

1 community facilities district should be available to counties, cities,
2 and towns so that needed community facilities and local, subregional,
3 and regional infrastructure can be provided; and

4 (4) This act is intended to facilitate voluntary landowner
5 financing of community facilities and local, subregional, and regional
6 infrastructure by authorizing the creation of community facilities
7 districts.

8 NEW SECTION. **Sec. 102.** The definitions in this section apply
9 throughout this title unless the context clearly requires otherwise.

10 (1) "Community facilities commission" or "commission" means the
11 governing body of a community facilities district.

12 (2) "Community facilities district" or "district" means a municipal
13 corporation, an independent taxing authority within the meaning of
14 Article VII, section 1 of the state Constitution, and a taxing district
15 within the meaning of Article VII, section 2 of the state Constitution
16 that has been created by a vote of the people under this title to
17 implement a community facilities district.

18 (3) "Petition" means a voluntary landowner request for formation of
19 a community facilities district and a request to submit their land to
20 the taxes and benefit charges authorized under this title consistent
21 with the requirements provided in section 202 of this act. Petition
22 also means any amended petition filed consistent with the requirements
23 provided in section 202 of this act.

24 **PART II**
25 **COMMUNITY FACILITIES DISTRICT FORMATION**

26 NEW SECTION. **Sec. 201.** Community facilities districts are
27 authorized to be established as provided in this title.

28 NEW SECTION. **Sec. 202.** For the purpose of the formation of a
29 community facilities district, a petition must be filed with the
30 county, city, or town in which the district is located. The petition
31 must be executed by all persons having an ownership interest of record
32 in the lands within the proposed district including a certification of
33 their desire to voluntarily submit their land located within the
34 district to the taxes and benefit charges authorized under this title,

1 designating the boundaries of the proposed district, by metes and
2 bounds, or by describing the lands to be included in the proposed
3 district by United States townships, ranges, and legal subdivisions,
4 setting forth the object, plan, and financing for the creation of the
5 proposed district and must allege that the establishment of the
6 proposed district will be conducive to the public safety, welfare, and
7 convenience, and will be a benefit to the property included in the
8 proposed district. The petition must be accompanied by an obligation
9 signed by two or more petitioners, agreeing to pay the cost of the
10 formation processes required by this title. Any petition may, from
11 time to time, be amended so long as it is executed by all persons
12 having an ownership interest of record in the lands within the district
13 or proposed district.

14 NEW SECTION. **Sec. 203.** A public hearing on the petition must be
15 held by the legislative authority of the county, city, or town in which
16 the proposed district is located not less than twenty nor more than
17 forty days from the date of receipt of the petition.

18 NEW SECTION. **Sec. 204.** Notice of the public hearing must be
19 published for three consecutive weeks in the official paper of the
20 applicable county, city, or town prior to the date set for the hearing
21 and must be posted for not less than fifteen days prior to the date of
22 the hearing in each of three public places within the boundaries of the
23 proposed district. The notices must contain the time, date, and place
24 of the public hearing.

25 NEW SECTION. **Sec. 205.** At the time and place of the hearing set
26 for the petition, the applicable legislative authority must consider
27 the petition and must receive evidence as it deems material in favor of
28 or opposed to the formation of the district or to the inclusion or
29 exclusion of any lands. No lands outside of the boundaries of the
30 proposed district described in the petition may be included within the
31 district without a written petition meeting the requirements as
32 provided in section 202 of this act.

33 NEW SECTION. **Sec. 206.** The legislative authority for the county,
34 city, or town in which the proposed district is located has the

1 authority to consider the petition and, if it finds that the lands or
2 any portion of the lands described in the petition, and any lands added
3 thereto by petition of those interested, will be benefited and that the
4 formation of the district will be conducive to the public safety,
5 welfare, and convenience, it must make a finding by resolution;
6 otherwise it must deny the petition. If the legislative authority
7 approves the petition, said approval must be consistent with the terms
8 and conditions of the petition and must designate the name and number
9 of the district.

10 NEW SECTION. **Sec. 207.** Any person or entity having a substantial
11 interest and feeling aggrieved by any finding, determination, or
12 resolution of the legislative authority in the proceedings for the
13 organization of a community facilities district under this title may
14 appeal within five days after the action of the legislative authority,
15 to the superior court of the county, in the same manner as provided by
16 law for appeals from the orders and determinations of the applicable
17 legislative authority.

18 NEW SECTION. **Sec. 208.** After the expiration of five days from the
19 approval of the resolution of the legislative authority declaring the
20 district to be organized, and the filing of the certified copies of the
21 resolution, the creation of the district is complete and its legal
22 existence cannot thereafter be questioned by any person by reason of a
23 defect in the proceedings for the organization of the district.

24 NEW SECTION. **Sec. 209.** Upon expiration of the appeal period
25 provided for under section 207 of this act or, upon judicial resolution
26 of an appeal upholding and confirming the formation of the district,
27 the election officials of the county, city, or town in which the
28 district is located must hold an election for the initial community
29 facilities commissioners in accordance with the general election laws
30 of the state. The commission must always be composed of the following
31 three members (1) the largest landowner within the district, (2) a
32 voter residing within the district, and (3) an elected official from
33 the legislative authority of the county, city, or town approving the
34 formation of the district. This election must be held at the next
35 general election date according to RCW 29A.04.321 and 29A.04.330, which

1 occurs after the date of the action by the legislative authority
2 approving the petition. The largest landowner in the district must
3 automatically be added to the ballot and only requires one vote to be
4 approved as a commissioner. With respect to position number two, any
5 voter residing within the district may add their name to the ballot.
6 With respect to position number three, the appropriate legislative
7 authority must nominate one or more of its members for candidacy. The
8 legislative authority must declare the candidates receiving the highest
9 number of votes to be the initial community facilities commissioners of
10 the district. The term of office for each commissioner is six years.

11 **PART III**
12 **COMMUNITY FACILITIES DISTRICT COMMISSION**

13 NEW SECTION. **Sec. 301.** The affairs of the district must be
14 managed by the commission.

15 NEW SECTION. **Sec. 302.** The polling places for the election of the
16 community facilities district commissioners may be located inside or
17 outside the boundaries of the district and the election may not be held
18 to be irregular or void on that account.

19 NEW SECTION. **Sec. 303.** Before beginning the duties of office,
20 each community facilities commissioner must take and subscribe the
21 official oath for the faithful discharge of the duties of office as
22 required by RCW 29A.04.133, which oath must be filed in the office of
23 the auditor of the county in which all, or the largest portion of, the
24 district is located.

25 NEW SECTION. **Sec. 304.** All meetings of the commission must be
26 conducted in accordance with chapter 42.30 RCW and a majority
27 constitutes a quorum for the transaction of business. All records of
28 the commission must be open to inspection in accordance with chapter
29 42.56 RCW. The commission has the power and duty to adopt a seal of
30 the district, to manage and conduct the business affairs of the
31 district, to make and execute all necessary contracts, to employ any
32 necessary services, and to adopt reasonable rules to govern the

1 district and to perform its functions, and generally to perform all
2 acts as may be necessary to carry out the objects of the creation of
3 the district.

4 **PART IV**

5 **COMMUNITY FACILITIES DISTRICTS POWERS**

6 NEW SECTION. **Sec. 401.** Community facilities districts created
7 under this title are political subdivisions of the state and are held
8 to be municipal corporations within the laws and Constitution of the
9 state of Washington. A community facilities district constitutes a
10 body corporate and possesses all the usual powers of a corporation for
11 public purposes as well as all other powers that may now or hereafter
12 be specifically conferred by law. Notwithstanding any and all of the
13 powers of the district granted by the laws and Constitution of the
14 state and by this title, all actions of the district must be consistent
15 with the terms and conditions of the petition or amended petition.

16 NEW SECTION. **Sec. 402.** Community facilities districts have full
17 authority to carry out their purposes and to that end may acquire,
18 purchase, hold, lease, manage, occupy, construct, and sell real and
19 personal property, facilities, or any interest therein, to enter into
20 and to perform any and all necessary contracts, to appoint and employ
21 the necessary officers, agents, and employees, to sue and be sued, to
22 levy and enforce the collection of taxes, assessments, and benefit
23 charges in the manner and subject to the limitations provided in this
24 title against the lands within the district for district revenues, and
25 to do any and all lawful acts required and expedient to carry out the
26 purpose of this title.

27 NEW SECTION. **Sec. 403.** Any community facilities district
28 organized under this title may:

29 (1) Lease, acquire, own, maintain, operate, construct, and provide
30 community facilities apparatus and all other necessary or proper
31 facilities, machinery, and equipment for community facilities
32 operations and projects;

33 (2) Lease, acquire, own, maintain, construct, and operate real

1 property, improvements, and fixtures for housing, repairing, and
2 maintaining the apparatus, facilities, machinery, and equipment
3 described in subsection (1) of this section;

4 (3) Contract with any governmental entity under chapter 39.34 RCW
5 or private person or entity to consolidate, provide, or cooperate for
6 community facilities operations and projects. In so contracting, the
7 district or governmental entity is deemed for all purposes to be acting
8 within its governmental capacity; and

9 (4) Perform acts consistent with this title and not otherwise
10 prohibited by law.

11 NEW SECTION. **Sec. 404.** Community facilities districts may execute
12 executory conditional sales contracts, installment promissory notes
13 secured by a deed of trust, or mortgages with a governmental entity or
14 a private party for the purchase or sale of any real or personal
15 property, or property rights.

16 NEW SECTION. **Sec. 405.** (1) Consistent with the terms and
17 conditions set forth in a petition filed under this title, a community
18 facilities district may finance through the use of taxes, assessments,
19 and benefit charges, as provided in this title, the cost of purchase,
20 construction, expansion, improvement, or rehabilitation of any facility
21 with an estimated life of five years or longer or may finance planning
22 and design work that is directly related to the purchase, construction,
23 expansion, improvement, or rehabilitation of any facility.

24 (2) A community facilities district may finance facilities
25 including, but not limited to, the following:

26 (a) Facilities listed in RCW 35.43.040 to the extent not specified
27 in this section;

28 (b) Sanitary sewage systems, including collection, transport,
29 storage, treatment, dispersal, effluent use, and discharge;

30 (c) Drainage and flood control systems, including collection,
31 transport, diversion, storage, detention, retention, dispersal, use,
32 and discharge;

33 (d) Water systems for domestic, industrial, irrigation, municipal,
34 or community facilities purposes, including production, collection,
35 storage, treatment, transport, delivery, connection, and dispersal;

1 (e) Highways, streets, roadways, and parking facilities, including
2 all areas for vehicular use for travel, ingress, egress, and parking;

3 (f) Areas for pedestrian, equestrian, bicycle, or other nonmotor
4 vehicle use for travel, ingress, egress, and parking;

5 (g) Pedestrian malls, parks, recreational facilities, and open-
6 space facilities for the use of members of the public for
7 entertainment, assembly, and recreation;

8 (h) Landscaping, including earthworks, structures, lakes, and other
9 water features, plants, trees, and related water delivery systems;

10 (i) Public buildings, public safety facilities, and community
11 facilities;

12 (j) Natural gas transmission and distribution facilities,
13 facilities for the transmission or distribution of electrical energy,
14 and communication facilities including, but not limited to, telephone
15 and internet lines and cables and wireless systems;

16 (k) Lighting systems;

17 (l) Traffic control systems and devices, including signals,
18 controls, markings, and signage;

19 (m) Systems of surface, underground, or overhead railways,
20 tramways, buses, or any other means of mass transportation facilities,
21 including passenger, terminal, station parking, and related facilities
22 and areas for passenger and vehicular use for travel, ingress, egress,
23 and parking;

24 (n) Library, educational, and cultural facilities; and

25 (o) Facilities similar to those listed in this section.

26 (3) This chapter does not authorize a district to finance general
27 government operations and services.

28 NEW SECTION. **Sec. 406.** The district may construct, finance, or
29 invest in community facilities in any place, inside or outside the
30 boundaries of the district, where the facility provides benefit to the
31 district and the properties within the district.

32 NEW SECTION. **Sec. 407.** The commission of the district has the
33 authority to contract indebtedness and to refund the same for any
34 general district purpose, including expenses of maintenance, operation,
35 and administration, and the acquisition and construction of facilities,
36 and evidence the same by the issuance and sale of general obligation

1 and/or revenue bonds of the district payable at such time or times not
2 longer than twenty years from the issuing date of the bonds. The bonds
3 must be issued and sold in accordance with chapter 39.46 RCW and other
4 applicable law. Notwithstanding any other limitation provided by law,
5 such bonds may be issued together with any outstanding nonvoter-
6 approved general obligation indebtedness up to the amounts allowed
7 under the state Constitution.

8 NEW SECTION. **Sec. 408.** Community facilities districts are
9 authorized to incur general indebtedness for capital purposes and to
10 issue general obligation bonds not to exceed an amount, together with
11 any outstanding general obligation indebtedness, up to the limits
12 provided under the state Constitution, and to provide for the
13 retirement thereof by excess property tax levies and benefit charges
14 authorized under this title.

15 NEW SECTION. **Sec. 409.** To carry out the purposes for which
16 community facilities districts are created, the commission of a
17 district may levy each year, in addition to the other levies and
18 charges authorized under this title, for the payment of the principal
19 and interest of any outstanding general obligation bonds, an ad valorem
20 tax on all taxable property located in the district consistent with the
21 terms of a petition filed under this title, other applicable
22 requirements of this title, and the limits imposed under the state
23 Constitution.

24 NEW SECTION. **Sec. 410.** A community facilities district may accept
25 and receive on behalf of the district any money or property donated,
26 devised, or bequeathed to the district, and may carry out the terms of
27 the donation, devise, or bequest, if within the powers granted by law
28 to community facilities districts. In the absence of such terms, a
29 community facilities district may expend or use the money or property
30 for district purposes as determined by the commission.

31 **PART V**
32 **COMMUNITY FACILITIES DISTRICTS FINANCES**

1 NEW SECTION. **Sec. 501.** It is the duty of the county treasurer in
2 which the community facilities district created under this title is
3 located to receive and disburse district revenues, to collect taxes,
4 benefit charges, and assessments authorized and levied under this
5 title, and to credit district revenues to the proper fund.

6 NEW SECTION. **Sec. 502.** The county treasurer's office must
7 maintain the following funds for each community facilities district:
8 (1) Expense fund; (2) reserve fund; (3) general obligation bond fund;
9 (4) revenue bond fund; and (5) other funds as the commission of the
10 district may establish. Taxes levied for administrative, operative,
11 and maintenance purposes, for the purchase of machinery and equipment,
12 for the finance and construction of facilities, and for the purchase of
13 real property, when collected, and proceeds from the sale of general
14 obligation and revenue bonds must be placed by the county treasurer in
15 the proper fund.

16 NEW SECTION. **Sec. 503.** At the time of making general tax levies
17 the district must make the required levies for district purposes
18 against the real and personal property in the district consistent with
19 the terms and conditions of the petition. The tax levies are a part of
20 the general tax roll and must be collected as a part of the general
21 taxes against the property in the district.

22 NEW SECTION. **Sec. 504.** (1) Except as provided in subsections (2)
23 and (3) of this section, money received for the account of the district
24 on warrants issued must be paid against the proper funds of the
25 district. The warrants must be issued on vouchers approved and signed
26 by a majority of the commissioners and by the district secretary.

27 (2) The community facilities commissioners, after auditing all
28 payrolls and bills, may authorize the issuing of one general
29 certificate to the county treasurer, to be signed by the secretary of
30 the commission, authorizing the county treasurer to pay all the
31 warrants specified by date, number, name, and amount, and the
32 accounting funds on which the warrants must be drawn; thereupon the
33 district secretary may issue the warrants specified in the general
34 certificate.

1 (3) The county treasurer may also pay general obligation bonds
2 and/or revenue bonds and the accrued interest thereon in accordance
3 with their terms from the appropriate fund when interest or principal
4 payments become due. The county treasurer must report in writing
5 monthly to the secretary of the district the amount of money held by
6 the county in each fund and the amounts of receipts and disbursements
7 for each fund during the preceding month.

8 **PART VI**

9 **COMMUNITY FACILITIES DISTRICTS BENEFIT CHARGES**

10 NEW SECTION. **Sec. 601.** (1) Consistent with the terms and
11 conditions of a petition filed under this title the community
12 facilities commission may by resolution, for community facilities
13 district purposes authorized by law, fix and impose a benefit charge on
14 personal property, real property, and improvements to real property
15 which are located within the community facilities district on the date
16 specified and which have or will receive the benefits provided by the
17 community facilities district, to be paid by the owners of the
18 properties.

19 (2) A benefit charge imposed must be reasonably proportioned to the
20 measurable benefits to property resulting from the facilities and
21 services afforded by the district. It is acceptable to apportion the
22 benefit charge to the values of the properties as found by the county
23 assessor or assessors modified generally in the proportion that
24 community facilities' operations and projects provide benefits to real
25 property within the district. Any other method that reasonably
26 apportions the benefit charges to the actual benefits resulting from
27 the improved value of real properties within the district due to
28 community facilities' operations and projects may be specified in the
29 resolution and are subject to contest on the ground of unreasonable or
30 capricious action or action in excess of the measurable benefits to the
31 property resulting from services afforded by the district.

32 (3) For administrative purposes, the benefit charge imposed on any
33 individual property may be compiled into a single charge, provided that
34 the district, upon request of the property owner, provide an itemized
35 list of charges for each measurable benefit included in the charge.

1 NEW SECTION. **Sec. 801.** Sections 101 through 603 of this act
2 constitute a new title in the Revised Code of Washington.

3 NEW SECTION. **Sec. 802.** Parts I through VI of this act constitute
4 new chapters in the new title created under section 801 of this act and
5 are to be codified as new chapters in the new title.

6 NEW SECTION. **Sec. 803.** Part headings used in this act are not any
7 part of the law.

8 NEW SECTION. **Sec. 804.** If any provision of this act or its
9 application to any person or circumstance is held invalid, the
10 remainder of the act or the application of the provision to other
11 persons or circumstances is not affected.

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