

# FINAL BILL REPORT

## ESB 6031

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Synopsis as Enacted

**Brief Description:** Concerning lake and beach management districts.

**Sponsors:** Senator Sheldon.

**Senate Committee on Natural Resources & Parks**  
**House Committee on Local Government**  
**House Committee on Finance**

**Background:** Counties may create lake or beach management districts to finance the improvement and maintenance of lakes or beaches within or partially within county boundaries. The district may include all or a portion of a lake or beach and the adjacent land areas. Lake or beach management districts may be created by a county legislative body after it holds a public hearing on the proposed district and submits the question of creating the district to the owners of land within the proposed district, including publicly owned land. A ballot must be mailed to each owner or reputed owner of any land within the proposed management district. The resolution requires a simple majority vote in favor of creation. Management districts may also be created by the filing of a petition signed by ten landowners or the owners of at least 15 percent of the acreage within the proposed district boundary.

A county legislative body must adopt an ordinance creating the lake or beach management district and file with the county treasurer a description of the lake or beach improvement or maintenance activities. The county must then establish and collect the special assessments or rates and charges imposed to finance and perform improvement and maintenance activities. Counties may impose annual special assessments and rates and charges on all lands within the district for the duration of the district without a related issuance of lake or beach management district bonds.

A county may issue lake or beach management district bonds to obtain money sufficient to cover unpaid special assessments but not in excess of the costs and expenses of improvement or maintenance activities. Counties issuing bonds must create a special fund or funds from which it will pay all or a portion of the costs of the improvement or maintenance activities. A county may also create a lake or beach management district bond guaranty fund for each issue of bonds that exists only for the life of the bonds for which it was created.

**Summary:** Creation and Modification. Lake or beach management districts created by petition require the signatures of either ten landowners or the owners of at least 20 percent of

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the acreage within the proposed district boundary. Once created, the district resolution or governing document may be amended to increase or otherwise modify the amount to be financed by the district in the same manner as district creation.

Property Acquisition. Counties may propose acquisition of certain real property or property rights within or outside a lake or beach management district with funds collected from special assessments or rates and charges imposed on property in the management district. The proposed real property or property rights must be in a county (1) located west of the crest of the Cascade mountain range that plans under RCW 36.70A.040, and (2) with a population of more than 40,000 but less than 65,000 as of April 1, 2013. The proposal must have written approval from a majority of district property owners prior to acquisition of any real property or property rights. A county with an existing lake or beach management district must hold a public hearing and adopt an amended resolution before it can acquire property rights under this act.

If approved, the county may (1) own real property and property rights; (2) transfer real property and property rights to another state or local governmental entity; (3) contract with a public or private entity to hold real property and property rights in trust for the management district; (4) monitor and enforce the terms of a real property right; (5) impose and amend terms, conditions, and encumbrances on real property or property rights; and (6) accept gifts, grants, and loans in connection with real property or property right acquisition.

Revenue Bonds. A county may issue lake or beach management district revenue bonds, i.e., bonds payable only from special assessments or rates and charges, or both, associated with a particular management district. A revenue bond owner may claim payment from an associated special fund or funds if created by a county. A county may deposit into a lake or beach management district guaranty fund any money legally available for that purpose and, after repayment of all revenue bonds and assessment installments, may use any amounts remaining in the guaranty fund for lake or beach improvement and maintenance activities. County legislative authorities may not stop the imposition of special assessments if any lake or beach management district revenue bonds are outstanding or if an existing contract might be impaired.

Dissolution. Except when revenue bonds are outstanding or an existing contract might be impaired, a lake or beach management district may be dissolved by a county legislative authority finding the district purpose achieved; a majority vote of district landowners; or by a petition signed by the owners of at least 20 percent of district acreage. A county may continue imposing special assessments or rates and charges for a dissolved district until all the district's financial obligations incurred prior to dissolution are satisfied.

**Votes on Final Passage:**

Senate	41	8	
House	74	24	(House amended)
Senate	48	1	(Senate concurred)

**Effective:** June 12, 2014