

SENATE BILL REPORT

SB 5137

**AS REPORTED BY COMMITTEE ON GOVERNMENTAL OPERATIONS,
FEBRUARY 21, 1991**

Brief Description: Invalidating zoning restrictions for property that is subject to an LID assessment based on uses not permitted by the zoning restrictions.

SPONSORS: Senator McCaslin.

SENATE COMMITTEE ON GOVERNMENTAL OPERATIONS

Majority Report: That Substitute Senate Bill No. 5137 be substituted therefor, and the substitute bill do pass.

Signed by Senators McCaslin, Chairman; Roach, Vice Chairman; and Matson.

Staff: Rod McAulay (786-7754)

Hearing Dates: February 5, 1991; February 21, 1991

BACKGROUND:

Local Improvement Districts (LIDs) and Utility Local Improvement Districts (ULIDs) are entities created by local governments to finance capital projects which benefit a particular neighborhood or region. The cost of the project is paid in full or in part by tax assessments against the benefited parcels of real estate. In determining the assessment, a property may be treated as having a potential use different than what is permitted under its existing zoning or land use limitations resulting in a higher assessment. Courts have upheld this practice, but with limitations that are difficult to predict.

SUMMARY:

When determining the amount of an assessment by a LID or ULID, a parcel of real estate may be valued based on usage not permitted by existing zoning or land use laws. The owner of a parcel of real estate subject to a LID or ULID assessment may use the property in the manner assumed in calculating such assessment notwithstanding any restrictions imposed by existing zoning or land use laws.

EFFECT OF PROPOSED SUBSTITUTE:

All of the provisions of the original bill are incorporated and its application is expanded to include assessments by county assessors.

Appropriation: none

Revenue: none

Fiscal Note: none requested

TESTIMONY FOR:

Allows LID and ULID assessors and county assessors to assess based on usages not permitted by zoning. Allows property owners to use property based on its assessment regardless of zoning.

TESTIMONY AGAINST:

Could impair land use planning.

TESTIFIED: Gary Lowe, Assn. of WA Counties (con)