
Local Government Committee

HB 1371

Brief Description: Concerning the creation of parks benefit districts.

Sponsors: Representatives Eslick, Pollet, Irwin, Appleton, Griffey, Stokesbary, Senn, Thai and Doglio.

Brief Summary of Bill

- Creates parks benefit districts (PBD) for the purpose of acquiring, constructing, improving, providing, and funding park maintenance and improvements within the district.
- Requires a legislative authority proposing to establish, dissolve, or modify the boundaries of a PBD, to issue public notice of that intent and then hold a public hearing prior to adopting an ordinance for such action.
- Provides various revenue options available to a PBD in order to finance park maintenance and improvements, some of which are subject to voter approval, including levying sales and use tax, issuing bonds, and imposing impact fees.
- Requires the governing body of a PBD to develop a material change policy to address major plan changes that may affect project delivery, cost, or scope and to issue an annual status report of such changes to the public.

Hearing Date: 1/29/19

Staff: Yvonne Walker (786-7841).

Background:

In Washington, a special purpose district (SPD) is a limited purpose local government separate from a city, town, or county government. Special purpose districts provide an array of services and facilities that are otherwise not available from city or county governments.

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 are generally created through the county or city legislative authority to meet a specific need of the local community. The need may be a new service, a higher level of an existing service, or a method of financing available through the creation of a SPD, such as a transportation benefit district. Special purpose districts are political subdivisions of the state and come into existence, acquire legal rights and duties, and are dissolved in accordance with statutory procedures. Enabling legislation sets forth the purpose of such districts, procedures for formation, powers, functions and duties, composition of the governing body, methods of finance, and other provisions. The districts are usually quasi-municipal corporations, though some are statutorily defined as municipal corporations.

Metropolitan Park Districts.

A metropolitan park district (MPD) is a type of special purpose district created for the control, management, improvement, maintenance, or acquisition of parks, parkways, boulevards, and recreational facilities. A MPD may include territory located in portions or in all of one or more cities or counties.

Park and Recreation Districts.

A park and recreation district is a type of special purpose district created to provide leisure time activities, facilities, and recreational facilities as a public service to the residents of the area within its boundaries. Its area may include incorporated and unincorporated property. The term "recreational facilities" means parks, playgrounds, gymnasiums, swimming pools, field houses, bathing beaches, stadiums, golf courses, automobile racetracks and drag strips, coliseums for the display of spectator sports, public campgrounds, boat ramps and launching sites, public hunting and fishing areas, arboretums, bicycle and bridle paths, senior citizen centers, community centers, and other recreational facilities.

Impact Fees.

Impact fees are one-time charges imposed by local governments on new development projects to help pay for new or expanded public facilities that will directly address the increased demand for services created by that development. Counties, cities, and towns often impose impact fees for public streets and roads, publicly owned parks, open space, and recreation facilities, school facilities, and fire protection facilities.

Summary of Bill:

Parks benefit districts are established. A parks benefit district (PBD or district) is a quasi-municipal corporation and independent taxing authority that may be established by a county, city, MPD, or parks and recreation district within the city or county. A PBD may be created for the purpose of acquiring, constructing, improving, providing, and funding park maintenance and improvements within the district. A PBD is governed by the legislative authority of the jurisdiction proposing to create it. Various revenue options are available to a PBD in order to finance parks maintenance and improvements, most of which are subject to voter approval.

Parks Benefits Districts Creation or Modification.

The legislative authorities proposing to establish a PBD, or to dissolve or modify the boundaries of an existing PBD, must first issue public notice of that intent and then hold a public hearing. All hearings must be public and the legislative authorities must hear objections from any person affected by the formation or modification of the boundaries of the district. Following the public

hearing, the district may be formed or modified if the legislative authorities find that such action is in the public interest and if an ordinance providing for such action is adopted. Maintenance and improvements for parks may not be expanded beyond those specified in the ordinance unless additional notices, hearings, and determinations are made that such expansions are in the public interest to do so.

Revenue Measures Generally.

Parks benefit districts have independent taxing authority to levy a local sales and use tax of up to 0.1 percent which is subject to voter approval. Unless approved by the voters, a sales tax may not be imposed for a period exceeding 10 years. In no event may a sales tax be imposed for more than 20 years. The PBDs are authorized to deduct up to three percent of the tax collected for the administration and collection of the sales and use tax.

The PBDs may issue general obligation and revenue bonds. In addition, PBDs may form local parks improvement districts (LID) to provide parks maintenance and improvements, and may impose special assessments on all property specially benefitted by the parks maintenance and improvements. The district may form a LID only if a petition process is used, which requires that property owners representing a majority of the area within the proposed LID initiate a petition process.

A PBD may contract for park maintenance and improvements. Counties, cities, and other jurisdictions may also give funds to a PBD for the purpose of financing park maintenance and improvements.

Certain issues require a PBD to take additional accountability steps. The governing body must develop a material change policy to address major plan changes that affect project delivery, cost, or scope, or the ability to finance the plan. If project costs exceed original costs by more than 20 percent, there must be a public hearing to solicit comment on how the cost change should be resolved. A PBD must issue an annual report indicating the status of park improvements and maintenance to the public and newspapers in the district. Revenue rates, once imposed, may not be increased unless authorized by voter approval.

Impact Fees.

Parks benefits districts may impose parks impact fees on commercial and industrial development measures without voter approval. The impact fees must be used exclusively for park maintenance and improvements by the district, and must be reasonably necessary as a result of the construction or development. If a county or city within the district is levying a fee for park maintenance and improvement, the fee must be credited against the amount of the fee imposed by the district.

Appropriation: None.

Fiscal Note: Requested on Jan 21, 2019.

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