

---

HOUSE BILL 2069

---

State of Washington

61st Legislature

2009 Regular Session

By Representative Sullivan

Read first time 02/09/09. Referred to Committee on Community & Economic Development & Trade.

1 AN ACT Relating to creating community facilities districts;  
2 amending RCW 84.52.052; adding new sections to chapter 84.52 RCW;  
3 adding a new section to chapter 82.02 RCW; adding a new title to the  
4 Revised Code of Washington; and creating new sections.

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

6 PART I

7 GENERAL PROVISIONS

8 NEW SECTION. **Sec. 101.** The legislature finds that:

9 (1) The state is projected to experience substantial population and  
10 employment growth in the next two decades and this growth will require  
11 substantial new housing, places of employment, community facilities,  
12 and supporting local, subregional, and regional infrastructure;

13 (2) In most areas of the state projected to accommodate substantial  
14 growth, there are inadequate community facilities and infrastructure to  
15 facilitate and support such growth. In addition, there is inadequate  
16 public financing and public financing mechanisms available to provide  
17 the needed community facilities and local, subregional, and regional  
18 infrastructure;

1 (3) A more flexible type of financing mechanism known as a  
2 community facilities district should be available to counties, cities,  
3 and towns so that needed community facilities and local, subregional,  
4 and regional infrastructure can be provided; and

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

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

10 (1) "Board" means the governing body of a community facilities  
11 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 regional community facilities authority plan.

18 (3) "Community facilities jurisdiction" means a community  
19 facilities district, city, town, port district, or Indian tribe.

20 (4) "Regional board" means the governing body of a regional  
21 community facilities authority.

22 (5) "Regional community facilities authority" or "authority" means  
23 a municipal corporation, an independent taxing authority within the  
24 meaning of Article VII, section 1 of the state Constitution, and a  
25 taxing district within the meaning of Article VII, section 2 of the  
26 state Constitution that has been created by a vote of the people under  
27 this title to implement a regional community facilities authority plan.

28 (6) "Regional community facilities authority plan" or "plan" means  
29 a plan to develop and finance a regional community facilities authority  
30 project or projects including, but not limited to, facilities listed in  
31 section 801(2) of this act.

32 (7) "Regional community facilities authority planning committee" or  
33 "planning committee" means the advisory committee created under section  
34 1001 of this act to create and propose to community facilities  
35 jurisdictions a regional community facilities authority plan to design,  
36 finance, and develop community facilities district projects.

1 (8) "Regular property taxes" has the same meaning as in RCW  
2 84.04.140.

3 **PART II**  
4 **COMMUNITY FACILITIES DISTRICTS FORMATION**

5 NEW SECTION. **Sec. 201.** Community facilities districts for the  
6 provision of community facilities operations and projects are  
7 authorized to be established as provided in this title.

8 NEW SECTION. **Sec. 202.** (1) For the purpose of the formation of a  
9 community facilities district, a petition designating the boundaries of  
10 the proposed district, by metes and bounds, or by describing the lands  
11 to be included in the proposed district by United States townships,  
12 ranges, and legal subdivisions, signed by not less than ten percent of  
13 the registered voters who reside within the boundaries of the proposed  
14 district who voted in the last general municipal election, and setting  
15 forth the object for the creation of the proposed district and alleging  
16 that the establishment of the proposed district will be conducive to  
17 the public safety, welfare, and convenience, and will be a benefit to  
18 the property included in the proposed district, must be filed with the  
19 county auditor of the county in which all, or the largest portion of,  
20 the proposed district is located, accompanied by an obligation signed  
21 by two or more petitioners, agreeing to pay the cost of the publication  
22 of the notice required by this title.

23 (2) The county auditor must, within thirty days from the date of  
24 filing the petition, examine the signatures and certify to the  
25 sufficiency or insufficiency of the signatures. If the proposed  
26 community facilities district is located in more than one county, the  
27 auditor of the county in which the largest portion of the proposed  
28 community facilities district is located must be the lead auditor and  
29 must transmit a copy of the petition to the auditor or auditors of the  
30 other county or counties within which the proposed community facilities  
31 district is located. Each of these other auditors must certify to the  
32 lead auditor both the total number of registered voters residing in  
33 that portion of the proposed community facilities district that is  
34 located in the county and the number of valid signatures of such voters  
35 who have signed the petition. The lead auditor must certify the

1 sufficiency or insufficiency of the signatures. The books and records  
2 of the auditor are prima facie evidence of the truth of the  
3 certificate. No person having signed the petition is allowed to  
4 withdraw his or her name after the filing of the petition with the  
5 county auditor.

6 (3) If the petition is found to contain a sufficient number of  
7 signatures of registered voters residing within the proposed district,  
8 the county auditor must transmit the petition, together with the  
9 auditor's certificate of sufficiency, to the county legislative  
10 authority or authorities of the county or counties in which the  
11 proposed community facilities district is located.

12 NEW SECTION. **Sec. 203.** The county auditor who certifies the  
13 sufficiency of the petition must notify the person or persons who  
14 submitted the petition of its sufficiency or insufficiency within five  
15 days of when the determination of sufficiency or insufficiency is made.  
16 Notice must be by certified mail and additionally may be made by  
17 telephone. If a boundary review board exists in the county or counties  
18 in which the proposed community facilities district is located and the  
19 petition has been certified as being sufficient, the petitioners must  
20 file notice of the proposed incorporation with the boundary review  
21 board or boards.

22 NEW SECTION. **Sec. 204.** (1) A public hearing on the petition must  
23 be held by the county legislative authority of the county in which the  
24 proposed community facilities district is located if: (a) No boundary  
25 review board exists in the county; (b) jurisdiction by the boundary  
26 review board over the proposal has not been invoked; or (c) the  
27 boundary review board fails to take action on the proposal over which  
28 its jurisdiction has been invoked within the time period that the board  
29 must act or a proposal is deemed to have been approved. If such a  
30 public hearing is held by the county legislative authority, the hearing  
31 must be held not less than twenty nor more than forty days from the  
32 date of receipt of the petition with the certificate of sufficiency  
33 from the county auditor if there is no boundary review board in the  
34 county, or not more than one hundred days from when the notice of the  
35 proposal was submitted to the boundary review board if the jurisdiction  
36 of the boundary review board was not invoked, or not less than forty

1 days after the date that the boundary review board that has had its  
2 jurisdiction invoked over the proposal must act if the proposal is  
3 deemed to have been approved. The hearing by the county legislative  
4 authority may be completed at the scheduled time or may be adjourned  
5 from time to time as may be necessary for a determination of the  
6 petition, but such adjournment or adjournments may not extend the time  
7 for considering the petition more than twenty days from the date of the  
8 initial hearing on the petition.

9 (2) If the proposed community facilities district is located in  
10 more than one county, a public hearing must be held in each of the  
11 counties by the county legislative authority or boundary review board.  
12 Joint public hearings may be held by two or more county legislative  
13 authorities, or two or more boundary review boards, on the proposal.

14 NEW SECTION. **Sec. 205.** Notice of the public hearing by the county  
15 legislative authority on such a proposal must be published for three  
16 consecutive weeks in the official paper of the county prior to the date  
17 set for the hearing and must be posted for not less than fifteen days  
18 prior to the date of the hearing in each of three public places within  
19 the boundaries of the proposed district. The notices must contain the  
20 time, date, and place of the public hearing.

21 NEW SECTION. **Sec. 206.** At the time and place of the hearing on  
22 the petition or at any adjournment thereof, the county legislative  
23 authority must consider the petition and must receive evidence as it  
24 deems material in favor of or opposed to the formation of the district  
25 or to the inclusion or exclusion of any lands. No lands outside of the  
26 boundaries of the proposed district as described in the petition may be  
27 included within the district without a written petition describing the  
28 land, executed by all persons having an interest of record in the  
29 lands, and filed with the proceedings on the petition. No land within  
30 the boundaries described in the petition, except that land which the  
31 county legislative authority finds will receive no benefits from the  
32 proposed district, may be excluded from the district.

33 NEW SECTION. **Sec. 207.** The county legislative authority has the  
34 authority to consider the petition and, if it finds that the lands or  
35 any portion of the lands described in the petition, and any lands added

1 thereto by petition of those interested, will be benefited and that the  
2 formation of the district will be conducive to the public safety,  
3 welfare, and convenience, it must make a finding by resolution;  
4 otherwise it must deny the petition. The county legislative authority  
5 must consider only those areas located within the county when  
6 considering the petition. If the county legislative authority approves  
7 the petition, it must designate the name and number of the district,  
8 fix the boundaries of the district that are located within the county,  
9 and direct that an election be held within the proposed district for  
10 the purpose of determining whether the district must be organized under  
11 this title and for the purpose of the election of its first community  
12 facilities commissioners.

13 NEW SECTION. **Sec. 208.** (1) The election on the formation of the  
14 district and to elect the initial community facilities commissioners  
15 must be conducted by the election officials of the county or counties  
16 in which the proposed district is located in accordance with the  
17 general election laws of the state. This election must be held at the  
18 next general election date according to RCW 29A.04.321 and 29A.04.330,  
19 which occurs after the date of the action by the boundary review board,  
20 or county legislative authority or authorities, approving the proposal.

21 (2) Where a proposed community facilities district is located in  
22 more than a single county, the community facilities district must be  
23 identified by the name of each county in which the proposed community  
24 facilities district is located, listed alphabetically, followed by a  
25 number that is the next highest number available for a community  
26 facilities district in one of the counties that has the greatest number  
27 of community facilities districts. An election on a proposed community  
28 facilities district that is located in more than one county may not be  
29 held unless the proposed district has been approved by the county  
30 legislative authorities, or boundary review boards, of each county  
31 within which the proposed district is located.

32 NEW SECTION. **Sec. 209.** If three-fifths of all the votes cast at  
33 the election were cast in favor of the ballot proposition to create the  
34 proposed community facilities district, the county legislative  
35 authority of the county in which all, or the largest portion of, the  
36 proposed district is located must by resolution declare the territory

1 organized as a community facilities district under the name designated  
2 and must declare the candidate for each community facilities  
3 commissioner position who receives the highest number of votes for that  
4 position to be an initial community facilities commissioner of the  
5 district.

6 NEW SECTION. **Sec. 210.** Any person or entity having a substantial  
7 interest and feeling aggrieved by any finding, determination, or  
8 resolution of the county legislative authority in the proceedings for  
9 the organization of a community facilities district under this title  
10 may appeal within five days after the action of the county legislative  
11 authority to the superior court of the county, in the same manner as  
12 provided by law for appeals from the orders and determinations of the  
13 county legislative authority.

14 NEW SECTION. **Sec. 211.** After the expiration of five days from the  
15 approval of the resolution of the county legislative authority  
16 declaring the district to be organized, and the filing of the certified  
17 copies of the resolution of the county legislative authority with the  
18 county auditor and the county assessor, the creation of the district is  
19 complete and its legal existence cannot thereafter be questioned by any  
20 person by reason of a defect in the proceedings for the organization of  
21 the district.

22 **PART III**

23 **COMMUNITY FACILITIES DISTRICTS MERGER**

24 NEW SECTION. **Sec. 301.** Actions taken under this chapter may be  
25 subject to potential review by a boundary review board under chapter  
26 36.93 RCW.

27 NEW SECTION. **Sec. 302.** A community facilities district may merge  
28 with another adjacent community facilities district, on such terms and  
29 conditions as they agree upon, in the manner provided in this title.  
30 The community facilities districts may be located in different  
31 counties. The district desiring to merge with another district, or the  
32 district from which it is proposed that a portion of the district be  
33 merged with another district, must be called the "merging district."

1 The district into which the merger is to be made must be called the  
2 "merger district." The merger of any districts under this chapter is  
3 subject to potential review by the boundary review board or boards of  
4 the county in which the merging district, or the portion of the merging  
5 district that is proposed to be merged with another district, is  
6 located.

7 NEW SECTION. **Sec. 303.** To effect such a merger, a petition to  
8 merge must be filed with the board of the merger district by the  
9 commissioners of the merging district. The commissioners of the  
10 merging district may sign and file the petition on their own  
11 initiative, and they must file a petition when it is signed by ten  
12 percent of the registered voters resident in the merging district who  
13 voted in the last general municipal election and presented to the board  
14 of commissioners. The petition must state the reasons for the merger,  
15 state the terms and conditions under which the merger is proposed, and  
16 request the merger.

17 NEW SECTION. **Sec. 304.** (1) The board of the merger district may,  
18 by resolution, reject or approve the petition as presented, or it may  
19 modify the terms and conditions of the proposed merger, and shall  
20 transmit the petition, together with a copy of its resolution to the  
21 merging district.

22 (2) If the petition is approved as presented or as modified, the  
23 board of the merging district shall send an elector-signed petition, if  
24 there is one, to the auditor or auditors of the county or counties in  
25 which the merging district is located, who shall within thirty days  
26 examine the signatures and certify to the sufficiency or insufficiency  
27 of the signatures. If the merging district is located in more than one  
28 county, the auditor of the county within which the largest portion of  
29 the merging district is located is the lead auditor. Each other  
30 auditor must certify to the lead auditor the number of valid signatures  
31 and the number of registered voters of the merging district who reside  
32 in the county. The lead auditor must certify as to the sufficiency or  
33 insufficiency of the signatures. No signatures may be withdrawn from  
34 the petition after the filing. A certificate of sufficiency must be  
35 provided to the board of the merging district, which must adopt a  
36 resolution requesting the county auditor or auditors to call a special



1 election, as provided in RCW 29A.04.330, for the purpose of presenting  
2 the question of merging the districts to the voters of the merging  
3 district.

4 (3) If there is no elector-signed petition, the merging district  
5 board must adopt a resolution requesting the county auditor or auditors  
6 to call a special election in the merging district, as specified under  
7 RCW 29A.04.330, for the purpose of presenting the question of the  
8 merger to the electors.

9 NEW SECTION. **Sec. 305.** The board of the merging district must  
10 notify the board of the merger district of the results of the election.  
11 If a majority of the votes cast at the election favor the merger, the  
12 respective district boards must adopt concurrent resolutions, declaring  
13 the districts merged, under the name of the merger district.  
14 Thereupon, the districts are merged into one district, under the name  
15 of the merger district; the merging district is dissolved without  
16 further proceedings; and the boundaries of the merger district are  
17 thereby extended to include all the area of the merging district.  
18 Thereafter, the legal existence cannot be questioned by any person by  
19 reason of any defect in the proceedings for the merger.

20 NEW SECTION. **Sec. 306.** If three-fifths of all the qualified  
21 electors in the merging district sign the petition to merge, no  
22 election on the question of the merger is necessary and the auditor, or  
23 lead auditor if the merging district is located in more than a single  
24 county, must return the petition, together with a certificate of  
25 sufficiency to the board of the merging district. The boards of the  
26 respective districts must then adopt resolutions declaring the  
27 districts merged in the same manner and to the same effect as if the  
28 merger had been authorized by an election.

29 NEW SECTION. **Sec. 307.** None of the obligations of the merged  
30 districts or of a local improvement district located in the merged  
31 districts may be affected by the merger and dissolution, and all land  
32 liable to be assessed to pay any of the indebtedness shall remain  
33 liable to the same extent as if the districts had not been merged and  
34 any assessments previously levied against the land must remain  
35 unimpaired and must be collected in the same manner as if the districts

1 had not merged. The commissioners of the merged district must have all  
2 the powers of the two districts to levy, assess, and cause to be  
3 collected all assessments against any land in both districts that may  
4 be necessary to pay for the indebtedness thereof, and until the  
5 assessments are collected and all indebtedness of the districts paid,  
6 separate funds shall be maintained for each district as were maintained  
7 before the merger. However, the board of the merged district may, with  
8 the consent of the creditors of the districts merged, cancel any or all  
9 assessments previously levied, in accordance with the terms and  
10 conditions of the merger, so that the lands in the respective districts  
11 bear their fair and proportionate share of the indebtedness.

12 NEW SECTION. **Sec. 308.** The commissioners of the merging district  
13 must, upon completion of the merger, transfer, convey, and deliver to  
14 the merged district all property and funds of the merging district,  
15 together with all interest in and right to collect any assessments  
16 previously levied.

17 NEW SECTION. **Sec. 309.** (1) Whenever two or more community  
18 facilities districts merge, the board of community facilities  
19 commissioners of the merged community facilities district consists of  
20 all of the community facilities commissioners of the districts that are  
21 merging, including a person who is elected as a community facilities  
22 commissioner of one of the merging districts at that same election that  
23 the ballot proposition was approved authorizing the merger, who must  
24 retain the same terms of office they would possess as if the merger had  
25 not been approved. The number of members on the board of the merged  
26 district must be reduced to either three or five members as provided in  
27 subsections (2) and (3) of this section, depending on whether the  
28 district has chosen to eventually have either a three-member or a five-  
29 member board under section 705 of this act.

30 (2) The number of members on the board of the merged district must  
31 be reduced by one whenever a community facilities commissioner resigns  
32 from office or a vacancy otherwise occurs on the board, until the  
33 number of remaining members is reduced to the number of members that is  
34 chosen for the board eventually to have. The reduction of membership  
35 on the board may not be considered to be a vacancy that is to be filled

1 until the number of remaining members is less than the number of  
2 members on the board that is chosen for the board eventually to have.

3 (3)(a) At the next three district general elections after the  
4 merger is approved, the number of community facilities commissioners  
5 for the merged district that are elected must be as follows,  
6 notwithstanding the number of community facilities commissioners whose  
7 terms expire:

8 (i) In the first election after the merger, only one position must  
9 be filled, whether the new community facilities district be a three-  
10 member district or a five-member district.

11 (ii) In each of the two subsequent elections, one position must be  
12 filled if the new community facilities district is a three-member  
13 district and two positions must be filled if the new community  
14 facilities district is a five-member district.

15 (b) After the elections specified in (a) of this subsection, the  
16 community facilities commissioners must be elected in the same manner  
17 as prescribed for the community facilities districts of the state.

18 (4) A ballot proposition to create commissioner districts may be  
19 submitted to the voters of the community facilities districts proposed  
20 to be merged at the same election the ballot proposition is submitted  
21 authorizing the merging of the community facilities districts. The  
22 procedure to create commissioner districts must conform with section  
23 702 of this act, except that: (a) Resolutions proposing the creation  
24 of commissioner districts must be adopted by unanimous vote of the  
25 boards of community facilities commissioners of each of the community  
26 facilities districts that are proposed to be merged; and (b)  
27 commissioner districts will be authorized only if the ballot  
28 propositions to authorize the merger and to create commissioner  
29 districts are both approved. A ballot proposition authorizing the  
30 creation of commissioner districts is approved if it is approved by a  
31 simple majority vote of the combined voters of all the community  
32 facilities districts proposed to be merged. The commissioner districts  
33 may not be drawn until the number of commissioners in the community  
34 facilities district has been reduced under subsections (1) through (3)  
35 of this section to either three or five commissioners. After this  
36 reduction of community facilities commissioners has occurred the  
37 commissioner districts must be drawn and used for the election of the  
38 successor community facilities commissioners.

1        NEW SECTION.    **Sec. 310.**    (1) A part of one district may be  
2 transferred and merged with an adjacent district if the area can be  
3 better served by the merged district. To effect such a merger, a  
4 petition, signed by a majority of the commissioners of the merging  
5 district or signed by not less than fifteen percent of the qualified  
6 electors residing in the area to be merged, must be filed with the  
7 commissioners of the merging district, if signed by electors, or with  
8 the commissioners of the merger district if signed by commissioners of  
9 the merging district. If the commissioners of the merging district  
10 approve the petition, the petition must be presented to the  
11 commissioners of the merger district. If the commissioners of the  
12 merger district approve the petition, an election must be called in the  
13 area to be merged.

14        (2) In the event that either board of community facilities  
15 commissioners does not approve the petition, the petition may be  
16 approved by the boundary review board of the county or the county  
17 legislative authority of the county in which the area to be merged is  
18 situated, and may approve the merger if it decides the area can be  
19 better served by a merger. If the part of the merging district that is  
20 proposed to merge with the merger district is located in more than one  
21 county, the approval must be by the boundary review board or county  
22 legislative authority of each county. If there is an affirmative  
23 decision, an election must be called in the area to be merged.

24        (3) A majority of the votes cast is necessary to approve the  
25 transfer under this section.

26        NEW SECTION.    **Sec. 311.**    If three-fifths of the qualified electors  
27 in the area to be merged sign a petition to merge the districts, no  
28 election on the question of the merger is necessary, in which case the  
29 auditor or lead auditor must return the petition, together with a  
30 certificate of sufficiency, to the board of the merger district. The  
31 board of the merger district must then adopt a resolution declaring the  
32 portion of the district merged in the same manner and to the same  
33 effect as if the same had been authorized by an election.

34        NEW SECTION.    **Sec. 312.**    (1) When any portion of a community  
35 facilities district merges with another community facilities district,  
36 any employee of the merging district who: (a) Was at the time of

1 merger employed exclusively or principally in performing the powers,  
2 duties, and functions which are to be performed by the merger district;  
3 (b) will, as a direct consequence of the merger, be separated from the  
4 employ of the merging district; and (c) can perform the duties and meet  
5 the minimum requirements of the position to be filled, then such  
6 employee may transfer employment to the merger district as provided in  
7 this section and sections 313 and 314 of this act.

8 (2) For purposes of this section and sections 313 and 314 of this  
9 act, employee means an individual whose employment with a community  
10 facilities district has been terminated because the community  
11 facilities district merged with another community facilities district  
12 for purposes of providing community facilities operations and projects.

13 NEW SECTION. **Sec. 313.** (1) An eligible employee may transfer into  
14 the merger district by filing a written request with the board of  
15 community facilities commissioners of the merger district and by giving  
16 written notice to the board of community facilities commissioners of  
17 the merging district. Upon receipt of such request by the board of the  
18 merger district the transfer of employment must be made. The employee  
19 so transferring will (a) be on probation for the same period as are new  
20 employees of the merger district in the position filled, but if the  
21 transferring employee has already completed a probationary period as a  
22 community facilities employee prior to the transfer, then the employee  
23 may only be terminated during the probationary period for failure to  
24 adequately perform assigned duties, not meeting the minimum  
25 qualifications of the position, or behavior that would otherwise be  
26 subject to disciplinary action, (b) be eligible for promotion no later  
27 than after completion of the probationary period, (c) receive a salary  
28 at least equal to that of other new employees of the merger district in  
29 the position filled, and (d) in all other matters, such as retirement,  
30 vacation, and sick leave, have all the rights, benefits, and privileges  
31 to which he or she would have been entitled to as an employee of the  
32 merger district from the beginning of employment with the merging  
33 district. However, for purposes of layoffs by the merger district,  
34 only the time of service accrued with the merger district must apply  
35 unless an agreement is reached between the collective bargaining  
36 representatives of the employees of the merging and merger districts  
37 and the merging and merger districts. The board of the merging

1 district must, upon receipt of such notice, transmit to the board of  
2 the merger district a record of the employee's service with the merging  
3 district, which must be credited to such employee as a part of the  
4 period of employment in the merger district. All accrued benefits are  
5 transferable provided that the recipient district provides comparable  
6 benefits. All benefits must then accrue based on the combined  
7 seniority of each employee in the recipient district.

8 (2) As many of the transferring employees must be placed upon the  
9 payroll of the merger district as the merger district determines are  
10 needed to provide services. These needed employees must be taken in  
11 order of seniority and the remaining employees who transfer as provided  
12 in this section and sections 312 and 314 of this act must head the list  
13 for employment in order of their seniority, to the end that they must  
14 be the first to be reemployed in the merger district when appropriate  
15 positions become available. However, employees who are not immediately  
16 hired by the community facilities district must be placed on a  
17 reemployment list for a period not to exceed thirty-six months unless  
18 a longer period is authorized by an agreement reached between the  
19 collective bargaining representatives of the employees of the merging  
20 and merged community facilities districts and the merging and merged  
21 community facilities districts.

22 NEW SECTION. **Sec. 314.** If, as a result of merging of districts  
23 any employee is laid off who is eligible to transfer to the merger  
24 district under this section and sections 312 and 313 of this act, the  
25 merging district must notify the employee of the right to transfer and  
26 the employee must have ninety days to transfer employment to the merger  
27 district.

28 NEW SECTION. **Sec. 315.** A merger district located in a single  
29 county, that merged with a merging district located in another county  
30 or counties, must be identified by the name of each county in which the  
31 community facilities district is located, listed alphabetically,  
32 followed by a number that is the next highest number available for a  
33 community facilities district in one of the counties that has the  
34 greatest number of community facilities districts.



1 subject to potential review by a boundary review board under chapter  
2 36.93 RCW.

3 NEW SECTION. **Sec. 502.** Community facilities districts may be  
4 dissolved by a majority vote of the registered electors of the district  
5 at an election conducted by the election officials of the county or  
6 counties in which the district is located in accordance with the  
7 general election laws of the state. The proceedings for dissolution  
8 may be initiated by the adoption of a resolution by the board of  
9 commissioners of the district calling for the dissolution. The  
10 dissolution of the district does not cancel outstanding obligations of  
11 the district and the county legislative authority or authorities of the  
12 county or counties in which the district was located may make annual  
13 levies against the lands within the district until the obligations of  
14 the districts are paid. When the obligations are fully paid, all  
15 moneys in district funds and all collections of unpaid district taxes  
16 must be transferred to the expense fund of the county. Where the  
17 community facilities district that was dissolved was located in more  
18 than one county, the amount of money transferred to the expense fund of  
19 each county must be in direct proportion to the amount of assessed  
20 valuation of the community facilities district that was located in each  
21 county at the time of its dissolution.

22 **PART VI**

23 **COMMUNITY FACILITIES DISTRICTS POWERS**

24 NEW SECTION. **Sec. 601.** Community facilities districts created  
25 under this title are political subdivisions of the state and are held  
26 to be municipal corporations within the laws and Constitution of the  
27 state of Washington. A community facilities district constitutes a  
28 body corporate and possesses all the usual powers of a corporation for  
29 public purposes as well as all other powers that may now or hereafter  
30 be specifically conferred by law.

31 NEW SECTION. **Sec. 602.** Community facilities districts have full  
32 authority to carry out their purposes and to that end may acquire,  
33 purchase, hold, lease, manage, occupy, and sell real and personal  
34 property, or any interest therein, to enter into and to perform any and



1 all necessary contracts, to appoint and employ the necessary officers,  
2 agents, and employees, to sue and be sued, to levy and enforce the  
3 collection of assessments and special taxes in the manner and subject  
4 to the limitations provided in this title against the lands within the  
5 district for district revenues, and to do any and all lawful acts  
6 required and expedient to carry out the purpose of this title.

7 NEW SECTION. **Sec. 603.** Any community facilities district  
8 organized under this title may:

9 (1) Lease, acquire, own, maintain, operate, and provide community  
10 facilities apparatus and all other necessary or proper facilities,  
11 machinery, and equipment for community facilities operations and  
12 projects;

13 (2) Lease, acquire, own, maintain, and operate real property,  
14 improvements, and fixtures for housing, repairing, and maintaining the  
15 apparatus, facilities, machinery, and equipment described in subsection  
16 (1) of this section;

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

22 (4) Encourage uniformity and coordination of community facilities  
23 district operations. The community facilities commissioners of  
24 community facilities districts may form an association to secure  
25 information of value regarding district purposes, to hold and attend  
26 meetings, and to promote more economical and efficient operation of the  
27 associated community facilities districts. The commissioners of  
28 community facilities districts in the association must adopt articles  
29 of association or articles of incorporation for a nonprofit  
30 corporation, select a chairman, secretary, and other officers as they  
31 may determine, and may employ and discharge agents and employees as the  
32 officers deem convenient to carry out the purposes of the association.  
33 The expenses of the association may be paid from funds paid into the  
34 association by community facilities districts. However, the aggregate  
35 contributions made to the association by a district in a calendar year  
36 may not exceed two and one-half cents per thousand dollars of assessed  
37 valuation; and

1 (5) Perform acts consistent with this title and not otherwise  
2 prohibited by law.

3 NEW SECTION. **Sec. 604.** (1) In addition to other authority that a  
4 community facilities district possesses, a community facilities  
5 district may provide any public improvement as defined under RCW  
6 39.89.020, but this additional authority is limited to participating in  
7 the financing of the public improvements as provided under RCW  
8 39.89.050.

9 (2) This section does not limit the authority of a community  
10 facilities district to otherwise participate in the public improvements  
11 if that authority exists elsewhere.

12 NEW SECTION. **Sec. 605.** (1) Community facilities districts may  
13 execute executory conditional sales contracts, installment promissory  
14 notes secured by a deed of trust, or mortgages with a governmental  
15 entity or a private party for the purchase or sale of any real or  
16 personal property, or property rights.

17 (2) The purchase price specified in a contract or promissory note  
18 to purchase property under this section may not result in a total  
19 indebtedness in excess of three-eighths of one percent of the value of  
20 the taxable property in the community facilities district.

21 (3) If a proposed purchase contract or promissory note under this  
22 section would result in a total indebtedness in excess of that amount,  
23 a proposition to determine whether that contract or promissory note may  
24 be executed must be submitted to the voters for approval or rejection  
25 in the same manner that bond issues for capital purposes are submitted  
26 to the voters.

27 (4) A community facilities district may jointly execute contracts,  
28 promissory notes, deeds of trust, or mortgages authorized by this  
29 section with any governmental entity.

30 (5) For the purposes of this section, "value of the taxable  
31 property" has the same meaning as provided in RCW 39.36.015.

32 NEW SECTION. **Sec. 606.** The board of commissioners of each  
33 community facilities district may purchase liability insurance with  
34 limits it deems reasonable for the purpose of protecting its officials

1 and employees against liability for personal or bodily injuries and  
2 property damage arising from their acts or omissions while performing  
3 or in good faith purporting to perform their official duties.

4 **PART VII**

5 **COMMUNITY FACILITIES DISTRICTS COMMISSIONERS**

6 NEW SECTION. **Sec. 701.** (1) The affairs of the district must be  
7 managed by a board of community facilities commissioners composed of  
8 three registered voters residing in the district except as provided in  
9 sections 703 and 705 of this act. Each member must each receive ninety  
10 dollars per day or portion thereof, not to exceed eight thousand six  
11 hundred forty dollars per year, for time spent in actual attendance at  
12 official meetings of the board or in performance of other services or  
13 duties on behalf of the district.

14 (2) In addition, they must receive necessary expenses incurred in  
15 attending meetings of the board or when otherwise engaged in district  
16 business, and are entitled to receive the same insurance available to  
17 all employees of the district. However, the premiums for such  
18 insurance, except liability insurance, must be paid by the individual  
19 commissioners who elect to receive it.

20 (3) Any commissioner may waive all or any portion of his or her  
21 compensation payable under this section as to any month or months  
22 during his or her term of office, by a written waiver filed with the  
23 secretary as provided in this section. The waiver, to be effective,  
24 must be filed any time after the commissioner's election and prior to  
25 the date on which the compensation would otherwise be paid. The waiver  
26 must specify the month or period of months for which it is made.

27 (4) The board must fix the compensation to be paid the secretary  
28 and all other agents and employees of the district.

29 (5) The dollar thresholds established in this section must be  
30 adjusted for inflation by the office of financial management every five  
31 years, beginning July 1, 2010, based upon changes in the consumer price  
32 index during that time period. "Consumer price index" means, for any  
33 calendar year, that year's annual average consumer price index, for  
34 Washington state, for wage earners and clerical workers, all items,  
35 compiled by the bureau of labor and statistics, United States  
36 department of labor. If the bureau of labor and statistics develops

1 more than one consumer price index for areas within the state, the  
2 index covering the greatest number of people, covering areas  
3 exclusively within the boundaries of the state, and including all items  
4 must be used for the adjustments for inflation in this section. The  
5 office of financial management must calculate the new dollar threshold  
6 and transmit it to the office of the code reviser for publication in  
7 the Washington State Register at least one month before the new dollar  
8 threshold is to take effect.

9 (6) A person holding office as commissioner for two or more  
10 districts shall receive only that per diem compensation authorized for  
11 one of his or her commissioner positions as compensation for attending  
12 an official meeting or conducting official services or duties while  
13 representing more than one of his or her districts. However, such  
14 commissioner may receive additional per diem compensation if approved  
15 by resolution of all boards of the affected districts.

16 NEW SECTION. **Sec. 702.** (1) The board of community facilities  
17 commissioners of a community facilities district may adopt a resolution  
18 by unanimous vote causing a ballot proposition to be submitted to  
19 voters of the district authorizing the creation of commissioner  
20 districts. The board of community facilities commissioners must create  
21 commissioner districts if the ballot proposition authorizing the  
22 creation of commissioner districts is approved by a simple majority  
23 vote of the voters of the community facilities district voting on the  
24 proposition. Three commissioner districts must be created for a  
25 community facilities district with three commissioners, and five  
26 commissioner districts must be created for a community facilities  
27 district with five commissioners. No two commissioners may reside in  
28 the same commissioner district.

29 (2) No change in the boundaries of any commissioner district may be  
30 made within one hundred twenty days next before the date of a general  
31 district election, nor within twenty months after the commissioner  
32 districts have been established or altered. However, if a boundary  
33 change results in one commissioner district being represented by two or  
34 more commissioners, those commissioners having the shortest unexpired  
35 terms must be assigned by the board to commissioner districts where  
36 there is a vacancy, and the commissioners so assigned are deemed to be

1 residents of the commissioner districts to which they are assigned for  
2 purposes of determining whether those positions are vacant.

3 (3) The population of each commissioner district must include  
4 approximately equal population. Commissioner districts must be redrawn  
5 as provided in chapter 29A.76 RCW. Commissioner districts must be used  
6 as follows: (a) Only a registered voter who resides in a commissioner  
7 district may be a candidate for, or serve as, a commissioner of the  
8 commissioner district; and (b) only voters of a commissioner district  
9 may vote at a primary to nominate candidates for a commissioner of the  
10 commissioner district. Voters of the entire community facilities  
11 district may vote at a general election to elect a person as a  
12 commissioner of the commissioner district.

13 (4) When a board of community facilities commissioners that has  
14 commissioner districts has been increased to five members under section  
15 703 of this act, the board of community facilities commissioners must  
16 divide the community facilities district into five commissioner  
17 districts before it appoints the two additional community facilities  
18 commissioners. The two additional community facilities commissioners  
19 who are appointed must reside in separate commissioner districts in  
20 which no other community facilities commissioner resides.

21 NEW SECTION. **Sec. 703.** (1) In the event a three-member board of  
22 commissioners of any community facilities district determines by  
23 resolution that it would be in the best interest of the district to  
24 increase the number of commissioners from three to five, or in the  
25 event the board is presented with a petition signed by ten percent of  
26 the registered voters resident within the district who voted in the  
27 last general municipal election calling for such an increase in the  
28 number of commissioners of the district, the board must submit a  
29 resolution to the county legislative authority or authorities of the  
30 county or counties in which the district is located requesting that an  
31 election be held. Upon receipt of the resolution, the legislative  
32 authority or authorities of the county or counties must call a special  
33 election to be held within the community facilities district at which  
34 election the following proposition must be submitted to the voters  
35 substantially as follows:

36 "Shall the board of commissioners of . . . . county community

1 facilities district No . . . . be increased from three members to five  
2 members?

3 YES  
4 . . . . .  
5 NO  
6 . . . . ."

7 (2) If the community facilities district is located in more than a  
8 single county, this proposition must indicate the name of the district.

9 (3) If the proposition receives a majority approval at the  
10 election, the board of commissioners of the community facilities  
11 district shall be increased to five members. The two additional  
12 members must be appointed in the same manner as provided in section 705  
13 of this act.

14 NEW SECTION. **Sec. 704.** (1) Except as provided in section 705 of  
15 this act, in the event a five-member board of commissioners of any  
16 community facilities district determines by resolution that it would be  
17 in the best interest of the community facilities district to decrease  
18 the number of commissioners from five to three, or in the event the  
19 board is presented with a petition signed by ten percent of the  
20 registered voters resident within the district who voted in the last  
21 general municipal election calling for such a decrease in the number of  
22 commissioners of the district, the board must submit a resolution to  
23 the county legislative authority or authorities of the county or  
24 counties in which the district is located requesting that an election  
25 be held. Upon receipt of the resolution, the legislative authority or  
26 authorities of the county or counties must call a special election to  
27 be held within the community facilities district at which election the  
28 following proposition must be submitted to the voters substantially as  
29 follows:

30 "Shall the board of commissioners of . . . . county community  
31 facilities district No . . . . be decreased from five members to three  
32 members?

33 YES  
34 . . . . .  
35 NO  
36 . . . . ."

1 (2) If the community facilities district has commissioner  
2 districts, the commissioners of the district must pass a resolution,  
3 before the submission of the proposition to the voters, to either  
4 redistrict from five commissioner districts to three commissioner  
5 districts or eliminate the commissioner districts. The resolution  
6 takes effect upon approval of the proposition by the voters.

7 (3) If the community facilities district is located in more than a  
8 single county, this proposition must indicate the name of the district.

9 (4) If the proposition receives a majority approval at the  
10 election, the board of commissioners of the community facilities  
11 district shall be decreased to three members. The two members shall be  
12 decreased in accordance with RCW 52.06.085.

13 NEW SECTION. **Sec. 705.** In a community facilities district  
14 maintaining a community facilities department consisting wholly of  
15 personnel employed on a full-time, fully paid basis, there must be five  
16 community facilities commissioners. The two positions created on  
17 boards of community facilities commissioners by this section must be  
18 filled initially as for a vacancy, except that the appointees shall  
19 draw lots, one appointee to serve until the next community facilities  
20 district general election after the appointment, at which two  
21 commissioners must be elected for six-year terms, and the other  
22 appointee to serve until the second community facilities district  
23 general election after the appointment, at which two commissioners must  
24 be elected for six-year terms.

25 NEW SECTION. **Sec. 706.** The polling places for a community  
26 facilities district election may be located inside or outside the  
27 boundaries of the district, as determined by the auditor of the county  
28 in which the community facilities district is located, and the  
29 elections of the community facilities district may not be held to be  
30 irregular or void on that account.

31 NEW SECTION. **Sec. 707.** Vacancies on a board of community  
32 facilities commissioners must occur as provided in chapter 42.12 RCW.  
33 In addition, if a community facilities commissioner is absent from the  
34 district for three consecutive regularly scheduled meetings unless by  
35 permission of the board, the office must be declared vacant by the

1 board of commissioners. However, such an action may not be taken  
2 unless the commissioner is notified by mail after two consecutive  
3 unexcused absences that the position will be declared vacant if the  
4 commissioner is absent without being excused from the next regularly  
5 scheduled meeting. Vacancies on a board of community facilities  
6 commissioners must be filled as provided in chapter 42.12 RCW.

7 NEW SECTION. **Sec. 708.** (1) The initial three members of the board  
8 of community facilities commissioners must be elected at the same  
9 election as when the ballot proposition is submitted to the voters  
10 authorizing the creation of the community facilities district. If the  
11 district is not authorized to be created, the election of the initial  
12 community facilities commissioners is null and void. If the district  
13 is authorized to be created, the initial community facilities  
14 commissioners must take office immediately when qualified. Candidates  
15 must file for each of the three separate community facilities  
16 commissioner positions. Elections must be held as provided in chapter  
17 29A.52 RCW, with the county auditor opening up a special filing period  
18 as provided in RCW 29A.24.171 and 29A.24.181, as if there were a  
19 vacancy. The person who receives the greatest number of votes for each  
20 position must be elected to that position. The terms of office of the  
21 initial community facilities commissioners must be staggered as  
22 follows: (a) The person who is elected receiving the greatest number  
23 of votes is elected to a six-year term of office if the election is  
24 held in an odd-numbered year or a five-year term of office if the  
25 election is held in an even-numbered year; (b) the person who is  
26 elected receiving the next greatest number of votes is elected to a  
27 four-year term of office if the election is held in an odd-numbered  
28 year or a three-year term of office if the election is held in an even-  
29 numbered year; and (c) the other person who is elected is elected to a  
30 two-year term of office if the election is held in an odd-numbered year  
31 or a one-year term of office if the election is held in an even-  
32 numbered year. The initial commissioners must take office immediately  
33 when elected and qualified and their terms of office must be calculated  
34 from the first day of January in the year following their election.

35 (2) The term of office of each subsequent commissioner is six  
36 years. Each commissioner must serve until a successor is elected and  
37 qualified and assumes office in accordance with RCW 29A.20.040.





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

4 NEW SECTION. **Sec. 713.** Insofar as practicable, purchases and any  
5 public works by the district must be based on competitive bids. A  
6 formal sealed bid procedure must be used as standard procedure for  
7 purchases and contracts for purchases executed by the board of  
8 commissioners. Formal sealed bidding may not be required for:

9 (1) The purchase of any materials, supplies, or equipment if the  
10 cost will not exceed the sum of ten thousand dollars. However,  
11 whenever the estimated cost does not exceed fifty thousand dollars, the  
12 commissioners may by resolution use the process provided in RCW  
13 39.04.190 to award contracts;

14 (2) Contracting for work to be done involving the construction or  
15 improvement of buildings where the estimated cost will not exceed the  
16 sum of two thousand five hundred dollars, which includes the costs of  
17 labor, material, and equipment;

18 (3) Contracts using the small works roster process under RCW  
19 39.04.155; and

20 (4) Any contract for purchases or public work pursuant to RCW  
21 39.04.280 if an exemption contained within that section applies to the  
22 purchase or public work.

23 NEW SECTION. **Sec. 714.** (1) Notice of the call for bids must be  
24 given by publishing the notice in a newspaper of general circulation  
25 within the district at least thirteen days before the last date upon  
26 which bids will be received. If no bid is received on the first call,  
27 the commissioners may readvertise and make a second call, or may enter  
28 into a contract without a further call.

29 (2) A public work involving three or more specialty contractors  
30 requires that the district retain the services of a general contractor  
31 as defined in RCW 18.27.010.

32 NEW SECTION. **Sec. 715.** A low bidder who claims error and fails to  
33 enter into a contract with a community facilities district for a public  
34 works project is prohibited from bidding on the same project if a  
35 second or subsequent call for bids is made for the project.



1 (m) Systems of surface, underground, or overhead railways,  
2 tramways, buses, or any other means of mass transportation facilities,  
3 including passenger, terminal, station parking, and related facilities  
4 and areas for passenger and vehicular use for travel, ingress, egress,  
5 and parking;

6 (n) Libraries, educational, and cultural facilities; and

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

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

10 NEW SECTION. **Sec. 802.** It is the duty of the county treasurer of  
11 the county in which all, or the largest portion, of any community  
12 facilities district created under this title is located to receive and  
13 disburse district revenues, to collect taxes and assessments authorized  
14 and levied under this title, and to credit district revenues to the  
15 proper fund. However, where a community facilities district is located  
16 in more than one county, the county treasurer of each other county in  
17 which the district is located must collect the community facilities  
18 district's taxes and assessments that are imposed on property located  
19 within the county and transfer these funds to the county treasurer of  
20 the county in which the largest portion of the district is located.

21 NEW SECTION. **Sec. 803.** In each county in which a community  
22 facilities district is situated, there must be in the county  
23 treasurer's office of each district the following funds: (1) Expense  
24 fund; (2) reserve fund; (3) local improvement district No. . . .  
25 fund; (4) general obligation bond fund; and (5) such other funds as the  
26 board of commissioners of the district may establish. Taxes levied for  
27 administrative, operative, and maintenance purposes, for the purchase  
28 of machinery and equipment, and for the purchase of real property, when  
29 collected, and proceeds from the sale of general obligation bonds must  
30 be placed by the county treasurer in the proper fund. Taxes levied for  
31 the payment of general obligation bonds and interest thereon, when  
32 collected, must be placed by the county treasurer in the general  
33 obligation bond fund. The board of community facilities commissioners  
34 may include in its annual budget items of possible outlay to be  
35 provided for and held in reserve for any district purpose, and taxes  
36 must be levied therefor. Such taxes, when collected, must be placed by

1 the county treasurer in the reserve fund. The reserve fund, or any  
2 part of it, may be transferred by the county treasurer to other funds  
3 of the district at any time by order of the board of community  
4 facilities commissioners. Special assessments levied against the lands  
5 in any improvement district within the district, when collected, must  
6 be placed by the county treasurer in the local improvement district  
7 fund for the local improvement district.

8 NEW SECTION. **Sec. 804.** Annually after the county board or boards  
9 of equalization of the county or counties in which the district is  
10 located have equalized the assessments for general tax purposes in that  
11 year, the secretary of the district must prepare and certify a budget  
12 of the requirements of each district fund, and deliver it to the county  
13 legislative authority or authorities of the county or counties in which  
14 the district is located in ample time for the tax levies to be made for  
15 district purposes.

16 NEW SECTION. **Sec. 805.** At the time of making general tax levies  
17 in each year the county legislative authority or authorities of the  
18 county or counties in which a community facilities district is located  
19 shall make the required levies for district purposes against the real  
20 and personal property in the district in accordance with the equalized  
21 valuations of the property for general tax purposes and as a part of  
22 the general taxes. The tax levies shall be a part of the general tax  
23 roll and shall be collected as a part of the general taxes against the  
24 property in the district.

25 NEW SECTION. **Sec. 806.** (1) Except as provided in subsections (2)  
26 and (3) of this section, the county treasurer must pay out money  
27 received for the account of the district on warrants issued by the  
28 county auditor against the proper funds of the district. The warrants  
29 must be issued on vouchers approved and signed by a majority of the  
30 district board and by the district secretary.

31 (2) The board of community facilities commissioners of a district  
32 that had an annual operating budget of five million or more dollars in  
33 each of the preceding three years may by resolution adopt a policy to  
34 issue its own warrants for payment of claims or other obligations of  
35 the community facilities district. The board of community facilities

1 commissioners, after auditing all payrolls and bills, may authorize the  
2 issuing of one general certificate to the county treasurer, to be  
3 signed by the chair of the board of community facilities commissioners,  
4 authorizing the county treasurer to pay all the warrants specified by  
5 date, number, name, and amount, and the accounting funds on which the  
6 warrants must be drawn; thereupon the district secretary may issue the  
7 warrants specified in the general certificate.

8 (3) The board of community facilities commissioners of a district  
9 that had an annual operating budget of greater than two hundred fifty  
10 thousand dollars and under five million dollars in each of the  
11 preceding three years may, upon agreement between the county treasurer  
12 and the board of community facilities commissioners, with approval of  
13 the board of community facilities commissioners by resolution, adopt a  
14 policy to issue its own warrants for payment of claims or other  
15 obligations of the community facilities district. The board of  
16 community facilities commissioners, after auditing all payrolls and  
17 bills, may authorize the issuing of one general certificate to the  
18 county treasurer, to be signed by the chair of the board of community  
19 facilities commissioners, authorizing the county treasurer to pay all  
20 the warrants specified by date, number, name, and amount, and the  
21 accounting funds on which the warrants must be drawn. The district  
22 secretary may then issue the warrants specified in the general  
23 certificate.

24 (4) The county treasurer may also pay general obligation bonds and  
25 the accrued interest thereon in accordance with their terms from the  
26 general obligation bond fund when interest or principal payments become  
27 due. The county treasurer must report in writing monthly to the  
28 secretary of the district the amount of money held by the county in  
29 each fund and the amounts of receipts and disbursements for each fund  
30 during the preceding month.

31 NEW SECTION. **Sec. 807.** The board of community facilities  
32 commissioners of the district has the authority to contract  
33 indebtedness and to refund the same for any general district purpose,  
34 including expenses of maintenance, operation, and administration, and  
35 the acquisition of facilities, and evidence the same by the issuance  
36 and sale of general obligation bonds of the district payable at such  
37 time or times not longer than twenty years from the issuing date of the

1 bonds. Such bonds must be issued and sold in accordance with chapter  
2 39.46 RCW. Such bonds may not exceed an amount, together with any  
3 outstanding nonvoter-approved general obligation indebtedness, equal to  
4 three-eighths of one percent of the value of the taxable property  
5 within the community facilities district, as the term "value of the  
6 taxable property" is defined in RCW 39.36.015.

7 NEW SECTION. **Sec. 808.** Except as authorized by the issuance and  
8 sale of general obligation bonds, the creation of local improvement  
9 districts, and the issuance of local improvement bonds and warrants of  
10 the community facilities district, the board of community facilities  
11 commissioners may not incur expenses or other financial obligations  
12 payable in any year in excess of the aggregate amount of taxes levied  
13 for that year, revenues derived from all other sources, and the cash  
14 balances on hand in the expense and reserve funds of the district on  
15 the first day of that year. In the event that there are any unpaid  
16 warrants drawn on any district funds for expenses and obligations  
17 incurred and outstanding at the end of any calendar year, the warrants  
18 may be paid from taxes collected in the subsequent year or years and  
19 from other income.

20 NEW SECTION. **Sec. 809.** Community facilities districts  
21 additionally are authorized to incur general indebtedness for capital  
22 purposes and to issue general obligation bonds not to exceed an amount,  
23 together with any outstanding general obligation indebtedness, equal to  
24 three-fourths of one percent of the value of the taxable property  
25 within such district, as the term "value of the taxable property" is  
26 defined in RCW 39.36.015, and to provide for the retirement thereof by  
27 excess property tax levies, when the voters of the district have  
28 approved a proposition authorizing such indebtedness and levies by an  
29 affirmative vote of three-fifths of those voting on the proposition at  
30 such election, at which election the total number of persons voting  
31 constitutes not less than forty percent of the voters in the community  
32 facilities district who voted at the last preceding general state  
33 election. The maximum term of such bonds may not exceed twenty years.  
34 Such bonds must be issued and sold in accordance with chapter 39.46  
35 RCW. Such elections must be held as provided in RCW 39.36.050.

1        NEW SECTION.    **Sec. 810.**    To carry out the purposes for which  
2 community facilities districts are created, the board of community  
3 facilities commissioners of a district may levy each year, in addition  
4 to the levy or levies provided in section 809 of this act for the  
5 payment of the principal and interest of any outstanding general  
6 obligation bonds, an ad valorem tax on all taxable property located in  
7 the district not to exceed fifty cents per thousand dollars of assessed  
8 value.    However, in no case may the total general levy for all  
9 purposes, except the levy for the retirement of general obligation  
10 bonds, exceed one dollar per thousand dollars of assessed value.  
11 Levies in excess of one dollar per thousand dollars of assessed value  
12 or in excess of the aggregate dollar rate limitations or both may be  
13 made for any district purpose when so authorized at a special election  
14 under RCW 84.52.130.    Any such tax when levied must be certified to the  
15 proper county officials for the collection of the tax as for other  
16 general taxes.    The taxes when collected must be placed in the  
17 appropriate district fund or funds as provided by law, and must be paid  
18 out on warrants of the auditor of the county in which all, or the  
19 largest portion of, the district is located, upon authorization of the  
20 board of community facilities commissioners of the district.

21        NEW SECTION.    **Sec. 811.**    Notwithstanding the limitation of dollar  
22 rates contained in section 810 of this act, the board of community  
23 facilities commissioners of any district may levy, in addition to any  
24 levy for the payment of the principal and interest of outstanding  
25 general obligation bonds, an ad valorem tax on all property located in  
26 the district of not to exceed fifty cents per thousand dollars of  
27 assessed value and which will not cause the combined levies to exceed  
28 the constitutional or statutory limitations, and the additional levy,  
29 or any portion of the levy, may also be made when dollar rates of other  
30 taxing units are released by agreement with the other taxing units from  
31 their authorized levies.

32        NEW SECTION.    **Sec. 812.**    A community facilities district may accept  
33 and receive in behalf of the district any money or property donated,  
34 devised, or bequeathed to the district, and may carry out the terms of  
35 the donation, devise, or bequest, if within the powers granted by law



1 to community facilities districts. In the absence of such terms, a  
2 community facilities district may expend or use the money or property  
3 for district purposes as determined by the board.

4 NEW SECTION. **Sec. 813.** Notwithstanding the limitation of dollar  
5 rates contained in section 810 of this act, and in addition to any levy  
6 for the payment of the principal and interest of any outstanding  
7 general obligation bonds and in addition to any levy authorized by  
8 sections 810 and 811 of this act or any other statute, the board of  
9 community facilities commissioners of any community facilities district  
10 within such county, which community facilities district has at least  
11 one full-time, paid employee, or contracts with another municipal  
12 corporation for the services of at least one full-time, paid employee,  
13 is hereby authorized to levy each year an ad valorem tax on all taxable  
14 property within such district of not to exceed fifty cents per thousand  
15 dollars of assessed value, which levy may be made only if it will not  
16 affect dollar rates which other taxing districts may lawfully claim nor  
17 cause the combined levies to exceed the constitutional and/or statutory  
18 limitations.

19 **PART IX**

20 **COMMUNITY FACILITIES DISTRICTS BENEFIT CHARGES**

21 NEW SECTION. **Sec. 901.** (1) The board of community facilities  
22 commissioners of a community facilities district may by resolution, for  
23 community facilities district purposes authorized by law, fix and  
24 impose a benefit charge on personal property and improvements to real  
25 property which are located within the community facilities district on  
26 the date specified and which have or will receive the benefits provided  
27 by the community facilities district, to be paid by the owners of the  
28 properties. However, a benefit charge may not apply to personal  
29 property and improvements to real property owned or used by any  
30 recognized religious denomination or religious organization as, or  
31 including, a sanctuary or for purposes related to the bona fide  
32 religious ministries of the denomination or religious organization,  
33 including schools and educational facilities used for kindergarten,  
34 primary, or secondary educational purposes or for institutions of  
35 higher education and all grounds and buildings related thereto, but not

1 including personal property and improvements to real property owned or  
2 used by any recognized religious denomination or religious organization  
3 for business operations, profit-making enterprises, or activities not  
4 including use of a sanctuary or related to kindergarten, primary, or  
5 secondary educational purposes or for institutions of higher education.  
6 The aggregate amount of such benefit charges in any one year may not  
7 exceed an amount equal to sixty percent of the operating budget for the  
8 year in which the benefit charge is to be collected. It is the duty of  
9 the county legislative authority or authorities of the county or  
10 counties in which the community facilities district is located to make  
11 any necessary adjustments to assure compliance with such limitation and  
12 to immediately notify the board of community facilities commissioners  
13 of any changes thereof.

14 (2) A benefit charge imposed must be reasonably proportioned to the  
15 measurable benefits to property resulting from the services afforded by  
16 the district. It is acceptable to apportion the benefit charge to the  
17 values of the properties as found by the county assessor or assessors  
18 modified generally in the proportion that community facilities  
19 operations and projects provide benefits to real property within the  
20 district. Any other method that reasonably apportions the benefit  
21 charges to the actual benefits resulting from the improved value of  
22 real properties within the district due to community facilities  
23 operations and projects may be specified in the resolution and are  
24 subject to contest on the ground of unreasonable or capricious action  
25 or action in excess of the measurable benefits to the property  
26 resulting from services afforded by the district. The board of  
27 community facilities commissioners may determine that certain  
28 properties or types or classes of properties are not receiving  
29 measurable benefits based on criteria they establish by resolution.

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

34 NEW SECTION. **Sec. 902.** (1) The term "personal property" for the  
35 purposes of this chapter includes every form of tangible personal  
36 property including, but not limited to, all goods, chattels, stock in  
37 trade, estates, or crops.

1 (2) All personal property not assessed and subjected to ad valorem  
2 taxation under Title 84 RCW, all property under contract or for which  
3 the district is receiving payment for as authorized by RCW 52.30.020  
4 and all property subject to the provisions of chapter 54.28 RCW, or all  
5 property that is subject to a contract for services with a community  
6 facilities district is exempt from the benefit charge imposed under  
7 this chapter.

8 (3) For the purposes of this section, "personal property" does not  
9 include any personal property used for farming, field crops, farm  
10 equipment, or livestock.

11 NEW SECTION. **Sec. 903.** The resolution establishing benefit  
12 charges as specified in section 901 of this act must specify, by legal  
13 geographical areas or other specific designations, the charge to apply  
14 to each property by location, type, or other designation, or other  
15 information that is necessary to the proper computation of the benefit  
16 charge to be charged to each property owner subject to the resolution.  
17 The county assessor of each county in which the district is located  
18 must determine and identify the personal properties and improvements to  
19 real property which are subject to a benefit charge in each community  
20 facilities district and must furnish and deliver to the county  
21 treasurer of that county a listing of the properties with information  
22 describing the location, legal description, and address of the person  
23 to whom the statement of benefit charges is to be mailed, the name of  
24 the owner, and the value of the property and improvements, together  
25 with the benefit charge to apply to each.

26 NEW SECTION. **Sec. 904.** Each community facilities district must  
27 contract, prior to the imposition of a benefit charge, for the  
28 administration and collection of the benefit charge by each county  
29 treasurer, who must deduct a percent, as provided by contract to  
30 reimburse the county for expenses incurred by the county assessor and  
31 county treasurer in the administration of the resolution and this  
32 chapter. The county treasurer must make distributions each year, as  
33 the charges are collected, in the amount of the benefit charges imposed  
34 on behalf of each district, less the deduction provided for in the  
35 contract.



1        NEW SECTION.    **Sec. 906.**    (1) Not less than ten days nor more than  
2 six months before the election at which the proposition to impose the  
3 benefit charge is submitted as provided in this chapter, the board of  
4 community facilities commissioners of the district must hold a public  
5 hearing specifically setting forth its proposal to impose benefit  
6 charges for the support of its legally authorized activities which will  
7 maintain or improve the services afforded in the district. A report of  
8 the public hearing must be filed with the county treasurer of each  
9 county in which the property is located and be available for public  
10 inspection.

11        (2) Prior to November 15th of each year the board of community  
12 facilities commissioners must hold a public hearing to review and  
13 establish the community facilities district benefit charges for the  
14 subsequent year.

15        (3) All resolutions imposing or changing the benefit charges must  
16 be filed with the county treasurer or treasurers of each county in  
17 which the property is located, together with the record of each public  
18 hearing, before November 30th immediately preceding the year in which  
19 the benefit charges are to be collected on behalf of the district.

20        (4) After the benefit charges have been established, the owners of  
21 the property subject to the charge must be notified of the amount of  
22 the charge.

23        NEW SECTION.    **Sec. 907.**    A community facilities district that  
24 imposes a benefit charge under this chapter may not impose all or part  
25 of the property tax authorized under section 813 of this act.

26        NEW SECTION.    **Sec. 908.**    After notice has been given to the  
27 property owners of the amount of the charge, the board of community  
28 facilities commissioners of a community facilities district imposing a  
29 benefit charge under this chapter must form a review board for at least  
30 a two-week period and shall, upon complaint in writing of a party  
31 aggrieved owning property in the district, reduce the charge of a  
32 person who, in their opinion, has been charged too large a sum, to a  
33 sum or amount as they believe to be the true, fair, and just amount.

34        NEW SECTION.    **Sec. 909.**    A person who is receiving the exemption

1 contained in RCW 84.36.381 through 84.36.389 is exempt from any legal  
2 obligation to pay a portion of the charge imposed by this chapter  
3 according to the following.

4 (1) A person who meets the income limitation contained in RCW  
5 84.36.381(5)(a) and does not meet the income limitation contained in  
6 RCW 84.36.381(5)(b) (i) or (ii) shall be exempt from twenty-five  
7 percent of the charge.

8 (2) A person who meets the income limitation contained in RCW  
9 84.36.381(5)(b)(i) shall be exempt from fifty percent of the charge.

10 (3) A person who meets the income limitation contained in RCW  
11 84.36.381(5)(b)(ii) shall be exempt from seventy-five percent of the  
12 charge.

13 **PART X**

14 **REGIONAL COMMUNITY FACILITIES AUTHORITIES**

15 NEW SECTION. **Sec. 1001.** Regional community facilities authority  
16 planning committees are advisory entities that are created, convened,  
17 and empowered as follows:

18 (1) Any two or more community facilities jurisdictions may create  
19 a regional community facilities authority and convene a regional  
20 community facilities authority planning committee. No community  
21 facilities jurisdiction may participate in more than one district.

22 (2) Each governing body of the community facilities jurisdictions  
23 participating in planning under this chapter must appoint three elected  
24 officials to the planning committee. Members of the planning committee  
25 may receive compensation of seventy dollars per day, or portion  
26 thereof, not to exceed seven hundred dollars per year, for attendance  
27 at planning committee meetings and for performance of other services in  
28 behalf of the district, and may be reimbursed for travel and incidental  
29 expenses at the discretion of their respective governing body.

30 (3) A regional community facilities authority planning committee  
31 may receive state funding, as appropriated by the legislature, or  
32 county funding provided by the affected counties for start-up funding  
33 to pay for salaries, expenses, overhead, supplies, and similar expenses  
34 ordinarily and necessarily incurred. Upon creation of a regional  
35 community facilities authority, the authority must within one year

1 reimburse the state or county for any sums advanced for these start-up  
2 costs from the state or county.

3 (4) The planning committee must conduct its affairs and formulate  
4 a regional community facilities authority plan as provided under  
5 section 1002 of this act.

6 (5) At its first meeting, a regional community facilities authority  
7 planning committee may elect officers and provide for the adoption of  
8 rules and other operating procedures.

9 (6) The planning committee may dissolve itself at any time by a  
10 majority vote of the total membership of the planning committee. Any  
11 participating community facilities jurisdiction may withdraw upon  
12 thirty calendar days' written notice to the other jurisdictions.

13 NEW SECTION. **Sec. 1002.** (1) A regional community facilities  
14 authority planning committee must adopt a regional community facilities  
15 authority plan providing for the design, financing, and development of  
16 community facilities projects. The planning committee may consider the  
17 following factors in formulating its plan:

18 (a) Land use planning criteria; and

19 (b) The input of cities and counties located within, or partially  
20 within, a participating community facilities jurisdiction.

21 (2) The planning committee may coordinate its activities with  
22 neighboring cities, towns, and other local governments that engage in  
23 community facilities planning.

24 (3) The planning committee must:

25 (a) Create opportunities for public input in the development of the  
26 plan;

27 (b) Adopt a plan proposing the creation of a community facilities  
28 district and recommending design, financing, and development of the  
29 facilities and operations of community facilities districts, including  
30 maintenance and preservation of facilities or systems; and

31 (c) In the plan, recommend sources of revenue authorized by section  
32 1003 of this section, identify the portions of the plan that may be  
33 amended by the board of the district without voter approval, consistent  
34 with section 1003 of this section, and recommend a financing plan to  
35 fund selected community facilities projects.

36 (4) Once adopted, the plan must be forwarded to the participating

1 community facilities jurisdictions' governing bodies to initiate the  
2 election process under section 1005 of this act.

3 (5) If the ballot measure is not approved, the planning committee  
4 may redefine the selected regional community facilities authority  
5 projects, financing plan, and the ballot measure. The community  
6 facilities jurisdictions' governing bodies may approve the new plan and  
7 ballot measure, and may then submit the revised proposition to the  
8 voters at a subsequent election or a special election. If a ballot  
9 measure is not approved by the voters by the third vote, the planning  
10 committee is dissolved.

11 NEW SECTION. **Sec. 1003.** (1) A regional community facilities  
12 authority planning committee may, as part of a regional community  
13 facilities authority plan, recommend the imposition of some or all of  
14 the following revenue sources, which a regional community facilities  
15 authority may impose upon approval of the voters as provided in this  
16 chapter:

17 (a) Benefit charges under sections 1015 through 1023 of this act;

18 (b) Property taxes under sections 1012 through 1014 and 1101 of  
19 this act, and RCW 84.09.030, 84.52.010, and 84.52.052; or

20 (c) Both (a) and (b) of this subsection.

21 (2) The authority may impose taxes and benefit charges as set forth  
22 in the regional community facilities authority plan upon creation of  
23 the authority, or as provided for in this chapter after creation of the  
24 authority. If the plan authorizes the authority to impose benefit  
25 charges or sixty percent voter-approved taxes, the plan and creation of  
26 the authority must be approved by an affirmative vote of sixty percent  
27 of the voters within the boundaries of the authority voting on a ballot  
28 proposition as provided in section 1004 of this act. However, if the  
29 plan provides for alternative sources of revenue that become effective  
30 if the plan and creation of the authority is approved only by a  
31 majority vote, then the plan with alternative sources of revenue and  
32 creation of the authority may be approved by an affirmative vote of the  
33 majority of those voters. If the plan does not authorize the authority  
34 to impose benefit charges or sixty percent voter-approved taxes, the  
35 plan and creation of the authority must be approved by an affirmative  
36 vote of the majority of the voters within the boundaries of the  
37 authority voting on a ballot proposition as set forth in section 1004



1 of this act. Except as provided in this section, all other voter  
2 approval requirements under law for the levying of property taxes or  
3 the imposition of benefit charges apply. Revenues from these taxes and  
4 benefit charges may be used only to implement the plan as set forth in  
5 this chapter.

6 NEW SECTION. **Sec. 1004.** The governing bodies of two or more  
7 community facilities jurisdictions, upon receipt of the regional  
8 community facilities authority plan under section 1002 of this act, may  
9 certify the plan to the ballot, including identification of the revenue  
10 options specified to fund the plan. The governing bodies of the  
11 community facilities jurisdictions may draft a ballot title, give  
12 notice as required by law for ballot measures, and perform other duties  
13 as required to put the plan before the voters of the proposed authority  
14 for their approval or rejection as a single ballot measure that both  
15 approves formation of the authority and approves the plan. Authorities  
16 may negotiate interlocal agreements necessary to implement the plan.  
17 The electorate is the voters voting within the boundaries of the  
18 proposed regional community facilities authority. A simple majority of  
19 the total persons voting on the single ballot measure to approve the  
20 plan and establish the authority is required for approval. However, if  
21 the plan authorizes the authority to impose benefit charges or sixty  
22 percent voter-approved taxes, then the percentage of total persons  
23 voting on the single ballot measure to approve the plan and establish  
24 the authority is the same as in section 1003 of this act. The  
25 authority must act in accordance with the general election laws of the  
26 state. The authority is liable for its proportionate share of the  
27 costs when the elections are held under RCW 29A.04.321 and 29A.04.330.

28 NEW SECTION. **Sec. 1005.** If the voters approve the plan, including  
29 creation of a regional community facilities authority and imposition of  
30 taxes and benefit charges, if any, the authority is formed on the next  
31 January 1st or July 1st, whichever occurs first. The appropriate  
32 county election officials must, within fifteen days of the final  
33 certification of the election results, publish a notice in a newspaper  
34 or newspapers of general circulation in the authority declaring the  
35 authority formed. A party challenging the procedure or the formation  
36 of a voter-approved authority must file the challenge in writing by

1 serving the prosecuting attorney of each county within, or partially  
2 within, the regional community facilities authority and the attorney  
3 general within thirty days after the final certification of the  
4 election. Failure to challenge within that time forever bars further  
5 challenge of the authority's valid formation.

6 NEW SECTION. **Sec. 1006.** (1) The regional board must adopt rules  
7 for the conduct of business. The regional board must adopt bylaws to  
8 govern authority affairs, which may include:

- 9 (a) The time and place of regular meetings;  
10 (b) Rules for calling special meetings;  
11 (c) The method of keeping records of proceedings and official acts;  
12 (d) Procedures for the safekeeping and disbursement of funds; and  
13 (e) Any other provisions the regional board finds necessary to  
14 include.

15 (2) The governing regional board must be determined by the plan and  
16 consist solely of elected officials.

17 NEW SECTION. **Sec. 1007.** The governing regional board of the  
18 authority is responsible for the execution of the voter-approved plan.  
19 Participating jurisdictions must review the plan every ten years. The  
20 regional board may:

21 (1) Levy taxes and impose benefit charges as authorized in the plan  
22 and approved by authority voters;

23 (2) Enter into agreements with federal, state, local, and regional  
24 entities and departments as necessary to accomplish authority purposes  
25 and protect the authority's investments;

26 (3) Accept gifts, grants, or other contributions of funds that will  
27 support the purposes and programs of the authority;

28 (4) Monitor and audit the progress and execution of community  
29 facilities projects to protect the investment of the public and  
30 annually make public its findings;

31 (5) Pay for services and enter into leases and contracts, including  
32 professional service contracts;

33 (6) Hire, manage, and terminate employees; and

34 (7) Exercise powers and perform duties as the regional board  
35 determines necessary to carry out the purposes, functions, and projects  
36 of the authority in accordance with this chapter if one of the

1 community facilities jurisdictions is a community facilities district,  
2 unless provided otherwise in the regional community facilities  
3 authority plan, or in accordance with the statutes identified in the  
4 plan if none of the community facilities jurisdictions is a regional  
5 community facilities authority.

6 NEW SECTION. **Sec. 1008.** (1) Except as otherwise provided in the  
7 regional community facilities authority plan, all powers, duties, and  
8 functions of a participating community facilities jurisdiction  
9 pertaining to regional community facilities authority projects be  
10 transferred to the regional community facilities authority on its  
11 creation date.

12 (2)(a) Except as otherwise provided in the regional community  
13 facilities authority plan, and on the creation date of the regional  
14 community facilities authority, all reports, documents, surveys, books,  
15 records, files, papers, or written material in the possession of the  
16 participating community facilities jurisdiction pertaining to community  
17 facilities' powers, functions, and duties must be delivered to the  
18 regional community facilities authority; all real property and personal  
19 property including cabinets, furniture, office equipment, motor  
20 vehicles, and other tangible property employed by the participating  
21 community facilities jurisdiction in carrying out the community  
22 facilities jurisdictions' powers, functions, and duties must be  
23 transferred to the regional community facilities authority; and all  
24 funds, credits, or other assets held by the participating community  
25 facilities jurisdiction in connection with the community facilities  
26 jurisdictions' powers, functions, and duties must be transferred and  
27 credited to the regional community facilities authority.

28 (b) Except as otherwise provided in the regional community  
29 facilities authority plan, any appropriations made to the participating  
30 community facilities jurisdiction for carrying out the community  
31 facilities jurisdictions' powers, functions, and duties must be  
32 transferred and credited to the regional community facilities  
33 authority.

34 (c) Except as otherwise provided in the regional community  
35 facilities authority plan, whenever any question arises as to the  
36 transfer of any personnel, funds, books, documents, records, papers,  
37 files, equipment, or other tangible property used or held in the

1 exercise of the powers and the performance of the duties and functions  
2 transferred, the governing body of the participating community  
3 facilities jurisdiction must make a determination as to the proper  
4 allocation.

5 (3) Except as otherwise provided in the regional community  
6 facilities authority plan, all rules and all pending business before  
7 the participating community facilities jurisdiction pertaining to the  
8 powers, functions, and duties transferred must be continued and acted  
9 upon by the regional community facilities authority, and all existing  
10 contracts and obligations must remain in full force and must be  
11 performed by the regional community facilities authority.

12 (4) The transfer of the powers, duties, functions, and personnel of  
13 the participating community facilities jurisdiction may not affect the  
14 validity of any act performed before creation of the regional community  
15 facilities authority.

16 (5) If apportionments of budgeted funds are required because of the  
17 transfers, the treasurer for the authority must certify the  
18 apportionments.

19 (6)(a) Subject to (c) of this subsection, all employees of the  
20 participating community facilities jurisdictions are transferred to the  
21 jurisdiction of the regional community facilities authority on its  
22 creation date. Upon transfer, unless an agreement for different terms  
23 of transfer is reached between the collective bargaining  
24 representatives of the transferring employees and the participating  
25 community facilities jurisdictions, an employee is entitled to the  
26 employee rights, benefits, and privileges to which he or she would have  
27 been entitled as an employee of a participating community facilities  
28 jurisdiction, including rights to:

29 (i) Compensation at least equal to the level at the time of  
30 transfer;

31 (ii) Retirement, vacation, sick leave, and any other accrued  
32 benefit;

33 (iii) Promotion and service time accrual; and

34 (iv) The length or terms of probationary periods, including no  
35 requirement for an additional probationary period if one had been  
36 completed before the transfer date.

37 (b) If any or all of the participating community facilities  
38 jurisdictions provide for civil service for the transferring employees,

1 the collective bargaining representatives of the transferring employees  
2 and the participating community facilities jurisdictions must negotiate  
3 regarding the establishment of a civil service system within the  
4 authority. This subsection does not apply if none of the participating  
5 community facilities jurisdictions provide for civil service.

6 (c) Nothing contained in this section may be construed to alter any  
7 existing collective bargaining unit or the provisions of any existing  
8 collective bargaining agreement until the agreement has expired or  
9 until the bargaining unit has been modified as provided by law.

10 NEW SECTION. **Sec. 1009.** (1) As provided in this section, a  
11 regional community facilities authority may withdraw areas from its  
12 boundaries into the authority areas that previously had been withdrawn  
13 from the authority under this section.

14 (2)(a) The withdrawal of an area is authorized upon: (i) Adoption  
15 of a resolution by the regional board approving the withdrawal and  
16 finding that, in the opinion of the regional board, inclusion of this  
17 area within the regional community facilities authority will result in  
18 a reduction of the authority's tax levy rate under the provisions of  
19 RCW 84.52.010; or (ii) adoption of a resolution by the city or town  
20 council approving the withdrawal, if the area is located within the  
21 city or town, or adoption of a resolution by the governing body of the  
22 community facilities district within which the area is located  
23 approving the withdrawal, if the area is located outside of a city or  
24 town, but within a community facilities district.

25 (b) A withdrawal under this section is effective at the end of the  
26 day on the thirty-first day of December in the year in which the  
27 resolution under (a)(i) or (ii) of this subsection is adopted, but for  
28 purposes of establishing boundaries for property tax purposes, the  
29 boundaries must be established immediately upon the adoption of the  
30 resolution.

31 (c) The withdrawal of an area from the boundaries of an authority  
32 does not exempt any property therein from taxation for the purpose of  
33 paying the costs of redeeming any indebtedness of the authority  
34 existing at the time of withdrawal.

35 (3)(a) An area that has been withdrawn from the boundaries of a  
36 regional community facilities authority under this section may be  
37 readmitted into the authority upon: (i) Adoption of a resolution by

1 the regional board proposing the readmittance; and (ii) adoption of a  
2 resolution by the city or town council approving the readmittance, if  
3 the area is located within the city or town, or adoption of a  
4 resolution by the governing body of the community facilities district  
5 within which the area is located approving the readmittance, if the  
6 area is located outside of a city or town but within a community  
7 facilities district.

8 (b) A readmittance under this section is effective at the end of  
9 the day on the thirty-first day of December in the year in which the  
10 adoption of the resolution under (a)(ii) of this subsection occurs, but  
11 for purposes of establishing boundaries for property tax purposes, the  
12 boundaries must be established immediately upon the adoption of the  
13 resolution.

14 (c)(i) Referendum action on the proposed readmittance under this  
15 section may be taken by the voters of the area proposed to be  
16 readmitted if a petition calling for a referendum is filed with the  
17 city or town council, or governing body of the community facilities  
18 district, within a thirty-day period after the adoption of the  
19 resolution under (a)(ii) of this subsection, which petition has been  
20 signed by registered voters of the area proposed to be readmitted equal  
21 in number to ten percent of the total number of the registered voters  
22 residing in that area.

23 (ii) If a valid petition signed by the requisite number of  
24 registered voters has been so filed, the effect of the resolutions must  
25 be held in abeyance and a ballot proposition to authorize the  
26 readmittance must be submitted to the voters of the area at the next  
27 special election date specified in RCW 29A.04.330 that occurs forty-  
28 five or more days after the petitions have been validated. Approval of  
29 the ballot proposition authorizing the readmittance by a simple  
30 majority vote authorizes the readmittance.

31 NEW SECTION. **Sec. 1010.** Any community facilities district within  
32 the authority may be dissolved by a majority vote of the registered  
33 electors of the district at an election conducted by the election  
34 officials of the county or counties in which the district is located in  
35 accordance with the general election laws of the state. The  
36 proceedings for dissolution may be initiated by the adoption of a  
37 resolution by the regional board. The dissolution of the district may

1 not cancel outstanding obligations of the district or of a local  
2 improvement district within the district, and the county legislative  
3 authority or authorities of the county or counties in which the  
4 district was located may make annual levies against the lands within  
5 the district until the obligations of the districts are paid. All  
6 powers, duties, and functions of a dissolved community facilities  
7 jurisdiction within the authority boundaries, pertaining to providing  
8 community facilities projects and operations may be transferred, by  
9 resolution, to the regional community facilities authority.

10 NEW SECTION. **Sec. 1011.** (1) An authority may incur general  
11 indebtedness for authority purposes, issue bonds, notes, or other  
12 evidences of indebtedness not to exceed an amount, together with any  
13 outstanding nonvoter-approved general obligation debt, equal to three-  
14 fourths of one percent of the value of the taxable property within the  
15 authority. The maximum term of the obligations may not exceed twenty  
16 years. The obligations may pledge benefit charges and may pledge  
17 payments to an authority from the state, the federal government, or any  
18 community facilities jurisdiction under an interlocal contract. The  
19 interlocal contracts pledging revenues and taxes are binding for a term  
20 not to exceed twenty-five years, and taxes or other revenue pledged by  
21 an interlocal contract may not be eliminated or modified if it would  
22 impair the pledge of the contract.

23 (2) An authority may also issue general obligation bonds for  
24 capital purposes not to exceed an amount, together with any outstanding  
25 general obligation debt, equal to one and one-half percent of the value  
26 of the taxable property within the authority. The authority may  
27 provide for the retirement of the bonds by excess property tax levies.  
28 The voters of the authority must approve a proposition authorizing the  
29 bonds and levies by an affirmative vote of three-fifths of those voting  
30 on the proposition at an election. At the election, the total number  
31 of persons voting must constitute not less than forty percent of the  
32 voters in the authority who voted at the last preceding general state  
33 election. The maximum term of the bonds may not exceed twenty-five  
34 years. Elections must be held as provided in RCW 39.36.050.

35 (3) Obligations of an authority must be issued and sold in  
36 accordance with chapters 39.46 and 39.50 RCW, as applicable.

1        NEW SECTION.    **Sec. 1012.**    (1) To carry out the purposes for which  
2 a regional community facilities authority is created, as authorized in  
3 the plan and approved by the voters, the governing regional board of an  
4 authority may annually levy the following taxes:

5        (a) An ad valorem tax on all taxable property located within the  
6 authority not to exceed fifty cents per thousand dollars of assessed  
7 value;

8        (b) An ad valorem tax on all property located within the authority  
9 not to exceed fifty cents per thousand dollars of assessed value and  
10 which will not cause the combined levies to exceed the constitutional  
11 or statutory limitations. This levy, or any portion of this levy, may  
12 also be made when dollar rates of other taxing units are released by  
13 agreement with the other taxing units from their authorized levies; and

14        (c) An ad valorem tax on all taxable property located within the  
15 authority not to exceed fifty cents per thousand dollars of assessed  
16 value if the authority has at least one full-time, paid employee, or  
17 contracts with another municipal corporation for the services of at  
18 least one full-time, paid employee. This levy may be made only if it  
19 will not affect dollar rates which other taxing districts may lawfully  
20 claim nor cause the combined levies to exceed the constitutional or  
21 statutory limitations or both.

22        (2) Levies in excess of the amounts provided in subsection (1) of  
23 this section or in excess of the aggregate dollar rate limitations or  
24 both may be made for any authority purpose when so authorized at a  
25 special election under RCW 84.52.052. Any such tax when levied must be  
26 certified to the proper county officials for the collection of the tax  
27 as for other general taxes. The taxes when collected must be placed in  
28 the appropriate authority fund or funds as provided by law, and must be  
29 paid out on warrants of the auditor of the county in which all, or the  
30 largest portion, of the authority is located, upon authorization of the  
31 governing regional board of the authority.

32        (3) Authorities may provide for the retirement of general  
33 indebtedness by excess property tax levies as set forth in section 1011  
34 of this act.

35        (4) For purposes of this chapter, the term "value of the taxable  
36 property" has the same meaning as in RCW 39.36.015.



1        NEW SECTION.    **Sec. 1013.**    At the time of making general tax levies  
2        in each year, the county legislative authority or authorities of the  
3        county or counties in which a regional community facilities authority  
4        is located must make the required levies for authority purposes against  
5        the real and personal property in the authority in accordance with the  
6        equalized valuations of the property for general tax purposes and as a  
7        part of the general taxes. The tax levies are part of the general tax  
8        roll and must be collected as a part of the general taxes against the  
9        property in the authority.

10       NEW SECTION.    **Sec. 1014.**    It is the duty of the county treasurer of  
11       the county in which the regional community facilities authority created  
12       under this chapter is located to collect taxes authorized and levied  
13       under this chapter. However, when a regional community facilities  
14       authority is located in more than one county, the county treasurer of  
15       each county in which the authority is located must collect the regional  
16       community facilities authority's taxes that are imposed on property  
17       located within the county and transfer these funds to the treasurer of  
18       the county in which the majority of the authority lies.

19       NEW SECTION.    **Sec. 1015.**    (1) The governing board of a regional  
20       community facilities authority may by resolution, as authorized in the  
21       plan and approved by the voters, for authority purposes authorized by  
22       law, fix and impose a benefit charge on personal property and  
23       improvements to real property which are located within the authority on  
24       the date specified and which have received or will receive the benefits  
25       provided by the authority, to be paid by the owners of the properties.  
26       A benefit charge does not apply to personal property and improvements  
27       to real property owned or used by any recognized religious denomination  
28       or religious organization as, or including, a sanctuary or for purposes  
29       related to the bona fide religious ministries of the denomination or  
30       religious organization, including schools and educational facilities  
31       used for kindergarten, primary, or secondary educational purposes or  
32       for institutions of higher education and all grounds and buildings  
33       related thereto. However, a benefit charge does apply to personal  
34       property and improvements to real property owned or used by any  
35       recognized religious denomination or religious organization for  
36       business operations, profit-making enterprises, or activities not

1 including use of a sanctuary or related to kindergarten, primary, or  
2 secondary educational purposes or for institutions of higher education.  
3 The aggregate amount of these benefit charges in any one year may not  
4 exceed an amount equal to sixty percent of the operating budget for the  
5 year in which the benefit charge is to be collected. It is the duty of  
6 the county legislative authority or authorities of the county or  
7 counties in which the regional community facilities authority is  
8 located to make any necessary adjustments to assure compliance with  
9 this limitation and to immediately notify the governing regional board  
10 of an authority of any changes thereof.

11 (2) A benefit charge imposed must be reasonably proportioned to the  
12 measurable benefits to property resulting from the facilities and  
13 operations afforded by the authority. Any method that reasonably  
14 apportions the benefit charges to the actual benefits resulting from  
15 the degree of improvements to real property provided to the community  
16 from the community facilities may be specified in the resolution and is  
17 subject to contest on the grounds of unreasonable or capricious action  
18 or action in excess of the measurable benefits to the property  
19 resulting from services afforded by the authority. The governing  
20 regional board of an authority may determine that certain properties or  
21 types or classes of properties are not receiving measurable benefits  
22 based on criteria they establish by resolution.

23 (3) For administrative purposes, the benefit charge imposed on any  
24 individual property may be compiled into a single charge, provided that  
25 the authority, upon request of the property owner, provide an itemized  
26 list of charges for each measurable benefit included in the charge.

27 (4) For the purposes of this section and sections 1016 through 1023  
28 of this act, "personal property" includes every form of tangible  
29 personal property including, but not limited to, all goods, chattels,  
30 stock in trade, estates, or crops. "Personal property" does not  
31 include any personal property used for farming, field crops, farm  
32 equipment, or livestock.

33 NEW SECTION. **Sec. 1016.** All personal property not assessed and  
34 subjected to ad valorem taxation under Title 84 RCW, all property under  
35 contract or for which the regional community facilities authority is  
36 receiving payment for as authorized by law, all property subject to

1 chapter 54.28 RCW, and all property that is subject to a contract for  
2 services with an authority is exempt from the benefit charge imposed  
3 under this chapter.

4 NEW SECTION. **Sec. 1017.** (1) The resolution establishing benefit  
5 charges as specified in section 1015 of this act must specify, by legal  
6 geographical areas or other specific designations, the charge to apply  
7 to each property by location, type, or other designation, or other  
8 information that is necessary to the proper computation of the benefit  
9 charge to be charged to each property owner subject to the resolution.

10 (2) The county assessor of each county in which the regional  
11 community facilities authority is located must determine and identify  
12 the personal properties and improvements to real property that are  
13 subject to a benefit charge in each authority and must furnish and  
14 deliver to the county treasurer of that county a listing of the  
15 properties with information describing the location, legal description,  
16 and address of the person to whom the statement of benefit charges is  
17 to be mailed, the name of the owner, and the value of the property and  
18 improvements, together with the benefit charge to apply to each.

19 NEW SECTION. **Sec. 1018.** Each regional community facilities  
20 authority must contract, prior to the imposition of a benefit charge,  
21 for the administration and collection of the benefit charge by each  
22 county treasurer, who must deduct a percentage, as provided by contract  
23 to reimburse the county for expenses incurred by the county assessor  
24 and county treasurer in the administration of the resolution and this  
25 chapter. The county treasurer must make distributions each year, as  
26 the charges are collected, in the amount of the benefit charges imposed  
27 on behalf of each authority, less the deduction provided for in the  
28 contract.

29 NEW SECTION. **Sec. 1019.** (1) Notwithstanding any other provision  
30 in this chapter to the contrary, any benefit charge authorized by this  
31 chapter is not effective unless a proposition to impose the benefit  
32 charge is approved by a sixty percent majority of the voters of the  
33 regional community facilities authority voting at a general election or  
34 at a special election called by the authority for that purpose, held  
35 within the authority. A ballot measure that contains an authorization

1 to impose benefit charges and that is approved by the voters pursuant  
2 to section 1004 of this act meets the proposition approval requirement  
3 of this section. An election held under this section must be held not  
4 more than twelve months prior to the date on which the first charge is  
5 to be assessed. A benefit charge approved at an election expires in  
6 six years or fewer as authorized by the voters, unless subsequently  
7 reapproved by the voters.

8 (2) The ballot must be submitted so as to enable the voters  
9 favoring the authorization of a regional community facilities authority  
10 benefit charge to vote "Yes" and those opposed to vote "No." The ballot  
11 question is as follows:

12 "Shall . . . . the regional community facilities authority composed  
13 of (insert the participating community facilities jurisdictions)  
14 . . . . be authorized to impose benefit charges each year for . . . .  
15 (insert number of years not to exceed six) years, not to exceed an  
16 amount equal to sixty percent of its operating budget, and be  
17 prohibited from imposing an additional property tax under section  
18 1012(1)(c) of this act?

19 YES  
20 . . . . .  
21 NO  
22 . . . . ."

23 (3) Authorities renewing the benefit charge may elect to use the  
24 following alternative ballot:

25 "Shall . . . . the regional community facilities authority composed  
26 of (insert the participating community facilities jurisdictions)  
27 . . . . be authorized to continue voter-authorized benefit charges each  
28 year for . . . . (insert number of years not to exceed six) years, not  
29 to exceed an amount equal to sixty percent of its operating budget, and  
30 be prohibited from imposing an additional property tax under section  
31 1012(1)(c) of this act?

32 YES  
33 . . . . .  
34 NO  
35 . . . . ."

1        NEW SECTION.    **Sec. 1020.**    (1) Not fewer than ten days nor more than  
2 six months before the election at which the proposition to impose the  
3 benefit charge is submitted as provided in this chapter, the governing  
4 regional board of the regional community facilities authority must hold  
5 a public hearing specifically setting forth its proposal to impose  
6 benefit charges for the support of its legally authorized activities  
7 that will maintain or improve the services afforded in the authority.  
8 A report of the public hearing must be filed with the county treasurer  
9 of each county in which the property is located and be available for  
10 public inspection.

11        (2) Prior to November 15th of each year the governing regional  
12 board of the authority must hold a public hearing to review and  
13 establish the regional community facilities authority benefit charges  
14 for the subsequent year.

15        (3) All resolutions imposing or changing the benefit charges must  
16 be filed with the county treasurer or treasurers of each county in  
17 which the property is located, together with the record of each public  
18 hearing, before November 30th immediately preceding the year in which  
19 the benefit charges are to be collected on behalf of the authority.

20        (4) After the benefit charges have been established, the owners of  
21 the property subject to the charge must be notified of the amount of  
22 the charge.

23        NEW SECTION.    **Sec. 1021.**    A regional community facilities authority  
24 that imposes a benefit charge under this chapter may not impose all or  
25 part of the property tax authorized under section 1012(1)(c) of this  
26 act.

27        NEW SECTION.    **Sec. 1022.**    After notice has been given to the  
28 property owners of the amount of the charge, the governing regional  
29 board of a regional community facilities authority imposing a benefit  
30 charge under this chapter must form a review board for at least a two-  
31 week period and must, upon complaint in writing of an aggrieved party  
32 owning property in the authority, reduce the charge of a person who, in  
33 their opinion, has been charged too large a sum, to a sum or amount as  
34 they believe to be the true, fair, and just amount.



1 taxable property in the district less the amount of any levy imposed by  
2 the authority under section 1012(1)(a) of this act;

3 (b) The levy of the district under section 810 of this act may not  
4 exceed fifty cents per thousand dollars of assessed value of taxable  
5 property in the district less the amount of any levy imposed by the  
6 authority under section 1012(1)(b) of this act; and

7 (c) The levy of the district under section 810 of this act may not  
8 exceed fifty cents per thousand dollars of assessed value of taxable  
9 property in the district less the amount of any levy imposed by the  
10 authority under section 1012(1)(c) of this act.

11 (2) If a city or town is a participating community facilities  
12 jurisdiction in a regional community facilities authority, the regular  
13 levies of the city or town may not exceed the applicable rates provided  
14 in RCW 27.12.390 and 84.52.043(1) less the aggregate rates of any  
15 regular levies made by the authority under section 1012(1) of this act.

16 (3) If a port district is a participating community facilities  
17 jurisdiction in a regional community facilities authority, the regular  
18 levy of the port district under RCW 53.36.020 may not exceed forty-five  
19 cents per thousand dollars of assessed value of taxable property in the  
20 district less the aggregate rates of any regular levies imposed by the  
21 authority under section 1012(1) of this act.

22 (4) For purposes of this section, the following definitions apply:

23 (a) "Community facilities district," "community facilities  
24 jurisdiction," and "regional community facilities authority" have the  
25 same meanings as provided in section 102 of this act; and

26 (b) "Participating community facilities jurisdiction" means a  
27 community facilities district, city, town, Indian tribe, or port  
28 district that is represented on the governing board of a regional  
29 community facilities authority.

30 NEW SECTION. **Sec. 1102.** A new section is added to chapter 84.52  
31 RCW to read as follows:

32 The limitations imposed by RCW 84.52.050 through 84.52.056 and  
33 84.52.043 do not prevent the levy of taxes by a community facilities  
34 district, when authorized so to do by the voters of a community  
35 facilities district in the manner and for the purposes and number of  
36 years allowable under Article VII, section 2(a) of the Constitution of  
37 this state. Elections for taxes must be held in the year in which the

1 levy is made, or in the case of propositions authorizing two-year  
2 through four-year levies for maintenance and operation support of a  
3 community facilities district, or authorizing two-year through six-year  
4 levies to support the construction, modernization, or remodeling of  
5 community facilities district facilities, in the year in which the  
6 first annual levy is made. Once additional tax levies have been  
7 authorized for maintenance and operation support of a community  
8 facilities district for a two-year through four-year period, no further  
9 additional tax levies for maintenance and operation support of the  
10 district for that period may be authorized.

11 A special election may be called and the time fixed by the  
12 community facilities district commissioners, by giving notice by  
13 publication in the manner provided by law for giving notices of general  
14 elections, at which special election the proposition authorizing the  
15 excess levy shall be submitted in a form as to enable the voters  
16 favoring the proposition to vote "yes" and those opposed to vote "no."

17 **Sec. 1103.** RCW 84.52.052 and 2004 c 129 s 22 are each amended to  
18 read as follows:

19 The limitations imposed by RCW 84.52.050 through 84.52.056(~~(7)~~) and  
20 (~~(RCW)~~) 84.52.043 (~~(shall)~~) do not prevent the levy of additional taxes  
21 by any taxing district, except school districts (~~(and)~~), fire  
22 protection districts, and community facilities districts, in which a  
23 larger levy is necessary in order to prevent the impairment of the  
24 obligation of contracts. As used in this section, the term "taxing  
25 district" means any county, metropolitan park district, park and  
26 recreation service area, park and recreation district, water-sewer  
27 district, solid waste disposal district, public facilities district,  
28 flood control zone district, county rail district, service district,  
29 public hospital district, road district, rural county library district,  
30 island library district, rural partial-county library district,  
31 intercounty rural library district, cemetery district, city, town,  
32 transportation benefit district, emergency medical service district  
33 with a population density of less than one thousand per square mile,  
34 cultural arts, stadium, and convention district, ferry district, city  
35 transportation authority, (~~(or)~~) regional fire protection service  
36 authority, community facilities district, or regional community  
37 facilities authority.



1 Any such taxing district may levy taxes at a rate in excess of the  
2 rate specified in RCW 84.52.050 through 84.52.056 and 84.52.043, or  
3 84.55.010 through 84.55.050, when authorized so to do by the voters of  
4 such taxing district in the manner set forth in Article VII, section  
5 2(a) of the Constitution of this state at a special or general election  
6 to be held in the year in which the levy is made.

7 A special election may be called and the time therefor fixed by the  
8 county legislative authority, or council, board of commissioners, or  
9 other governing body of any such taxing district, by giving notice  
10 thereof by publication in the manner provided by law for giving notices  
11 of general elections, at which special election the proposition  
12 authorizing such excess levy shall be submitted in such form as to  
13 enable the voters favoring the proposition to vote "yes" and those  
14 opposed thereto to vote "no."

15 **PART XII**  
16 **IMPACT FEES**

17 NEW SECTION. **Sec. 1201.** A new section is added to chapter 82.02  
18 RCW to read as follows:

19 A community facilities district or regional community facilities  
20 authority may not be required to pay an impact fee under the provisions  
21 of RCW 82.02.050 through 82.02.090.

22 **PART XIII**  
23 **MISCELLANEOUS PROVISIONS**

24 NEW SECTION. **Sec. 1301.** Sections 101 through 1024 of this act  
25 constitute a new title in the Revised Code of Washington.

26 NEW SECTION. **Sec. 1302.** Parts I through X of this act constitute  
27 new chapters in the new title created under section 1301 of this act  
28 and are to be codified as new chapters in the new title.

29 NEW SECTION. **Sec. 1303.** Part headings used in this act are not  
30 any part of the law.

1        NEW SECTION.    **Sec. 1304.**    If any provision of this act or its  
2 application to any person or circumstance is held invalid, the  
3 remainder of the act or the application of the provision to other  
4 persons or circumstances is not affected.

--- END ---