

SENATE BILL REPORT

SHB 1456

As of March 16, 2017

Title: An act relating to metropolitan park districts.

Brief Description: Concerning metropolitan park districts.

Sponsors: House Committee on Local Government (originally sponsored by Representatives Kloba, Springer, McBride, Goodman, Stanford, Slatter, Appleton, Ryu and Doglio).

Brief History: Passed House: 3/02/17, 58-40.

Committee Activity: Local Government: 3/16/17.

Brief Summary of Bill

- Authorizes a local jurisdiction proposing or approving a petition regarding the formation of a metropolitan park district (MPD) to limit the purpose and taxing powers of the proposed MPD in its resolution.
- Changes MPD board membership requirements when the governing body of a city acts in an ex officio capacity as the board of metropolitan park commissioners.
- Generalizes the allowable purposes under which a metropolitan park district may contract indebtedness and extends the maximum term for general bond obligations.
- Allows a county treasurer serving as an MPD treasurer to provide a bridge loan or line of credit to a newly formed MPD.

SENATE COMMITTEE ON LOCAL GOVERNMENT

Staff: Bonnie Kim (786-7316)

Background: Regular Property Taxes. Real and personal property is subject to regular property taxes each year. "Regular property tax" means a property tax levied by or for a taxing district subject to certain constitutional and statutory limitations. Junior taxing districts, such as cemetery districts and rural library districts, may also impose a regular property tax. Property taxes for all property listed, assessed, and placed on county tax rolls are collected by the county treasurer.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Special Purpose Districts. Special purpose districts are limited purpose local governments separate from a city, town, or county government, created to provide a limited number of public facilities or services. Statute provides for the creation of numerous different types of districts including: cemetery, diking, drainage improvement, fire protection, flood control zone, metropolitan park, mosquito, park and recreation, port, public utility, solid waste collection, water-sewer, county park and recreation service areas, and transportation benefit areas.

Metropolitan Park Districts (MPDs). MPDs may be created by majority vote on a ballot proposition for the management, control, improvement, maintenance, and acquisition of parks, parkways, boulevards, and recreational facilities.

Generally, MPDs are governed by five elected park commissioners who serve six-year terms. In a district wholly located within a city or within the unincorporated area of a county, however, the governing body of the city or legislative authority of the county may be designated to serve in an ex officio capacity as the board of metropolitan park commissioners. If the proposed district is located within more than one city, more than one county, or any combination of cities and counties, each city governing body and county legislative authority may be designated to collectively serve ex officio as the board of metropolitan park commissioners through selection of one or more members from each entity to serve as the board.

The board of park commissioners may levy a general tax on all the property located in a park district each year not to exceed \$0.50 per \$1000 of assessed value of the property. In addition, the board of park commissioners may levy a general tax on all property located in a park district each year not to exceed \$0.25 per \$1000 of assessed valuation. The two levies are considered a single levy for purposes of the limitation provided for in chapter 84.55 RCW (Limitations Upon Regular Property Taxes).

Summary of Bill: MPDs. A city, county, or contiguous group of cities or counties, proposing or approving a petition regarding the formation of an MPD, may limit the purpose and taxing powers of the proposed district in its resolution. Specifically, a local jurisdiction may limit the proposed district's purposes to provide the funds necessary to acquire, construct, renovate, expand, operate, maintain, and provide programming for specifically identified public parks or recreational facilities that are otherwise authorized by law for MPDs. The ballot proposition must specifically identify those public parks or recreational facilities to be funded.

A local jurisdiction may also limit the maximum levy rate to those provided in statute. The ballot proposition must state the maximum regular levy rate. After district formation, changes to the maximum regular levy rate may be made only by a majority vote at a general or special election on a proposition to alter the levy rate. If approved, statutory limitations on regular property taxes would not apply in the first year after the proposition's approval.

MPD Board. If the governing body of a city is designated to serve in an ex officio capacity as the MPD board, and the MPD's boundaries are coterminous with the city's boundaries, the

number of members of the board must be equal to the number of positions on the relevant city governing body or county legislative authority.

Indebtedness Limit. The purpose for which MPDs may contract indebtedness and issue short-term obligations and general obligation bonds is broadened to include any other purposes authorized for the MPD. In addition, the maximum allowable term for general obligation bonds is extended from 20 years to the general maximum term set in statute of 40 years.

Property Transfers. The purpose for which a city may transfer land to an MPD is broadened to include for any other purposes authorized for the district. An MPD may accept public streets of the city and grounds for public purposes when donated for park and other park purposes authorized for the MPD. Cities are also authorized to enter into agreements to transfer any lands, facilities, equipment, and other interests in real or personal property to MPDs.

Treasurers. A county treasurer serving as a district's treasurer may provide a bridge loan or line of credit to a newly formed district until the district has sufficient levy proceeds to pay for its maintenance and operations. A city may act as the MPD's treasurer if the MPD boundaries are coterminous with the boundaries of the city.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

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

Staff Summary of Public Testimony: PRO: Kirkland has had a long-standing need for an aquatic recreational facility but despite the need and a great location, the ballot measure failed because the community did not trust that the district would not increase the levy as time went on. The requirement that a levy rate increase may occur only upon a successful subsequent ballot measure provides more accountability and transparency. This bill allows districts to cap its taxing authority and limit its purpose.

Persons Testifying: PRO: Representative Shelley Kloba, Prime Sponsor; Jay Arnold, Councilmember, City of Kirkland.

Persons Signed In To Testify But Not Testifying: None.