
Local Government Committee

HB 2292

Brief Description: Providing greater certainty in association with selling city-owned property used for off-street parking.

Sponsors: Representatives Stonier, Harris, Kraft and Frame.

Brief Summary of Bill

- Allows a city legislative authority to sell, transfer, exchange, lease, or dispose of real property obtained for off-street parking when the bonds issued for its acquisition or construction have been paid in full or when the properties within any local improvement district created for the acquisition or construction are no longer subject to any assessment.

Hearing Date: 1/16/18

Staff: Cassie Jones (786-7303).

Background:

City Off-street Parking Facilities.

First and second class cities may provide off-street parking space and facilities located on land dedicated for park or civic center purposes or on other municipally-owned land where the primary purpose of an off-street parking facility is to provide parking for persons who use such park or civic center facilities. Cities may finance the acquisition and construction of off-street parking through the issuance and sale of revenue bonds or general obligation bonds or both. Cities may also create local improvement districts (LID) and utilize available LID financing procedures for off-street parking projects.

Cities may obtain by lease, purchase, donation, or by eminent domain real property for off-street parking as the cities' legislative bodies determine to be necessary by ordinance. Such property may be sold, transferred, exchanged, leased, or otherwise disposed of by the city when its

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legislative body has determined by ordinance that such property is no longer necessary for off-street parking purposes.

General Obligation Bonds, Revenue Bonds, and Local Improvement District Financing.

General obligation debt is secured by the full faith and credit of the local government issuing the debt. The local government pledges its tax revenues unconditionally to pay the interest and principal on the debt as it matures. General obligation bonds issued by the local government are secured by a pledge of the taxing district's property tax authority; bond holders have a legal claim on all the general income of the jurisdiction if a default occurs. Revenue debt is guaranteed by the specific revenues generated by the issuer. Revenue bonds may be issued to finance projects for an enterprise that is self-supporting.

LIDs are special assessment districts that finance improvements to benefit property owners within the district. LIDS are generally paid for by assessments on the benefitting properties. Subject to certain exceptions, both the city and affected property owners must approve the creation of a LID. LID financing involves the sale of bonds to investors and the retirement of those bonds via annual payments by the property owners within a district.

Summary of Bill:

A city legislative authority may sell, transfer, exchange, lease or otherwise dispose of real property obtained for off-street parking under three conditions:

1. When the legislative body has determined by ordinance that such property is no longer necessary for off-street parking purposes;
2. When all bonds issued for acquisition and construction have been paid in full; or
3. When the properties within any local improvement district created for the acquisition or construction of off-street parking facilities are no longer subject to any assessment for such purpose.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.