

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 chapter is intended to facilitate voluntary landowner
6 financing of community facilities and local, subregional, and regional
7 infrastructure by authorizing the creation of community facilities
8 districts, while creating jobs and facilitating economic development.

9 (5) It is in the interest of the people of the state of Washington
10 to authorize the establishment of community facility districts as
11 independently governed, special purpose districts, vested with the
12 corporate authority included under Article VII, section 9 of the state
13 Constitution to make local improvements in accordance with this chapter
14 and to carry out the purposes specifically authorized under this
15 chapter.

16 NEW SECTION. **Sec. 102.** The definitions in this section apply
17 throughout this chapter unless the context clearly requires otherwise.

18 (1) "Board of supervisors" or "board" means the governing body of
19 a community facilities district.

20 (2) "Community facilities district" or "district" means a district
21 created under this chapter.

22 (3) "Facility" or "facilities" means the local improvements
23 included under section 501 of this act.

24 (4) "Legislative authority" means the governing body of a county,
25 city, or town to which a petition or amended petition is submitted,
26 where the proposed or existing community facilities district is
27 located.

28 (5) "Petition" means a request, meeting the requirements of section
29 201 of this act, made by landowners to form a community facilities
30 district and to voluntarily submit their land to the assessments, fees,
31 and charges authorized under this chapter and includes an amended
32 petition meeting the requirements of section 201(3) of this act.

33 (6) "Special assessment" means an assessment imposed in accordance
34 with the requirements of this chapter.

35 **PART II**

1 owner or reputed owner of each lot, tract, parcel of land, or other
2 property as shown on the tax rolls of the county assessor; and (iv) the
3 special assessment proposed to be imposed on each lot, tract, parcel of
4 land, or other property.

5 (2) The petition must be filed with the auditor of each county in
6 which property included within the proposed district is located. The
7 auditor for the county in which the largest geographic portion of the
8 proposed district is located must be the lead auditor for the purposes
9 of this section. Within ten days of the lead auditor's receipt of the
10 petition, the lead auditor must confirm that the petition has been
11 validly executed by one hundred percent of all owners of the property
12 located within the proposed district, including confirmation by the
13 auditors of all other counties with whom the petition was filed.
14 Within ten days of the lead auditor's finding that the petition either
15 does or does not contain the required signatures, the lead auditor must
16 either (a) transmit the petition, together with a certificate of
17 sufficiency attached thereto, to each legislative authority petitioned
18 for formation of the district; or (b) return the petition to the
19 petitioners with a list of property owners who must sign the petition
20 in order to comply with this section. There are no restrictions on the
21 number of petitions that may be submitted by one or more property
22 owners.

23 (3) A petition may be amended for any reason if the amendment is
24 signed by one hundred percent of the owners of property located within
25 the district proposed in the amended petition.

26 NEW SECTION. **Sec. 202.** A public hearing on the petition must be
27 held by the legislative authority of each jurisdiction included within
28 the boundaries of the proposed district, not less than thirty, but not
29 more than forty-five days, from the date that the lead county auditor
30 issues the certificate of sufficiency required under section 201 of
31 this act.

32 NEW SECTION. **Sec. 203.** Notice of all public hearings must include
33 a description of the proposal, be mailed to all petitioners, and must
34 be published once a week for three consecutive weeks in the official
35 paper of the applicable county, city, or town prior to the date set for
36 the hearing. The notice must be posted for not less than fifteen days

1 prior to the date of the hearing in each of three public places within
2 the boundaries of the proposed district. Each notice must contain the
3 time, date, and place of the public hearing.

4 NEW SECTION. **Sec. 204.** At the time and place of the public
5 hearing, the legislative authority must consider the petition. The
6 legislative authority must receive any evidence it deems material that
7 supports or opposes the formation of the district, including the
8 inclusion or exclusion of land. Unless an amended petition satisfying
9 the requirements of section 201 of this act is approved in accordance
10 with the requirements of this chapter, no land outside the boundaries
11 described in the petition may be included within the proposed district.
12 With the exception of the authority of any court hearing an appeal made
13 in accordance with the requirements of this chapter, no land inside the
14 boundaries of an approved petition may be removed from the district
15 unless an amended petition satisfying the requirements of section 201
16 of this act is approved in accordance with the requirements of this
17 chapter.

18 NEW SECTION. **Sec. 205.** (1) The legislative authority may act on
19 the petition to form a community facilities district at the public
20 hearing held under section 204 of this act and in no event may the
21 legislative authority's decision be issued later than thirty days after
22 the day of the public hearing. The legislative authority must approve
23 the petition by resolution or ordinance if the legislative authority
24 determines, in its sole discretion, that the petitioners will benefit
25 from the proposed district and that the formation of the district will
26 be in the best interest of the county, city or town, as applicable, and
27 that formation of the district is consistent with the requirements of
28 Washington's growth management act.

29 (2) A community facilities district may not be formed unless the
30 legislative authority of each jurisdiction included within the
31 boundaries of the proposed district makes the finding required under
32 subsection (1) of this section with respect to the property included
33 within that jurisdiction's boundaries and with respect to the interest
34 of the jurisdiction.

35 (3) Two or more legislative authorities may adopt a joint
36 resolution approving a petition.

1 (4) All resolutions approving a petition must conform to the terms
2 and conditions contained in the petition, including the maximum amounts
3 of special assessments, fees, and/or charges set forth in the petition,
4 and must designate the name and number of the community facilities
5 district being formed.

6 NEW SECTION. **Sec. 206.** (1) Any person who objects to formation of
7 the district may appeal the final decision of a legislative authority
8 to approve a petition for formation of a community facilities district
9 by filing an appeal with the superior court of the county in which any
10 part of the district is located within five days of the legislative
11 authority's decision.

12 (2) If no appeal is filed within five days of a legislative
13 authority's approval of the petition, the legislative authority's
14 decision is deemed valid, complete, and final, and neither the legal
15 existence of the district, nor the terms and conditions of an approved
16 petition can thereafter be challenged or questioned by any person on
17 the grounds of procedural defect or otherwise. Certified copies of
18 each approval must be filed with the auditor of the county or counties
19 in which the community facilities district is located.

20 **PART III**
21 **COMMUNITY FACILITIES DISTRICT BOARD OF SUPERVISORS**

22 NEW SECTION. **Sec. 301.** (1) A community facilities district must
23 be governed by a board of supervisors possessing the powers set forth
24 under section 401 of this act. The board of supervisors must be
25 appointed by the applicable legislative authority. Except as expressly
26 provided under this section, each legislative authority is authorized
27 to appoint members to the board of supervisors only from among the
28 members of its own governing body. The legislative authority of the
29 jurisdiction having the greatest area within the district must appoint
30 the petitioner members required under subsection (2) or (3) of this
31 section. The term of office of each supervisor is three years and
32 until a successor is appointed, except that the supervisors first
33 appointed serve for one and two years respectively from the date of
34 their appointments, as designated in their appointments.

1 (2) If the boundaries of a district include only one jurisdiction,
2 then the board of supervisors consists of: (a) Three members of the
3 legislative authority of the jurisdiction; and (b) two members
4 appointed from among the petitioners listed in the petition as provided
5 in section 201(1)(h) of this act.

6 (3) If the boundaries of the district include more than one
7 jurisdiction, then the board of supervisors consists of: (a) Two
8 members appointed from the legislative authority of the jurisdiction
9 containing the largest geographic portion of the approved district; (b)
10 one member appointed from the legislative authority of each additional
11 jurisdiction in which the district is located; and (c) either one or
12 two members appointed from the list of eligible petitioners included in
13 the petition as provided in section 201(1)(h) of this act, depending on
14 the number of additional members that are required to result in an
15 overall odd number of supervisors.

16 (4) Vacancies on the board must be filled by appointments by the
17 legislative authority authorized to make appointments under this
18 section. Vacancies must be filled by a person in the same position
19 vacating the board, which for initial petitioner members includes
20 property owners within the boundaries of an approved district.
21 Supervisors must serve without compensation, but they are entitled to
22 expenses, including traveling expenses, necessarily incurred in
23 discharge of their duties. The board must designate a chair from time
24 to time.

25 **PART IV**
26 **COMMUNITY FACILITIES DISTRICT POWERS**

27 NEW SECTION. **Sec. 401.** (1) A community facilities district
28 created in accordance with this chapter is an independently governed,
29 special purpose district, vested with the corporate authority included
30 under Article VII, section 9 of the state Constitution to make local
31 improvements in accordance with this chapter.

32 (2) Subject to the terms and conditions of an approved petition, a
33 community facilities district has the powers necessary to carry out the
34 specific purposes authorized under this chapter including, but not
35 limited to, the authority to:

- 1 (a) Acquire, purchase, hold, lease, finance, manage, occupy,
2 construct, and sell real and personal property, facilities, or any
3 interest therein, either inside or outside of the boundaries of the
4 district;
- 5 (b) Finance and construct facilities authorized under this chapter;
- 6 (c) Enter into and perform any and all contracts;
- 7 (d) Levy and enforce the collection of special assessments, fees,
8 and charges, for district revenue, against the property included within
9 a district approved in accordance with this chapter;
- 10 (e) Enter into lease-purchase agreements with or without an option
11 to purchase;
- 12 (f) Enter into executory conditional sales contracts, leases, and
13 installment promissory notes;
- 14 (g) Borrow money to the extent and in the manner authorized by this
15 chapter;
- 16 (h) Hold in trust property useful to accomplishment of the
17 authority granted under this chapter;
- 18 (i) Issue revenue bonds in accordance with chapter 39.46 RCW and
19 the requirements of this chapter, payable from revenue of the district
20 that is legally available to be pledged to secure the revenue bonds,
21 which must include, but not be limited to, special assessments;
- 22 (j) Contract with any municipal corporation, governmental, or
23 private agencies to carry out the purposes authorized by this chapter;
- 24 (k) Sue and be sued;
- 25 (l) Accept and receive on behalf of the district any money or
26 property donated, devised, or bequeathed to the district and carry out
27 the terms of the donation, devise, or bequest, if it is within the
28 powers granted by law to community facilities districts or, in the
29 absence of such terms, expend or use the money or property for district
30 purposes as determined by the board of supervisors; and
- 31 (m) Do any and all lawful acts required and expedient to carry out
32 the express authority provided in this chapter.

33 **PART V**

34 **COMMUNITY FACILITIES DISTRICT FINANCES**

35 NEW SECTION. **Sec. 501.** Through the use of district revenue
36 derived through special assessments, fees, and charges authorized under

1 this chapter and, consistent with the terms and conditions of a
2 petition approved in accordance with this chapter, a community
3 facilities district may finance all or a portion of the following
4 costs, expenses, and facilities whether located inside or outside the
5 boundaries of an approved district:

6 (1) The cost, or any portion thereof, of the purchase, finance,
7 lease, sublease, construction, expansion, improvement, or
8 rehabilitation of any facility with an estimated life of five years or
9 longer;

10 (2) The planning and design work that is directly related to the
11 purchase, construction, expansion, improvement, or rehabilitation of a
12 facility, including engineering, architectural, planning, and
13 inspection costs;

14 (3) Facilities listed in RCW 35.43.040 to the extent not specified
15 in this section;

16 (4) Sanitary sewage systems, including collection, transport,
17 storage, treatment, dispersal, effluent use, and discharge;

18 (5) Drainage and flood control systems, including collection,
19 transport, diversion, storage, detention, retention, dispersal, use,
20 and discharge;

21 (6) Water systems for domestic, industrial, irrigation, municipal,
22 or community facilities purposes, including production, collection,
23 storage, treatment, transport, delivery, connection, and dispersal;

24 (7) Highways, streets, roadways, and parking facilities, including
25 all areas for vehicular use for travel, ingress, egress, and parking;

26 (8) Areas for pedestrian, equestrian, bicycle, or other nonmotor
27 vehicle use for travel, ingress, egress, and parking;

28 (9) Pedestrian malls, parks, recreational facilities, and open-
29 space facilities for the use of members of the public for
30 entertainment, assembly, and recreation;

31 (10) Landscaping, including earthworks, structures, lakes, and
32 other water features, plants, trees, and related water delivery
33 systems;

34 (11) Public buildings, public safety facilities, and community
35 facilities;

36 (12) Publicly owned natural gas transmission and distribution
37 facilities, facilities for the transmission or distribution of

1 electrical energy, and limited communications facilities, specifically
2 poles, trenches, and conduits, for use of any communications provider;

3 (13) Street lighting;

4 (14) Traffic control systems and devices, including signals,
5 controls, markings, and signage;

6 (15) Systems of surface, underground, or overhead railways,
7 tramways, buses, or any other means of mass transportation facilities,
8 including passenger, terminal, station parking, and related facilities
9 and areas for passenger and vehicular use for travel, ingress, egress,
10 and parking;

11 (16) Library, educational, and cultural facilities; and

12 (17) Facilities similar to those listed in this section.

13 NEW SECTION. **Sec. 502.** (1) Consistent with the terms and
14 conditions of a petition approved in accordance with this chapter, a
15 community facilities district may impose special assessments on
16 property located inside the district and benefited by the facilities
17 provided, or to be provided, by a district and may pledge all or a
18 portion of the revenues, together with any other revenues that may be
19 legally available to the district, to the payment of revenue bonds as
20 authorized under this chapter. The term of the special assessment is
21 limited to forty years or the term of any bonds issued by or on behalf
22 of the district to which the revenue generated by the special
23 assessment is specifically dedicated or obligated.

24 (2) Any reasonable method or combination of methods may be used in
25 the petition to compute special assessments, determine manifest degrees
26 of benefit or use from facilities, activities, or improvements funded
27 directly or indirectly by special assessments under this section, and
28 to arrive at a final assessment roll. Administrative and operational
29 costs incurred by the district may be proportionally included in these
30 special assessments. A petition meeting the requirements of section
31 201 of this act may provide for the reduction or waiver of special
32 assessments for low-income households as that term is defined in RCW
33 36.130.010.

34 (3) The board must set a date, time, and place for hearing any
35 objections to the system of assessments and the special assessment roll
36 set forth in the petition. Objections must be made in writing, must
37 clearly state the grounds for objections, and must be filed with the

1 board prior to the public hearing. Objections to a special assessment
2 or final assessments roll that are not made as provided in this section
3 are deemed waived and will not be considered by the board or a court on
4 appeal.

5 (4) The board of supervisors must ensure that the system or systems
6 of assessment included in the petition utilizes a differential system
7 of assessment to distinguish between different classes of property
8 within the district and that the assessments reflect the benefit
9 accruing to the assessed property as a result of the proposed
10 activities to be funded thereby.

11 (a) If the system of assessments included in the petition or
12 amended petition satisfies the requirements of this subsection (4),
13 then the board of supervisors must adopt an ordinance or resolution
14 approving the system or systems of assessment and finalizing the
15 assessment roll.

16 (b) If the system of assessments included in the petition or
17 amended petition does not satisfy the requirements of this subsection
18 (4), then the board may correct, revise, raise, lower, change, or
19 modify the special assessment roll or any part thereof, and return the
20 petition to the petitioner with a detailed explanation of the changes
21 made by the board.

22 (c) If the petition is revised by the board in any way, then the
23 petitioner must have the opportunity to take either of the following
24 unanimous actions: (i) Amend or rescind the petition; or (ii) accept
25 the changes made by the board, upon which occurrence the board must
26 adopt an ordinance approving the revised system of assessments and the
27 final assessment roll as modified by the board.

28 (5) The decision of the board upon any objection to the special
29 assessment roll may be appealed to the superior court only if
30 objections are timely made in the manner prescribed under subsection
31 (3) of this section.

32 (a)(i) The appeal must be made within ten days after publication of
33 a notice that the ordinance or resolution approving the system of
34 special assessment and the final special assessment roll has been
35 adopted by filing written notice of the appeal with the board and the
36 clerk of the superior court in the county in which the real property is
37 situated.

1 (ii) The notice of appeal must describe the property subject to the
2 assessment forming the basis for the appeal and must set forth the
3 specific objections of the appellant to the special assessment.

4 (iii) Within ten days from the filing of the notice of appeal with
5 the clerk of the superior court, the appellant must file with the clerk
6 of the court a transcript consisting of the special assessment roll
7 together with the resolution confirming the special assessment roll and
8 the record of the board with reference to the special assessment. The
9 transcript, upon payment of the necessary fees therefor, must be
10 furnished by the officer having custody of the special assessment roll
11 and must be certified to contain full, true, and correct copies of all
12 matters and proceedings required to be included in the transcript. The
13 fees must be the same as the fees payable to the county clerk for the
14 preparation and certification of transcripts on appeal to the supreme
15 court or the court of appeals in civil actions.

16 (b) At the time of the filing of the notice of appeal with the
17 clerk of the superior court, a sufficient bond in the sum of two
18 hundred dollars, with a surety or sureties thereon as provided by law
19 for appeals in civil cases, must be filed. If the appeal is
20 unsuccessful, the appellant must pay all costs incurred by the board
21 because of the appeal. The court may order the appellant, upon
22 application therefor, to execute and file the additional bond or bonds
23 as the necessity of the case may require.

24 (c)(i) Within three days after the transcript is filed in the
25 superior court, the appellant must give written notice to the board
26 that the transcript is filed. The notice must state a time, not less
27 than three days from the service thereof, when the appellant will call
28 up the cause for hearing. The superior court must, at this time or at
29 a later time as may be fixed by order of the court, hear and determine
30 the appeal without a jury, and the cause must have preference over all
31 civil causes pending in the court, except proceedings under an act
32 relating to eminent domain in that jurisdiction and actions of forcible
33 entry and detainer.

34 (ii) The judgment of the court must confirm, correct, modify, or
35 annul the special assessment or annual special assessments insofar as
36 the same affects the property of the appellant.

37 (iii) A certified copy of the decision of the court must be filed

1 with the officer having custody of the special assessment roll, and he
2 or she must modify and correct the special assessment roll in
3 accordance with the decision.

4 (d)(i) Any appeal must be made to the supreme court or the court of
5 appeals from the judgment of the superior court, as in other cases.
6 However, the appeal must be taken within fifteen days after the date of
7 the entry of the judgment of the superior court, and the record and
8 opening brief of the appellant in the cause must be filed in the
9 supreme court or the court of appeals within sixty days after the
10 appeal is taken by notice as provided in this section.

11 (ii) The time for filing the record and serving and filing of
12 briefs may be extended by order of the superior court, or by
13 stipulation of the parties concerned. The supreme court or the court
14 of appeals on the appeal may correct, modify, confirm, or annul the
15 special assessment or annual special assessments insofar as the same
16 affects the property of the appellant.

17 (iii) A certified copy of the order of the supreme court or the
18 court of appeals upon the appeal must be filed with the officer having
19 custody of the special assessment roll, who must thereupon modify and
20 correct the special assessment roll in accordance with the decision.

21 (6) The system or systems of assessment must be reviewed and
22 finalized by the board of supervisors at least once per year. A system
23 or systems of assessment must be finalized on or before the first of
24 September in the year that it is finalized. If the board of
25 supervisors is responsible for establishing a system or systems of
26 assessment for more than one district, then the board of supervisors
27 may, at its option, stagger the initial finalization of the systems of
28 assessment for different districts over a period of up to two years.
29 Assessments must be collected in districts pursuant to the district's
30 previous system of assessment until the system or systems of assessment
31 under this chapter are finalized under this section.

32 (7) Every district must use the assessed value applicable to forest
33 land, farm and agricultural land, or open space land, under chapter
34 84.33 or 84.34 RCW, when the land has been designated as such and the
35 assessed value is used as a component in determining the district
36 assessment and property designated as such is subject to assessments
37 approved under this chapter. If a district uses a fractional amount of
38 assessed value as a component in determining the district assessment,

1 then a fractional amount of the value applicable to forest land, farm
2 and agricultural land, or open space land, under chapter 84.33 or 84.34
3 RCW, must be used.

4 (8)(a) Or on before December 1st of each year, the district must
5 adopt a budget reflecting the special assessments approved under this
6 chapter consistent with the terms of the petition. A copy of the
7 resolution and the budget must be forwarded immediately to the
8 treasurer of the jurisdictions in which the district is located.

9 (b) Special assessments necessary to generate funds for this budget
10 must be imposed pursuant to the system or systems of assessment
11 approved by the board of supervisors. Special assessments must be
12 collected by the county treasurer or treasurers within which the
13 district is located. Notice of the special assessments must be
14 included on all annual notices of property taxes and included on a
15 separate notice mailed separately from the notice of property taxes
16 due, not less than once per year, with the following notice appearing
17 at the top of the page in at least fourteen point, bold font:

18 ******NOTICE******

19
20 **THIS PROPERTY IS SUBJECT TO THE ASSESSMENTS, FEES, AND CHARGES ITEMIZED**
21 **BELOW AND APPROVED BY COMMUNITY FACILITIES DISTRICT # AS**
22 **THE OWNER OR POTENTIAL BUYER OF THIS PROPERTY, YOU ARE, OR WOULD BE,**
23 **RESPONSIBLE FOR PAYMENT OF THE AMOUNTS ITEMIZED BELOW.**

24 **PLEASE REFER TO RCW 36.---.--- (section 502, chapter . . ., Laws of 2010**
25 **(section 502 of this act)) OR CONTACT YOUR COUNTY AUDITOR FOR**
26 **ADDITIONAL INFORMATION.**

27 (9) Special assessments are due at the same time property taxes are
28 due and constitute liens on the land or improvements upon which they
29 are imposed. Special assessments must be collected and foreclosed by
30 the appropriate officers of the jurisdiction within which the district
31 is located, in the same manner provided by law for the foreclosure of
32 liens held by cities or towns against property in local improvement
33 districts. The applicable treasurers may impose a fee for collecting
34 special assessments not to exceed one percent of the dollar value of
35 special assessments collected.

1 NEW SECTION. **Sec. 503.** (1) The district may utilize the revenue
2 derived in accordance with this chapter for the payment of principal
3 and interest on revenue bonds and/or special assessment bonds issued to
4 fund or reimburse the costs of facilities authorized under this chapter
5 and may otherwise utilize the revenue to directly fund the costs of
6 providing the facilities authorized under this chapter on a pay-as-you-
7 go basis.

8 (2) The board of supervisors may establish, administer, and pay or
9 otherwise obligate the revenue generated in accordance with this
10 chapter into a specific fund created by or on behalf of the district,
11 in order to guarantee payment of obligations incurred in connection
12 with facilities provided under this chapter, including the payment of
13 principal and interest on any bonds issued by or on behalf of the
14 district.

15 (3) The proceeds of any bond issued pursuant to this chapter may be
16 used to pay any and all costs related to providing the facilities
17 authorized under this chapter, including expenses incurred in
18 connection with issuance of the bonds.

19 NEW SECTION. **Sec. 504.** (1) Consistent with the terms and
20 conditions of a petition approved under this chapter, the board of
21 supervisors may by resolution, for community facilities district
22 purposes authorized by law, fix and impose a benefit charge on personal
23 property, real property, and improvements to real property which are
24 located within the community facilities district on the date specified
25 and which have or will receive the benefits provided by the community
26 facilities district, to be paid by the owners of the properties.

27 (2) A benefit charge imposed must be reasonably proportioned to the
28 measurable benefits to property resulting from the facilities and
29 services afforded by the district. It is acceptable to allocate the
30 benefit charges to the properties based on any reasonable method. All
31 charges are subject to contest by the property owners subject to the
32 charges on the grounds of unreasonable or capricious allocation in
33 excess of the measurable benefits to the property resulting from
34 services afforded by the district.

35 (3) For administrative purposes, the benefit charge imposed on any
36 individual property may be compiled into a single charge, provided that

1 the district, upon request of the property owner, provide an itemized
2 list of charges for each measurable benefit included in the charge.

3 (4) The resolution establishing benefit charges must specify, by
4 legal geographical areas or other specific designations, the charge to
5 apply to each property by location, type, or other designation, or
6 other information that is necessary to the proper computation of the
7 benefit charge to be charged to each property owner subject to the
8 resolution. The district must determine and identify the personal
9 properties, real property, and improvements to real property which are
10 subject to a benefit charge in each community facilities district and
11 must furnish and deliver to the county treasurer a listing of the
12 properties with information describing the location, legal description,
13 and address of the person to whom the statement of benefit charges is
14 to be mailed, the name of the owner, and the value of the property and
15 improvements, together with the benefit charge to apply to each.

16 (5) Each community facilities district must contract, prior to the
17 imposition of a benefit charge, for the administration and collection
18 of the benefit charge by the treasurer of the applicable county, city,
19 or town, who must deduct a percent, as provided by contract for
20 reimbursement of expenses incurred by the assessor and treasurer in the
21 administration of the resolution and this chapter. The treasurer must
22 make distributions each year, as the charges are collected, in the
23 amount of the benefit charges imposed on behalf of each district, less
24 the deduction provided for in the contract.

25 NEW SECTION. **Sec. 505.** Subject to applicable debt limits, a
26 community facilities district may incur general indebtedness for the
27 purposes expressly authorized under this chapter.

28 NEW SECTION. **Sec. 506.** No bonds issued by or on behalf of a
29 community facilities district are obligations of any city, town,
30 county, or the state of Washington or any political subdivision thereof
31 other than the district and the bonds will so state, unless the
32 legislative authority of the city, town, county, or the legislature
33 expressly authorizes particular bonds to be guaranteed by or
34 obligations of its respective city, town, county, or of the state.

1 date of final approval and are paramount and superior to any other lien
2 or encumbrance whatsoever, theretofore or thereafter created, except a
3 lien for general taxes.

4 NEW SECTION. **Sec. 702.** Sections 101 through 507 and 701 of this
5 act constitute a new chapter in Title 36 RCW.

6 NEW SECTION. **Sec. 703.** If any provision of this act or its
7 application to any person or circumstance is held invalid, the
8 remainder of the act or the application of the provision to other
9 persons or circumstances is not affected.

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