

CERTIFICATION OF ENROLLMENT

HOUSE BILL 1366

Chapter 260, Laws of 2019

66th Legislature
2019 Regular Session

COMMUNITY FACILITIES DISTRICTS--SPECIAL ASSESSMENT TERM AND SEPA
EXEMPTION

EFFECTIVE DATE: July 28, 2019

Passed by the House April 18, 2019
Yeas 78 Nays 16

FRANK CHOPP

Speaker of the House of Representatives

Passed by the Senate April 12, 2019
Yeas 36 Nays 5

CYRUS HABIB

President of the Senate

Approved May 7, 2019 10:22 AM

JAY INSLEE

Governor of the State of Washington

CERTIFICATE

I, Bernard Dean, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **HOUSE BILL 1366** as passed by the House of Representatives and the Senate on the dates hereon set forth.

BERNARD DEAN

Chief Clerk

FILED

May 13, 2019

**Secretary of State
State of Washington**

HOUSE BILL 1366

AS AMENDED BY THE SENATE

Passed Legislature - 2019 Regular Session

State of Washington

66th Legislature

2019 Regular Session

By Representatives Sullivan, Jenkin, Ryu, Entenman, Doglio, Pollet, and Santos

Read first time 01/21/19. Referred to Committee on Local Government.

1 AN ACT Relating to removing disincentives to the creation of
2 community facilities districts; amending RCW 36.145.110; and adding a
3 new section to chapter 43.21C RCW.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **Sec. 1.** RCW 36.145.110 and 2010 c 7 s 502 are each amended to
6 read as follows:

7 (1) The board of supervisors of a community facilities district
8 may impose special assessments on property located inside the
9 district and benefited by the facilities and improvements provided,
10 or to be provided, by a district, whether the facilities and
11 improvements are located inside or outside of the boundaries of the
12 proposed district. The requirements and powers of a district relating
13 to the formation, assessment, collection, foreclosure, and other
14 powers of a special assessment district are as set forth in chapters
15 35.43, 35.44, 35.49, and 35.50 RCW, except where otherwise addressed
16 under this chapter. In any case where the provisions of this chapter
17 conflict with the requirements under any other chapter that applies
18 to the formation, assessment, collection, foreclosure, or other
19 powers of a special assessment district, the provisions of this
20 chapter control.

1 (2) Except as otherwise expressly provided under this chapter,
2 the special assessments imposed and collected on property within a
3 district may not exceed the amount set forth in a petition or amended
4 petition approved in accordance with this chapter.

5 (3) The term of the special assessment is limited to the lesser
6 of (a) (~~twenty-eight~~) thirty-five years or (b) (~~two years less~~
7 ~~than~~) the full term of any bonds issued by or on behalf of the
8 district to which the assessments or other revenue of the district is
9 specifically dedicated, pledged, or obligated.

10 (4) The computation of special assessments must follow the
11 requirements of chapter 35.44 RCW, including the authority to use any
12 method or combination of methods to compute assessments which may be
13 deemed by the board of supervisors to fairly reflect the benefit to
14 the properties being assessed. The method of assessment may utilize
15 the supplemental authority granted under chapter 35.51 RCW. A
16 petition meeting the requirements of RCW 36.145.020 may provide for
17 the reduction or waiver of special assessments for low-income
18 households as that term is defined in RCW 36.130.010.

19 (5) The board must set a date, time, and place for hearing any
20 objections to the assessment roll, which hearing must occur no later
21 than one hundred twenty days from final approval of formation of the
22 district. Petitioners or representatives thereof serving on the board
23 of supervisors must not participate in the determination of the
24 special assessment roll or vote on the confirmation of that
25 assessment roll. The restriction in this subsection does not apply to
26 members of the board of supervisors appointed from among the
27 qualified professionals that petitioners may nominate under RCW
28 36.145.020(1)(h).

29 (6) The procedures and requirements for assessments, hearings on
30 the assessment roll, filing of objections to the assessment roll, and
31 appeals from the decision of the board approving or rejecting the
32 assessment roll, must be as set forth in RCW 35.44.010 through
33 35.44.020, 35.44.080 through 35.44.110, and 35.44.190 through
34 35.44.270.

35 (7) At the hearing on the assessment roll, and(~~r~~) in no event
36 later than thirty days after the day of the hearing, the board may
37 adopt a resolution approving the assessment roll or may correct,
38 revise, raise, lower, change, or modify the assessment roll or any
39 part thereof, and provide the petitioner with a detailed explanation
40 of the changes made by the board.

1 (8) If the assessment roll is revised by the board in any way,
2 then, within thirty days of the board's decision, the petitioner(s)
3 must unanimously make one of the following elections: (a) Rescind the
4 petition; or (b) accept the changes made by the board, upon which
5 occurrence the board must adopt a resolution approving the assessment
6 roll as modified by the board.

7 (9) Reassessments, assessments on omitted property, and
8 supplemental assessments are governed by the provisions set forth
9 under chapter 35.44 RCW.

10 (10) Any assessment approved under the provisions of this chapter
11 may be segregated upon a petition of one hundred percent of the
12 owners of the property subject to the assessment to be segregated.
13 The segregation must be made as nearly as possible on the same basis
14 as the original assessment was levied and approved by the board. The
15 board, in approving a petition for segregation and amendment of the
16 assessment roll, must do so in a fashion such that the total of the
17 segregated parts of the assessment equal the assessment before
18 segregation. As to any property originally entered upon the roll the
19 assessment upon which has not been raised, no objections to the
20 approval of the petition for segregation, the resulting assessment,
21 or the amended assessment roll may be considered by the jurisdiction
22 in which the district is located, the board, or by any court on
23 appeal. Assessments must be collected in districts pursuant to the
24 district's previous assessment roll until the amendment to the
25 assessment roll is finalized under this section.

26 (11) Except as provided under chapter 35.44 RCW, assessments may
27 not be increased without the approval of one hundred percent of the
28 property owners subject to the proposed increase.

29 (12) Special assessments must be collected by the district
30 treasurer determined in accordance with RCW 36.145.140.

31 (13) A notice of any special assessment imposed under this
32 chapter must be provided to the owner of the assessed property, not
33 less than once per year, with the following appearing at the top of
34 the page in at least fourteen point, bold font:

35 ******NOTICE******

36
37 **THIS PROPERTY IS SUBJECT TO THE ASSESSMENTS ITEMIZED BELOW AND**
38 **APPROVED BY COMMUNITY FACILITIES DISTRICT # AS THE OWNER**

1 OR POTENTIAL BUYER OF THIS PROPERTY, YOU ARE, OR WOULD BE,
2 RESPONSIBLE FOR PAYMENT OF THE AMOUNTS ITEMIZED BELOW.

3 PLEASE REFER TO RCW 36.145.110 OR CONTACT YOUR COUNTY AUDITOR FOR
4 ADDITIONAL INFORMATION.

5 (14) The district treasurer responsible for collecting special
6 assessments may account for the costs of handling the assessments and
7 may collect a fee not to exceed the measurable costs incurred by the
8 treasurer.

9 NEW SECTION. **Sec. 2.** A new section is added to chapter 43.21C
10 RCW to read as follows:

11 The formation of a community facilities district under chapter
12 36.145 RCW is exempted from compliance with this chapter, unless such
13 formation constitutes a final agency decision to undertake
14 construction of a structure or facility not otherwise exempt under
15 state law or rule.

Passed by the House April 18, 2019.
Passed by the Senate April 12, 2019.
Approved by the Governor May 7, 2019.
Filed in Office of Secretary of State May 13, 2019.

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