

HOUSE BILL REPORT

HB 1997

As Reported by House Committee On:
Community Development, Housing & Tribal Affairs

Title: An act relating to authorizing the creation and use of community facilities districts in limited areas of more intensive rural development.

Brief Description: Authorizing the creation and use of community facilities districts in limited areas of more intensive rural development.

Sponsors: Representatives Tharinger and Tarleton.

Brief History:

Committee Activity:

Community Development, Housing & Tribal Affairs: 2/17/15, 2/19/15 [DP].

Brief Summary of Bill

- Expands the areas where community facilities districts may be located to include limited areas of intensive rural development as designated by the Growth Management Act.

HOUSE COMMITTEE ON COMMUNITY DEVELOPMENT, HOUSING & TRIBAL AFFAIRS

Majority Report: Do pass. Signed by 4 members: Representatives Appleton, Chair; Robinson, Vice Chair; Sawyer and Van De Wege.

Minority Report: Do not pass. Signed by 3 members: Representatives Johnson, Ranking Minority Member; Zeiger, Assistant Ranking Minority Member; Hawkins.

Staff: Kirsten Lee (786-7133).

Background:

Growth Management Act.

The Growth Management Act (GMA) is the comprehensive land use-planning framework for counties and cities in Washington. The GMA establishes land use designation and

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environmental protection requirements for all Washington counties and cities, and a significantly wider array of planning duties for the 29 counties and the cities within that are obligated to satisfy all planning requirements of the GMA.

Under the GMA, lands are generally classified in one of three categories:

- *Urban Growth Areas*: Urban Growth Areas (UGAs), which are designated by counties that fully plan under the act, are areas within which urban growth must be encouraged and outside of which growth can occur only if it is not urban in nature.
- *Natural Resource Lands*: This category includes agricultural, forest, and mineral resource lands of long-term commercial significance.
- *Rural Lands or Areas*: This category includes all non-resource lands that are not within a UGA.

Qualifying development is expressly permitted under the GMA in rural areas if prescribed requirements are met. For example, counties may permit Limited Areas of More Intensive Rural Development (LAMIRDs) providing for the following:

- *rural development*: allowing the infill, development, or redevelopment of existing commercial, industrial, residential, or mixed-use areas;
- *recreational and tourist uses*: allowing intensification of development on lots containing, or new development of, small-scale recreational or tourists uses; and
- *nonresidential/cottage industry*: allowing intensification of development on lots containing isolated nonresidential uses or new development of isolated cottage industries and isolated small-scale businesses.

Community Facilities Districts.

In 2010 legislation was enacted that authorized the creation of community facilities districts (CFDs), which are independent special purpose districts that may finance community facilities and local, subregional, and regional infrastructure. A CFD may only be created by a landowner petition approved by the county, city, or town in which the district is located. A CFD may only include land located within an UGA designated under the GMA.

A CFD, which is governed by a board of supervisors, may acquire, purchase, hold, lease, finance, and sell real and personal property, either inside or outside the boundaries of the district.

A CFD may impose special assessments on privately owned real property within the district to finance facilities and improvements provided by the district. Examples of expenses and facilities that may be financed include:

- the cost of the purchase, lease, construction, improvement, or rehabilitation of any facility with an estimated life of five years or longer;
- sanitary sewage systems;
- highways, streets, roadways, and parking facilities;
- traffic control systems and devices; and
- library, educational, and cultural facilities.

Summary of Bill:

In addition to land located within an UGA, CFDs may be located on land within LAMIRDs as allowed under the GMA. The new provision does not alter any requirements under the GMA.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) One of challenges for LAMIRDs is that the areas are limited with where infrastructure can be located. This legislation is an economic development tool to help them finance these systems and concentrate their efforts to address development concerns, including water quality, cost of connecting to system from another location.

(With concerns) There are concerns regarding how expansive the LAMIRDs may become. The general idea of the legislation is supported, but public facilities should not be serving property and development outside of the LAMIRDs, which the current language may allow. The legislation should specify why the public facilities are used and there is a concern with including the term "health" for this reason.

(Opposed) None.

Persons Testifying: (In support) Representative Tharinger, prime sponsor; and Laura Merrill, Washington State Association of Counties.

(With concerns) Bryce Yadon, Futurewise.

Persons Signed In To Testify But Not Testifying: None.