
Local Government Committee

HB 1366

Brief Description: Removing disincentives to the creation of community facilities districts.

Sponsors: Representatives Sullivan, Jenkin, Ryu, Entenman, Doglio, Pollet and Santos.

Brief Summary of Bill

- Amends the term of a Community Facilities District (CFD) special assessment.
- Allows qualified professionals appointed to the CFD board of supervisors to be paid a reasonable compensation in accordance with their professional expertise.
- Exempts the formation of a CFD from the State Environmental Policy Act (SEPA) compliance, unless such formation constitutes a final agency decision to undertake construction of a structure or facility not otherwise exempt under state law or rule.

Hearing Date: 1/29/19

Staff: Robbi Kesler (786-7153).

Background:

A county, city, or town may form Community Facilities Districts (CFD), which is an independently governed special purpose districts, to make local improvements funded through special assessments.

The term of the special assessment is limited to the lesser of:

- twenty-eight years; or
- two years less than the term of any bonds issued by or on behalf of the district to which the assessments or other revenue of the district is specifically dedicated.

A CFD may be formed after a petition has been executed by 100 percent of the property owners located within the boundaries of the proposed district, and presented to the applicable jurisdictions' legislative authorities. The petition must include the names of petitioners who are willing to serve on the board of supervisors of the proposed district. The petition may also

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nominate qualified professionals with expertise in municipal finance to serve on the board of supervisors in lieu of the petitioners. A CFD must be governed by a board of five supervisors, consisting of certain combinations of members of the applicable jurisdictions' legislative authorities and petitioners. Qualified professionals may serve as supervisors in lieu of petitioners or some members of the applicable legislative authority, but there must be at least one member from the applicable legislative authority on the board of supervisors. Supervisors on the board serve without compensation, except for necessary expenses, including travel costs.

Supervisors must serve without compensation, but are entitled to expenses, including traveling expenses, necessarily incurred during the performance of their duties.

State Environmental Policy Act (SEPA) includes procedural requirements for environmental review of any proposal involving a governmental action.

Summary of Bill:

The term of a special assessment is amended to the lesser of:

- thirty-five years; or
- the full-term of any bonds issued by or on behalf of the district to which the assessments or other revenue of the district is specifically dedicated.

Qualified professionals appointed to the board of supervisors are entitled to reasonable compensation in accordance with their professional expertise, and expenses, including traveling expenses, necessarily incurred during the performance of their duties.

Exempts the formation of a Community Facilities District from SEPA compliance, unless such formation constitutes a final agency decision to undertake construction of a structure or facility not otherwise exempt under state law or rule.

Appropriation: None.

Fiscal Note: Requested on January 24, 2019.

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