

HOUSE BILL REPORT

SSB 5138

As Passed House - Amended:
April 5, 2017

Title: An act relating to metropolitan park districts.

Brief Description: Concerning metropolitan park districts.

Sponsors: Senate Committee on Local Government (originally sponsored by Senators Palumbo, Kuderer, Fain, Billig and Rossi).

Brief History:

Committee Activity:

Local Government: 3/14/17, 3/22/17 [DP].

Floor Activity:

Passed House - Amended: 4/5/17, 55-42.

**Brief Summary of Substitute Bill
(As Amended by House)**

- Authorizes a local jurisdiction proposing or approving a petition regarding the formation of a metropolitan park district (MPD) to limit the purpose and taxing powers of the proposed MPD in its resolution.
- Changes MPD board membership requirements when the governing body of a city acts in an ex officio capacity as the board of metropolitan park commissioners.
- Generalizes the allowable purposes under which a MPD may contract indebtedness and extends the maximum term for general bond obligations.
- Authorizes cities to enter into agreements to transfer to MPDs any lands, facilities, equipment, and other interests in real or personal property.
- Allows a county treasurer serving as a MPD treasurer to provide a bridge loan or line of credit to a newly formed MPD.

HOUSE COMMITTEE ON LOCAL GOVERNMENT

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Majority Report: Do pass. Signed by 4 members: Representatives Appleton, Chair; McBride, Vice Chair; Gregerson and Peterson.

Minority Report: Do not pass. Signed by 3 members: Representatives Griffey, Ranking Minority Member; Pike, Assistant Ranking Minority Member; Taylor.

Staff: Yvonne Walker (786-7841).

Background:

Metropolitan Park Districts.

A metropolitan park district (MPD) is a type of special purpose district created for the control, management, improvement, maintenance, or acquisition of parks, parkways, boulevards, and recreational facilities. A MPD may include territory located in portions or in all of one or more cities or counties. If a resolution of the city and county legislative authorities proposing the creation of the district is adopted, or if a petition is signed by at least 15 percent of the registered voters within the proposed boundaries of the district, then a ballot proposition must be submitted to the voters for approval of the creation of a MPD.

Metropolitan Park District Board.

Generally, five elected park commissioners who serve six-year terms govern MPDs. The commissioners are elected simultaneously when voters are deciding whether a MPD should be formed. In a district wholly located within a city or within the unincorporated area of a county, however, the governing body of the city or legislative authority of the county may be designated to serve in an ex officio capacity as the metropolitan park district board (MPD board). If the proposed district is located within more than one city, more than one county, or any combination of cities and counties, each city governing body and county legislative authority may be designated to collectively serve ex officio as the MPD board through selection of one or more members from each entity.

The MPD board may impose an initial levy, not to exceed 50 cents per \$1,000 of assessed value, of the property in the district. The MPD board may levy an additional general tax, not to exceed 25 cents per \$1,000 of assessed value, on all property located in a MPD each year. The two levies (totaling 75 cents) are a single levy for purposes of the constitutional limit.

Indebtedness Limit.

A MPD may issue both voter-approved and nonvoter-approved indebtedness for park, boulevard, aviation landing, playground, and parkway purposes. The combined indebtedness cannot exceed .0025 of 1 percent of the value of the taxable property in the district. In addition, MPDs may issue general obligation bonds up to a maximum term of 20 years.

Property Transfer.

A city may turn over to a MPD any lands that it may own within the city to create parks, playgrounds, or parkways. Counties and municipal corporations may also transfer any lands, facilities, equipment, and other interests in real or personal property to MPDs.

Treasurers.

The county treasurer of the county where a major portion of a MPD lies is the treasurer for that MPD. The MPD may designate another person as treasurer, other than the county treasurer, if the person has financial or fiscal experience and the MPD board has received approval of the county treasurer to designate that person.

Summary of Bill:

Metropolitan Park Districts.

A city, county, or contiguous group of cities or counties, proposing or approving a petition regarding the formation of a MPD, may limit the purpose and taxing powers of the proposed district in its resolution.

Specifically, a local jurisdiction may limit the proposed MPD's purposes to provide the funds necessary to acquire, construct, renovate, expand, operate, maintain, and provide programming for specifically identified public parks or recreational facilities that are otherwise authorized by law for MPDs. The ballot proposition must specifically identify those public parks or recreational facilities to be funded.

A local jurisdiction may also limit the maximum levy rate to those provided in statute. The ballot proposition must state the maximum regular levy rate. After district formation, changes to the maximum regular levy rate may be made only by a majority vote at a general or special election on a proposition to alter the levy rate. If approved, statutory limitations on regular property taxes would not apply in the first year after the proposition's approval.

Metropolitan Park District Board.

If the governing body of a city is designated to serve in an ex officio capacity as the MPD board, and the MPD's boundaries are coterminous with the city's boundaries. The number of members of the MPD board must be equal to the number of positions on the relevant city governing body.

Indebtedness Limit.

The purpose for which MPDs may contract indebtedness and issue short-term obligations and general obligation bonds is broadened to include any other purposes authorized for the MPD. In addition, the maximum allowable term for general obligation bonds is extended from 20 years to the general maximum term set in statute of 40 years.

Property Transfers.

The purpose for which a city may transfer land to a MPD is broadened to include for any other purposes authorized for the district. A MPD may accept public streets of the city and grounds for public purposes when donated for park and other park purposes authorized for the MPD. Cities are also authorized to enter into agreements to transfer any lands, facilities, equipment, and other interests in real or personal property to MPDs.

Treasurers.

A city or county treasurer serving as a district's treasurer may provide a bridge loan or line of credit to a newly formed district until the district has sufficient levy proceeds to pay for its maintenance and operations. A city may act as the MPD's treasurer if the MPD boundaries are coterminous with the boundaries of the city.

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) Kirkland wants an aquatics center. Since a MPD has 75 cents of taxing authority, and the district only needed 25 cents, the public did not believe that they were only going to be taxed up to the 25 cents. This bill will allow cities and counties with MPDs to ask for less than the 75 cents of the taxing authority that is authorized in statute in order to get buildings built.

Creating a MPD today is a two-step process with an accountability cap. The first step is for voters to approve a MPD, which has 75 cents of taxing authority, which cannot be limited today even by ballot title. Once the voters have approved a MPD, the MPD board can impose any of that 75 cents without future votes of the people. Even though the City of Kirkland only needed 25 cents, voters felt future MPD boards would have no accountability. This bill solves that problem.

Rarely does a local government ask the Legislature to cap its taxing authority but that is exactly what is being done in this bill.

(Opposed) None.

Persons Testifying: Senator Palumbo, prime sponsor; and Jay Arnold, City of Kirkland.

Persons Signed In To Testify But Not Testifying: None.