaches from overdevelopment and presents a useful means of retention of property rights. This bill empowers the public to form management districts to purchase land or conservation easements. None of the important processes surrounding public notification and voting are changed by this legislation.

Persons Testifying: PRO: Stephen Boothe, Friends of Lake Nahwatzel; Patti Case, Green Diamond Resource Company; Randy Neatherlin, Mason County Commissioner; Leda Chahim, Forterra.

House Amendment(s):

- Limits the authority of a lake or beach management district to acquire real property to counties in western Washington that plan under the Growth Management Act, and that have more than 40,000 people and less than 65,000 people as of April 1, 2013.
- Makes changes relating to the creation and dissolution of districts by (1) increasing the percentage of the district represented by landowners signing the petition seeking its creation from 15 to 20 percent and (2) establishing a process to dissolve a district.
- Makes changes to district financing including (1) specifying that amounts remaining in a district bond guarantee fund after repayment must be used for district purposes and (2) allowing districts to modify, not just increase, the amount of improvements to be financed by the district.