

# HOUSE BILL REPORT

## SB 5543

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**As Passed House:**  
April 6, 2017

**Title:** An act relating to a reexamination of the classification of land in flood control districts.

**Brief Description:** Concerning a reexamination of the classification of land in flood control districts.

**Sponsors:** Senators Padden and Baumgartner.

**Brief History:**

**Committee Activity:**

Local Government: 3/21/17, 3/23/17 [DP].

**Floor Activity:**

Passed House: 4/6/17, 97-0.

**Brief Summary of Bill**

- Adds that a petition to appoint a board of appraisers may be signed by landowners representing 25 percent of the value of a flood control district's assessments.
- Allows the board of directors to reexamine and revise the classification and relative benefit percentages assigned to tracts of land in certain circumstances.

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### HOUSE COMMITTEE ON LOCAL GOVERNMENT

**Majority Report:** Do pass. Signed by 7 members: Representatives Appleton, Chair; McBride, Vice Chair; Griffey, Ranking Minority Member; Pike, Assistant Ranking Minority Member; Gregerson, Peterson and Taylor.

**Staff:** Yvonne Walker (786-7841).

**Background:**

Flood control districts provide flood control and drainage services and facilities. A flood control district's board of directors may, with the written consent of the county legislative authority of the county within which the major portion of the district is situated, and with a

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petition signed by landowners representing 25 percent of the acreage of the lands in the district, appoint a board of three appraisers to determine the ratio of benefits the lands in the district receive with respect to each other from the district.

To determine the ratios of benefits, the board of appraisers must segregate and divide the lands within the district into classes. The board of appraisers has discretion to set the number of classes to fairly represent the manifest degrees of benefits, including benefits from better sanitation, easier accessibility, facility of drainage, promotion of land development, minimization of flood damages, and flood protection. Land receiving the most benefits is placed in Class No. 1; those lands receiving the next greatest benefits must be placed in Class No. 2, and so on down to the class of the least benefits.

The board of appraisers must determine the percentage of benefits the lands in each class has with respect to the lands in Class No. 1. Those lands falling in Class No. 1 have the ratio or percentage of 100. Assessments are based on the relative ratios of benefits arising from a land's location in its respective class.

**Summary of Bill:**

A petition to appoint a board of appraisers, to determine the ratio of benefits the lands in the district receive with respect to each other from the district, may also be signed by landowners representing 25 percent of the value of the assessments of the district.

When there is any subdivision, lot-line adjustment, or other change in the land use characteristics of any tract of land in the district, the board of directors may, with the written consent of the county legislative authority of the county within which the major portion of the district is situated, and without a landowner petition or formation of a board of appraisers, reconsider and revise, and/or reaffirm the classification and relative percentages assigned to each tract. The board must conduct any reexamination in the same manner used to make the determination originally. Reexamination has no legal effect on any assessment regularly levied before the order of appraisal by the reexamining board of directors and may not occur more than once per calendar year.

**Appropriation:** None.

**Fiscal Note:** Not requested.

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

**Staff Summary of Public Testimony:**

(In support) In 1968 the Newman Lake Flood Control Zone District was created to manage the level of Newman Lake and to cater to acreage that is prone to flooding. In 1983 the subject of water quality was added to the scope for all flood control districts (district) but the same benefit guidelines were used for flood control as well. The statute requires that the district must be funded by benefits, which is the old way of calculating who pays for the operations of the district. This was never the intention when it was originally set up in 1968.

There is currently no provision in the statute or guidelines for residential communities that pay the entire expense of the district to make any changes to how assessments are collected. As growth and development occurred, the way benefits were calculated should have been reassessed - but that has never occurred.

Property taxes in districts can run as high as 10 percent of a landowner's property taxes. In some instances, only 5 percent of those living in a district pay for the entire budget of the district. In fact, over \$250,000 (which is 85 percent of the district's budget), is primarily spent for water quality and paid by only 770 landowners (or 5 percent of the landowners) that live in the Newman Lake area.

The current system allows for the signature of one large land-owning paper company to change the laws within the district even though they pay no assessments to the district, and it does not allow the 770 people who pay the assessments to collectively make any change to how current assessments are paid. This bill will allow those landowners paying for the current assessments to petition themselves and go before the county to ask them to revise who is paying for the flood control assessments in a more equitable manner. This bill will allow the county to make changes, without landowner petition, and it allows petition by the 25 percent of those who actually pay the assessment in the district to re-baseline the assessment for each parcel.

This bill will not have any negative impacts on any other communities because it is providing an alternative method, rather than changing any current requirements, for assessing benefits. This bill will help assessments be paid at a more fair and equitable level.

(Opposed) None.

**Persons Testifying:** Senator Padden, prime sponsor; Bobby Roberts; Kimball Jones; Dennis Rewinkel, Newman Lake Flood Control Zone Advisory Board; Mike Burgess, Spokane County Commissioners; and Duane Murphy.

**Persons Signed In To Testify But Not Testifying:** None.