

# FINAL BILL REPORT

## HB 1366

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Synopsis as Enacted

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

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

**House Committee on Local Government**  
**Senate Committee on Local Government**

### **Background:**

A county, city, or town may form a community facilities district (CFD), which is an independently governed special purpose district, to make local improvements funded through special assessments.

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

- 28 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 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 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.

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*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.*

**Summary:**

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

- 35 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.

The formation of a CFD is exempt 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.

**Votes on Final Passage:**

House	80	14	
Senate	36	5	(Senate amended)
House	78	16	(House concurred)

**Effective:** July 28, 2019