

HOUSE BILL REPORT

HB 1456

As Reported by House Committee On:
Local Government
Finance

Title: An act relating to metropolitan park districts.

Brief Description: Concerning metropolitan park districts.

Sponsors: Representatives Kloba, Springer, McBride, Goodman, Stanford, Slatter, Appleton, Ryu and Doglio.

Brief History:

Committee Activity:

Local Government: 1/25/17, 2/2/17 [DPS];

Finance: 2/17/17, 2/23/17 [DPS(LG)].

Brief Summary of Substitute 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.
- Authorizes cities to enter into agreements to transfer to MPDs any lands, facilities, equipment, and other interests in real or personal property.
- Allows a county treasurer serving as a MPD treasurer to provide a bridge loan or line of credit to a newly formed MPD.

HOUSE COMMITTEE ON LOCAL GOVERNMENT

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.

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 5 members: Representatives Appleton, Chair; McBride, Vice Chair; Griffey, Ranking Minority Member; Gregerson and Peterson.

Minority Report: Do not pass. Signed by 2 members: Representatives Pike, Assistant Ranking Minority Member; Taylor.

Staff: Yvonne Walker (786-7841).

Background:

Metropolitan Park Districts.

A metropolitan park district (MPD) is a type of special purpose district that may be created for the management, control, improvement, maintenance, or acquisition of parks, parkways, boulevards, and recreational facilities. A metropolitan park district may include territory located in portions or all of one or more cities or counties, or in one or more cities and counties. A ballot proposition must be submitted to the voters if a resolution of the city and county legislative authorities proposing the creation of the district is adopted or if a petition is signed by at least 15 percent of the registered voters within the proposed boundaries of the district.

Metropolitan Park District Board.

Metropolitan park districts are governed by five elected park commissioners who serve six-year terms. The commissioners are elected simultaneously when the voters are deciding whether a metropolitan park district should be formed. 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 metropolitan park board (MPD board). 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 MPD board through selection of one or more members from each entity.

The MPD board may impose an initial levy, not to exceed 50 cents per \$1,000 of assessed value, of the property in the district. The MPD board may levy an additional general tax on all property located in a park district each year not to exceed 25 cents per \$1,000 of assessed valuation. The two levies (totaling 75 cents) are considered a single levy for purposes of the constitutional limit.

Indebtedness Limit.

A MPD may issue both voter-approved and nonvoter-approved indebtedness for park, boulevard, aviation landing, playground, and parkway purposes. The combined indebtedness cannot exceed one-quarter of 1 percent of the value of the taxable property in the district. In addition, MPDs may issue general obligation bonds up to a maximum term of 20 years.

Property Transfer.

A city may turn over to a park district any lands that it may own within the city for the purpose of creating parks, playgrounds, or parkways. Counties and municipal corporations

may also transfer any lands, facilities, equipment, and other interests in real or personal property to MPDs.

Treasurers.

The county treasurer of the county where a major portion of a MPD lies is the treasurer for that MPD. The MPD may designate another person as treasurer, other than the county treasurer, if the person has financial or fiscal experience and the MPD board has received approval of the county treasurer to designate that person.

Summary of Substitute Bill:

Metropolitan Park Districts.

A city, county, or contiguous group of cities or counties, proposing or approving a petition regarding the formation of a metropolitan park district (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.

Metropolitan Park District 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 a MPD is broadened to include for any other purposes authorized for the district. A 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.

Substitute Bill Compared to Original Bill:

The substitute bill expands the provisions of the original bill, beyond cities, to include counties and contiguous groups of cities or counties proposing the formation of a metropolitan park district (MPD). A provision is added to change the membership of a MPD board when the governing body of a city acts in an ex officio capacity of the board. In cases where an ex officio treasurer of a MPD is a county treasurer, a provision is added to authorize the treasurer to provide a bridge loan or line of credit to a newly formed MPD until the MPD has received sufficient levy proceeds to pay for the maintenance and operations of the MPD. A provision is added to authorize a MPD to designate the city to act as the MPD treasurer if the MPD boundaries are coterminous with the boundaries of a city. The amendment removes requirements that the governing body of a city act as the board of park commissioners and that the proposed district's boundaries are coterminous with the city in order to limit a proposed district's purpose or taxing authority. Language was also eliminated that provided that multiple MPDs with different limited purposes may be proposed, each with boundaries coterminous with a city or county.

Appropriation: None.

Fiscal Note: Not requested.

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

Staff Summary of Public Testimony:

(In support) The intent of this bill is to give a proposed metropolitan park district (MPD) the opportunity to go to the ballot with a rate lower than the maximum allowed rate so long as the purpose of the MPD is to create a specific facility. The substitute bill holds the intent of the original bill but fixes some problems that were in the original bill and makes some clarifications.

Currently, MPDs can create a shared regional facility that often saves citizens money in all jurisdictions. This bill helps extend a MPD's bonding ability from 20 years to 40 years, which is a valuable tool for capital projects. In addition, the ability of using a county treasurer as an ex officio treasurer solves the problem of having to use a county treasurer when such treasurers may not have the time to serve small districts.

Creating a MPD is a two-step process with an accountability gap. The first step is for voters to approve a MPD, and once approved, the authority grants MPD boards taxing authority. The authority cannot be limited. Once the creation of a MPD is approved, the board can impose some or all of a tax levy without any vote of the people. Many have felt that future MPD boards would have no accountability to the levying of taxes. This bill solves that problem by allowing jurisdictions to limit taxing authority in a MPD ballot title and it requires the MPD to seek voter approval to change the amount or purpose of the levy in the future.

There is one additional amendment needed to the bill to remove the references that allow the formation of multiple MPDs in the same or overlapping geographical areas. The amendment is needed to eliminate the difficulty that would cause the Department of Revenue to apportion levy allowances between multiple districts and determine the legal levy limits.

(Opposed) None.

(Other) The pending amendment is helpful. The MPD statute is very flexible and what works for one city may not work for everyone. This bill is a narrow fix to statute. There is a desire to make sure the statute remains as flexible as possible as the statute has been very flexible for various MPDs across the state.

Persons Testifying: (In support) Representative Kloba, prime sponsor; Dave Asher, Kirkland City Council; and Steven Burke, William Shore Park District.

(Other) Doug Levy, Washington Parks and Recreation Association.

Persons Signed In To Testify But Not Testifying: None.

HOUSE COMMITTEE ON FINANCE

Majority Report: The substitute bill by Committee on Local Government be substituted therefor and the substitute bill do pass. Signed by 7 members: Representatives Lytton, Chair; Frame, Vice Chair; Nealey, Ranking Minority Member; Dolan, Pollet, Springer and Wylie.

Minority Report: Do not pass. Signed by 4 members: Representatives Orcutt, Assistant Ranking Minority Member; Condotta, Stokesbary and Wilcox.

Staff: Tracey O'Brien (786-7152).

Summary of Recommendation of Committee On Finance Compared to Recommendation of Committee On Local Government:

No new recommendations were proposed.

Appropriation: None.

Fiscal Note: Available.

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

Staff Summary of Public Testimony:

(In support) There is an accountability gap when you create a metropolitan park district (MPD) due to the fact that the voters have to authorize the statutory maximum levy rate, as opposed to what a MPD needs. This will allow MPDs to be limited and will make it a more attractive tool for local governments. In Kirkland, we need to build a pool to serve the region; however, we do not need the maximum levy rate. This bill will allow us to make the levy a more accountable and more attractive offer for our taxpayers.

(Opposed) None.

Persons Testifying: Jay Arnold, City of Kirkland.

Persons Signed In To Testify But Not Testifying: None.