
SENATE BILL 5954

State of Washington

61st Legislature

2009 Regular Session

By Senators Pridemore, Kastama, Delvin, and Shin

Read first time 02/10/09. Referred to Committee on Economic Development, Trade & Innovation.

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 NEW SECTION. **Sec. 316.** A community facilities district resulting
2 from the merger of two or more community facilities districts located
3 in the same county must be identified by the name of the county and the
4 number of the merger district. However, the community facilities
5 district resulting from such a merger must be identified by the number
6 of the merging district or one of the merging districts if a resolution
7 providing for this number change is adopted by the board of community
8 facilities commissioners of the district resulting from the merger or
9 if resolutions providing for this number change are adopted by each of
10 the boards of community facilities commissioners of the districts
11 proposed to be merged.

12 **PART IV**
13 **COMMUNITY FACILITIES DISTRICTS WITHDRAWAL**

14 NEW SECTION. **Sec. 401.** Actions taken under this chapter may be
15 subject to potential review by a boundary review board under chapter
16 36.93 RCW.

17 NEW SECTION. **Sec. 402.** Territory within a community facilities
18 district may be withdrawn from the district in the same manner provided
19 by law for withdrawal of territory from water-sewer districts, as
20 provided by chapter 57.28 RCW.

21 NEW SECTION. **Sec. 403.** The provisions of RCW 57.28.110 apply to
22 territory withdrawn from a community facilities district under the
23 provision of this chapter.

24 NEW SECTION. **Sec. 404.** Community facilities commissioners
25 residing in territory withdrawn from a community facilities district
26 must be replaced in the manner provided for the filling of vacancies in
27 section 707 of this act.

28 **PART V**
29 **COMMUNITY FACILITIES DISTRICTS DISSOLUTION**

30 NEW SECTION. **Sec. 501.** Actions taken under this chapter may be

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 NEW SECTION. **Sec. 709.** Before beginning the duties of office,
2 each community facilities commissioner must take and subscribe the
3 official oath for the faithful discharge of the duties of office as
4 required by RCW 29A.04.133, which oath must be filed in the office of
5 the auditor of the county in which all, or the largest portion of, the
6 district is located.

7 NEW SECTION. **Sec. 710.** (1) The community facilities commissioners
8 must elect a chairman from their number and must appoint a secretary of
9 the district, who may or may not be a member of the board, for such
10 term as they determine by resolution. The secretary, if a member of
11 the board, may not receive additional compensation for serving as
12 secretary.

13 (2) The secretary of the district must keep a record of the
14 proceedings of the board, must perform other duties as prescribed by
15 the board or by law, and must take and subscribe an official oath
16 similar to that of the community facilities commissioners, which oath
17 must be filed in the same office as that of the commissioners.

18 NEW SECTION. **Sec. 711.** (1) The office of the community facilities
19 commissioners and principal place of business of the district must be
20 at some place within the county in which the district is situated, to
21 be designated by the board of community facilities commissioners.

22 (2) The board must hold regular monthly meetings at a place and
23 date as it determines by resolution, and may adjourn its meetings as
24 required for the proper transaction of business. Special meetings of
25 the board may be called at any time under the provisions of RCW
26 42.30.080.

27 NEW SECTION. **Sec. 712.** All meetings of the board of community
28 facilities commissioners must be conducted in accordance with chapter
29 42.30 RCW and a majority constitutes a quorum for the transaction of
30 business. All records of the board must be open to inspection in
31 accordance with chapter 42.56 RCW. The board has the power and duty to
32 adopt a seal of the district, to manage and conduct the business
33 affairs of the district, to make and execute all necessary contracts,
34 to employ any necessary services, and to adopt reasonable rules to

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 **PART VIII**

2 **COMMUNITY FACILITIES DISTRICTS FINANCES**

3 NEW SECTION. **Sec. 801.** (1) A community facilities district may
4 finance, as provided in this title, the cost of purchase, construction,
5 expansion, improvement, or rehabilitation of any facility with an
6 estimated life of five years or longer or may finance planning and
7 design work that is directly related to the purchase, construction,
8 expansion, improvement, or rehabilitation of any facility.

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

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

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

15 (c) Drainage and flood control systems, including collection,
16 transport, diversion, storage, detention, retention, dispersal, use,
17 and discharge;

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

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

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

25 (g) Pedestrian malls, parks, recreational facilities, and open-
26 space facilities for the use of members of the public for
27 entertainment, assembly, and recreation;

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

30 (i) Public buildings, public safety facilities, and community
31 facilities;

32 (j) Natural gas transmission and distribution facilities,
33 facilities for the transmission or distribution of electrical energy,
34 and communication facilities including, but not limited to, telephone
35 and internet lines and cables and wireless systems;

36 (k) Lighting systems;

37 (l) Traffic control systems and devices, including signals,
38 controls, markings, and signage;

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. 905.** (1) Any benefit charge authorized by this
 2 chapter is not effective unless a proposition to impose the benefit
 3 charge is approved by a sixty percent majority of the voters of the
 4 district voting at a general election or at a special election called
 5 by the district for that purpose, held within the community facilities
 6 district. An election held pursuant to this section must be held not
 7 more than twelve months prior to the date on which the first such
 8 charge is to be assessed. However, a benefit charge approved at an
 9 election may not remain in effect for a period of more than six years
 10 nor more than the number of years authorized by the voters if fewer
 11 than six years unless subsequently reapproved by the voters.

12 (2) The ballot must be submitted so as to enable the voters
 13 favoring the authorization of a community facilities district benefit
 14 charge to vote "Yes" and those opposed thereto to vote "No," and the
 15 ballot must be:

16 "Shall county community facilities district No . . .
 17 . be authorized to impose benefit charges each year for
 18 (insert number of years not to exceed six) years, not to exceed an
 19 amount equal to sixty percent of its operating budget, and be
 20 prohibited from imposing an additional property tax under section 813
 21 of this act?

- 22 YES
 23
 24 NO
 25 "

26 (3) Districts renewing the benefit charge may elect to use the
 27 following alternative ballot:

28 "Shall county community facilities district No . . .
 29 . be authorized to continue voter-authorized benefit charges each year
 30 for (insert number of years not to exceed six) years, not to
 31 exceed an amount equal to sixty percent of its operating budget, and be
 32 prohibited from imposing an additional property tax under section 813
 33 of this act?

- 34 YES
 35
 36 NO
 37 "

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.

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