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**ENGROSSED SUBSTITUTE SENATE BILL 6241**

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State of Washington                  61st Legislature                  2010 Regular Session

By Senate Economic Development, Trade & Innovation (originally sponsored by Senators Kilmer and Delvin)

READ FIRST TIME 02/05/10.

1            AN ACT Relating to creating community facilities districts; and  
2 adding a new chapter to Title 36 RCW.

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

4                                  **PART I**

5                                  **GENERAL PROVISIONS**

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

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

11           (2) In most areas of the state projected to accommodate substantial  
12 growth, there are inadequate community facilities and infrastructure to  
13 facilitate and support such growth. In addition, current public  
14 financing options and resources are not adequate to provide the needed  
15 community facilities and local, subregional, and regional  
16 infrastructure;

17           (3) A more flexible type of financing mechanism known as a

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

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

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

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

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

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

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

24 (4) "Legislative authority" means the governing body of a county,  
25 city, or town to which a petition or amended petition is submitted.

26 (a) If the proposed district is located entirely within  
27 unincorporated land, then the county is the exclusive "legislative  
28 authority" for purposes of approving formation of the district under  
29 sections 201 through 206 of this act, inclusive, and section 301 of  
30 this act.

31 (b) If all or a portion of the proposed district is located within  
32 unincorporated land that is entirely surrounded by an incorporated city  
33 or town, then the "legislative authority" for purposes of approving  
34 formation of the district under sections 201 through 206 of this act,  
35 inclusive, and section 301 of this act includes the governing bodies of  
36 the county and the city or town surrounding the unincorporated land.

1 (c) If the proposed district is located entirely within  
2 incorporated land, then the city or town is the exclusive "legislative  
3 authority" for purposes of this chapter, and all powers and  
4 responsibilities of a county under this chapter must be exercised by  
5 that city or town.

6 (5) "Petition" means a request, meeting the requirements of section  
7 201 of this act, made by landowners to form a community facilities  
8 district and to voluntarily submit their land to the assessments  
9 authorized under this chapter and includes an amended petition meeting  
10 the requirements of section 201(3) of this act.

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

13 **PART II**  
14 **COMMUNITY FACILITIES DISTRICT FORMATION**

15 NEW SECTION. **Sec. 201.** Community facilities districts are  
16 authorized to be formed for the purposes authorized under this chapter.  
17 Community facilities districts may only include land within urban  
18 growth areas designated under the state growth management act, located  
19 in portions of one or more cities, towns, or counties when created in  
20 accordance with this chapter. A district may include one or more  
21 noncontiguous tracts, lots, parcels, or other properties meeting the  
22 requirements of this chapter.

23 (1) To form a community facilities district, a petition must be  
24 presented to the applicable legislative authorities. The petition  
25 must:

26 (a) Designate and describe the boundaries of the district by metes  
27 and bounds or reference to United States townships, ranges, and legal  
28 subdivisions;

29 (b) Be executed by one hundred percent of all owners of private  
30 property located within the boundaries of the proposed district. The  
31 property owners must include a request to subject their property to the  
32 assessments, up to the amount included in the petition and authorized  
33 under this chapter;

34 (c) Include a certification by the petitioners that they want to  
35 voluntarily submit their property to the authority of the district

1 under this chapter to approve the petitioner's request to submit their  
2 property to the assessments, up to the amount included in the petition  
3 and authorized under this chapter;

4 (d) Include a general explanation of the objective and plan of the  
5 district and describe the specific facilities that the district  
6 anticipates financing;

7 (e) Declare the district will be conducive to public health,  
8 safety, and welfare;

9 (f) Assert that the purpose for forming the district will be a  
10 benefit to the land located in the district;

11 (g) Be accompanied by an "obligation" signed by at least two  
12 petitioners who agree to pay the costs of the formation process;

13 (h) Include a list of petitioners or representatives thereof who  
14 are willing and able to serve on the board of supervisors. All  
15 petitioners within a proposed district who are natural persons, or  
16 natural persons who are designated representatives of petitioners, are  
17 eligible to include their name on the list of eligible supervisors.  
18 The petitioners may nominate qualified professions to serve on the  
19 board of supervisors in lieu of the petitioners or representatives of  
20 the petitioners;

21 (i) If it proposes a special assessment, include: (i) A diagram  
22 showing each separate lot, tract, parcel of land, or other property in  
23 the district; (ii) the acreage of the property; (iii) the name and  
24 address of the owner or reputed owner of each lot, tract, parcel of  
25 land, or other property as shown on the tax rolls of the county  
26 assessor; (iv) a preliminary assessment roll showing the special  
27 assessment proposed to be imposed on each lot, tract, parcel of land,  
28 or other property; and (v) a proposed method or combination of methods  
29 for computing special assessments, determining the benefit to assessed  
30 property or use from facilities or improvements funded directly or  
31 indirectly by special assessments under this chapter; and

32 (j) Include an explanation of what security will be provided to  
33 ensure the timely payment of assessments and the timely payment of  
34 bonds issued by the district.

35 (2) The petition must be filed with the auditor of each county in  
36 which property included within the proposed district is located. The  
37 auditor for the county in which the largest geographic portion of the  
38 proposed district is located must be the lead auditor for the purposes

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

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

18 NEW SECTION. **Sec. 202.** A public hearing on the petition for  
19 formation of a district must be held by each applicable legislative  
20 authority, not less than thirty, but not more than sixty days, from the  
21 date that the lead county auditor issues the certificate of sufficiency  
22 required under section 201 of this act.

23 NEW SECTION. **Sec. 203.** Notice of all public hearings must include  
24 a description of the proposal, be mailed to all petitioners, and must  
25 be published once a week for three consecutive weeks in the official  
26 paper for each applicable legislative authority, prior to the date set  
27 for the hearing. The notice must be posted for not less than fifteen  
28 days prior to the date of the hearing in each of three public places  
29 within the boundaries of the proposed district and in three public  
30 places for each applicable legislative authority. Each notice must  
31 contain the time, date, and place of the public hearing.

32 NEW SECTION. **Sec. 204.** At the time and place of the public  
33 hearing, the legislative authority must consider the petition. The  
34 legislative authority may receive any evidence it deems material that  
35 supports or opposes the formation of the district, including the

1 inclusion or exclusion of land. Unless an amended petition satisfying  
2 the requirements of section 201 of this act is approved in accordance  
3 with the requirements of this chapter, no land outside the boundaries  
4 described in the petition may be included within the proposed district.  
5 No land inside the boundaries of an approved petition may be removed  
6 from the district unless an amended petition satisfying the  
7 requirements of section 201 of this act is approved in accordance with  
8 the requirements of this chapter.

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

20 (2) A community facilities district may not be formed unless each  
21 applicable legislative authority makes the finding required under  
22 subsection (1) of this section.

23 (3) All resolutions approving a petition must conform to the terms  
24 and conditions contained in the petition, including the maximum amounts  
25 of special assessments set forth in the petition, and must designate  
26 the name and number of the community facilities district being formed.

27 NEW SECTION. **Sec. 206.** (1) Any person who objects to formation of  
28 the district may appeal the final decision of a legislative authority  
29 to approve a petition for formation of a community facilities district  
30 by filing an appeal with the superior court of the county in which any  
31 part of the district is located within thirty days of the effective  
32 date of the resolution approving formation of the district.

33 (2) If no appeal is timely filed, then the legislative authority's  
34 decision is deemed valid, complete, and final, and neither the legal  
35 existence of the district, nor the terms and conditions of an approved  
36 petition can thereafter be challenged or questioned by any person on

1 the grounds of procedural defect or otherwise. Certified copies of  
2 each resolution approving a district must be filed with the auditor of  
3 the county or counties in which the community facilities district is  
4 located.

5 **PART III**

6 **COMMUNITY FACILITIES DISTRICT BOARD OF SUPERVISORS**

7 NEW SECTION. **Sec. 301.** (1) A community facilities district must  
8 be governed by a board of supervisors possessing the powers set forth  
9 under section 401 of this act. The board of supervisors must be  
10 appointed by each applicable legislative authority within sixty days of  
11 the formation of the district. Except as expressly provided under this  
12 section, each applicable legislative authority is authorized to appoint  
13 members to the board of supervisors only from among the members of its  
14 own governing body. Each applicable legislative authority must appoint  
15 the petitioner members or nominees required under subsection (2) or (3)  
16 of this section. The term of office of each supervisor is three years  
17 and until a successor is appointed, except that the supervisors first  
18 appointed serve for one and two years respectively from the date of  
19 their appointments, as designated in their appointments.

20 (2) Except as provided in subsection (3) of this section, if the  
21 proposed district is located entirely within a single jurisdiction,  
22 then the board of supervisors consists of: (a) Three members of the  
23 legislative authority of the jurisdiction; and (b) two members  
24 appointed from among the list of eligible supervisors included in the  
25 petition as provided in section 201(1)(h) of this act. All members of  
26 the board of supervisors must be natural persons.

27 (3) If all or a portion of the proposed district is located within  
28 unincorporated land that is entirely surrounded by an incorporated city  
29 or town, then the board of supervisors consists of: (a) Two members  
30 appointed from the county legislative authority; (b) two members  
31 appointed from the legislative authority of the city or town that is  
32 the additional legislative authority under section 102(4) of this act;  
33 and (c) one member appointed from the list of eligible petitioners  
34 included in the petition as provided in section 201(1)(h) of this act,  
35 depending on the number of additional members that are required to  
36 result in an overall odd number of supervisors.

1 (4) If the county, city, or town is the exclusive legislative  
2 authority pursuant to section 102 of this act, then the board of  
3 supervisors consists of: (a) Three members appointed from such county,  
4 city, or town; and (b) two members from the list of eligible  
5 petitioners or nominees included in the petition, as provided in  
6 section 201(1)(h) of this act, to result in an overall odd number of  
7 supervisors.

8 (5) The legislative authorities may appoint qualified professionals  
9 with expertise in municipal finance in lieu of one or more appointments  
10 authorized in this section. A jurisdiction's appointments to the board  
11 of supervisors may consist of a combination of qualified professionals  
12 authorized under this section and one or more members from the  
13 applicable legislative authority. Nothing contained in this section  
14 authorizes a legislative authority to exceed the maximum number of  
15 appointments set forth under subsection (2) or (3) of this section.

16 (6) A vacancy on the board must be filled by the legislative  
17 authority authorized to make the appointment to the applicable  
18 supervisor position under this section. Vacancies must be filled by a  
19 person in the same position vacating the board, which for initial  
20 petitioner members or nominees includes successor owners of property  
21 located within the boundaries of an approved district. If the approved  
22 district was originally located entirely on unincorporated land and the  
23 unincorporated land has been annexed into a city or town, then, as of  
24 the effective date of annexation, the city or town is deemed the  
25 exclusive legislative authority for the purposes of this chapter and  
26 the composition of the board must be structured accordingly, as  
27 provided in this section. Supervisors must serve without compensation,  
28 but they are entitled to expenses, including traveling expenses,  
29 necessarily incurred in discharge of their duties. The board must  
30 designate a chair from time to time.

31 **PART IV**

32 **COMMUNITY FACILITIES DISTRICT POWERS**

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



1 improvements by special assessment in accordance with this chapter.  
2 Nothing in this chapter exempts the public improvements and facilities  
3 provided by a district from the regulatory and land use permitting  
4 requirements of the county, city, or town in which the improvements are  
5 to be located.

6 (2) Subject to the terms and conditions of an approved petition, a  
7 community facilities district has the powers necessary to carry out the  
8 specific purposes authorized under this chapter in order to carry out  
9 the specific objectives, plan, and facilities identified in the  
10 approved petition including, but not limited to, the authority to:

11 (a) Acquire, purchase, hold, lease, finance, manage, occupy,  
12 construct, and sell real and personal property, facilities, or any  
13 interest therein, either inside or outside of the boundaries of the  
14 district, except that any such property, facilities, or interests  
15 outside the boundaries of the district must directly serve facilities  
16 or benefit properties within the district;

17 (b) Finance and construct facilities authorized under this chapter;

18 (c) Enter into and perform any and all contracts;

19 (d) Levy and enforce the collection of special assessments against  
20 the property included within a district;

21 (e) Enter into lease-purchase agreements with or without an option  
22 to purchase;

23 (f) Enter into executory conditional sales contracts, leases, and  
24 installment promissory notes;

25 (g) Borrow money to the extent and in the manner authorized by this  
26 chapter;

27 (h) Hold in trust property useful to accomplishment of the  
28 authority granted under this chapter;

29 (i) Issue revenue bonds in accordance with chapter 39.46 RCW and  
30 assessment bonds in accordance with chapter 35.45 RCW, and the  
31 requirements of this chapter, payable from revenue or assessments,  
32 respectively, of the district that is legally available to be pledged  
33 to secure the bonds;

34 (j) Contract with any municipal corporation, governmental, or  
35 private agencies to carry out the purposes authorized by this chapter;

36 (k) Sue and be sued;

37 (l) Accept and receive on behalf of the district any money or  
38 property donated, devised, or bequeathed to the district and carry out

1 the terms of the donation, devise, or bequest, if it is within the  
2 powers granted by law to community facilities districts or, in the  
3 absence of such terms, expend or use the money or property for district  
4 purposes as determined by the board of supervisors;

5 (m) Transfer to any county, city, or other municipal corporation,  
6 without compensation, any property or other assets of the district; and

7 (n) Do any and all lawful acts required and expedient to carry out  
8 the express authority provided in this chapter.

9 **PART V**

10 **COMMUNITY FACILITIES DISTRICT FINANCES**

11 NEW SECTION. **Sec. 501.** (1) Through the use of district revenue  
12 derived through special assessments and bonds authorized under this  
13 chapter and, consistent with the terms and conditions of a petition  
14 approved in accordance with this chapter, a community facilities  
15 district may finance all or a portion of the following costs, expenses,  
16 and facilities whether located inside or outside the boundaries of an  
17 approved district:

18 (a) The cost, or any portion thereof, of the purchase, finance,  
19 lease, sublease, construction, expansion, improvement, or  
20 rehabilitation of any facility with an estimated life of five years or  
21 longer;

22 (b) The planning and design work that is directly related to the  
23 purchase, construction, expansion, improvement, or rehabilitation of a  
24 facility, including engineering, architectural, planning, and  
25 inspection costs;

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

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

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

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

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

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

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

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

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

12 (l) Publicly owned natural gas transmission and distribution  
13 facilities, facilities for the transmission or distribution of  
14 electrical energy, and limited communications facilities, specifically  
15 poles, trenches, and conduits, for use of any communications provider;

16 (m) Street lighting;

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

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

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

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

26 (2) The district may not finance public or private residential  
27 dwellings, nonprofit facilities as defined in RCW 43.180.300, health  
28 care facilities as defined in RCW 70.37.020, higher education  
29 institutions as defined in RCW 28B.07.020, or economic development  
30 activities as defined in RCW 43.163.010.

31 NEW SECTION. **Sec. 502.** (1) The board of supervisors of a  
32 community facilities district may impose special assessments on  
33 property located inside the district and benefited by the facilities  
34 and improvements provided, or to be provided, by a district, whether  
35 the facilities and improvements are located inside or outside of the  
36 boundaries of the proposed district. The requirements and powers of a  
37 district relating to the formation, assessment, collection,

1 foreclosure, and other powers of a special assessment district are as  
2 set forth in chapters 35.43, 35.44, 35.49, and 35.50 RCW, except where  
3 otherwise addressed under this chapter. In any case where the  
4 provisions of this chapter conflict with the requirements under any  
5 other chapter that applies to the formation, assessment, collection,  
6 foreclosure, or other powers of a special assessment district, the  
7 provisions of this chapter control.

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

12 (3) The term of the special assessment is limited to the lesser of  
13 (a) twenty-eight years or (b) two years less than the term of any bonds  
14 issued by or on behalf of the district to which the assessments or  
15 other revenue of the district is specifically dedicated, pledged, or  
16 obligated.

17 (4) The computation of special assessments must follow the  
18 requirements of chapter 35.44 RCW, including the authority to use any  
19 method or combination of methods to compute assessments which may be  
20 deemed by the board of supervisors to fairly reflect the benefit to the  
21 properties being assessed. The method of assessment may utilize the  
22 supplemental authority granted under chapter 35.51 RCW. A petition  
23 meeting the requirements of section 201 of this act may provide for the  
24 reduction or waiver of special assessments for low-income households as  
25 that term is defined in RCW 36.130.010.

26 (5) The board must set a date, time, and place for hearing any  
27 objections to the assessment roll, which hearing must occur no later  
28 than one hundred twenty days from final approval of formation of the  
29 district. Petitioners or representatives thereof serving on the board  
30 of supervisors must not participate in the determination of the special  
31 assessment roll or vote on the confirmation of that assessment roll.  
32 The restriction in this subsection does not apply to members of the  
33 board of supervisors appointed from among the qualified professionals  
34 that petitioners may nominate under section 201(1)(h) of this act.

35 (6) The procedures and requirements for assessments, hearings on  
36 the assessment roll, filing of objections to the assessment roll, and  
37 appeals from the decision of the board approving or rejecting the

1 assessment roll, must be as set forth in RCW 35.44.010 through  
2 35.44.020, 35.44.080 through 35.44.110, and 35.44.190 through  
3 35.44.270.

4 (7) At the hearing on the assessment roll and, in no event later  
5 than thirty days after the day of the hearing, the board may adopt a  
6 resolution approving the assessment roll or may correct, revise, raise,  
7 lower, change, or modify the assessment roll or any part thereof, and  
8 provide the petitioner with a detailed explanation of the changes made  
9 by the board.

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

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

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

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

37 (12) Special assessments must be collected by the district  
38 treasurer determined in accordance with section 505 of this act.

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

5 **\*\*\*\*NOTICE\*\*\*\***

6  
7 **THIS PROPERTY IS SUBJECT TO THE ASSESSMENTS ITEMIZED BELOW AND APPROVED**  
8 **BY COMMUNITY FACILITIES DISTRICT # . . . . . AS THE OWNER OR**  
9 **POTENTIAL BUYER OF THIS PROPERTY, YOU ARE, OR WOULD BE, RESPONSIBLE FOR**  
10 **PAYMENT OF THE AMOUNTS ITEMIZED BELOW.**

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

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

18 NEW SECTION. **Sec. 503.** (1) The district may utilize the special  
19 assessments and revenue derived in accordance with this chapter for the  
20 payment of principal and interest on bonds issued pursuant to the  
21 authority granted under this chapter to fund or reimburse the costs of  
22 facilities authorized under this chapter and prior to the issuance of  
23 bonds, may utilize the revenue to directly fund the costs of providing  
24 the facilities authorized under this chapter on a pay-as-you-go basis.

25 (2) The board of supervisors may establish, administer, and pay or  
26 otherwise dedicate, pledge, or obligate the assessments and revenue  
27 generated in accordance with this chapter into a specific fund created  
28 by or on behalf of the district, in order to guarantee payment of  
29 obligations incurred in connection with facilities provided under this  
30 chapter, including the payment of principal and interest on any bonds  
31 issued by or on behalf of the district.

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

1 (4) The reporting requirements of RCW 39.44.210 apply to any bond  
2 issuance under this chapter.

3 NEW SECTION. **Sec. 504.** No bonds issued by or on behalf of a  
4 community facilities district are obligations of any city, town,  
5 county, or the state of Washington or any political subdivision thereof  
6 other than the district and the bonds must so state.

7 NEW SECTION. **Sec. 505.** (1) If a district includes land that is  
8 entirely within a county and the land is not surrounded entirely by a  
9 city or town, then the treasurer of that county is the treasurer of the  
10 district. If a district includes land that is entirely within a county  
11 and the land is entirely surrounded by a city or town, or, if parts of  
12 the district include land within or surrounded by more than one  
13 jurisdiction, then the board of supervisors may, with the concurrence  
14 of the treasurers of all jurisdictions within which the district lies,  
15 appoint the treasurer of any of those jurisdictions to serve as the  
16 district treasurer. Except as specifically provided under this  
17 chapter, the duties of a district treasurer are as provided under  
18 applicable law.

19 (2) The district treasurer must establish a community facilities  
20 district fund, into which must be paid all district revenues. The  
21 district treasurer must also maintain any special funds created by the  
22 board of supervisors of the community facilities district, into which  
23 the district treasurer must place all money as the board of supervisors  
24 may, by resolution, direct. The treasurer may create such subfunds,  
25 accounts, and subaccounts as he or she deems necessary, consistent with  
26 applicable law.

27 (3) The district treasurer must pay assessment bonds and revenue  
28 bonds and the accrued interest thereon in accordance with their terms  
29 from the appropriate fund when interest or principal payments become  
30 due.

31 (4) All interest collected on community facilities district funds  
32 belongs to the district and must be deposited to its credit in the  
33 proper district funds.

34 **PART VI**

MISCELLANEOUS PROVISIONS

1

2        NEW SECTION.    **Sec. 601.** All assessments imposed on the respective  
3 lots, tracts, parcels of land, and other property included within the  
4 boundaries of an approved district in accordance with this chapter, are  
5 a lien upon the property from the date of final approval and are  
6 paramount and superior to any other lien or encumbrance whatsoever,  
7 theretofore or thereafter created, except a lien for general taxes.

8        NEW SECTION.    **Sec. 602.** Sections 101 through 601 of this act  
9 constitute a new chapter in Title 36 RCW.

10       NEW SECTION.    **Sec. 603.** If any provision of this act or its  
11 application to any person or circumstance is held invalid, the  
12 remainder of the act or the application of the provision to other  
13 persons or circumstances is not affected.

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