

LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

Bill Number: 1997 HB	Title: Community facilities distret
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Part I: Jurisdiction-Location, type or status of political subdivision defines range of fiscal impacts.

Legislation Impacts:

- ☐ Cities:
- ☒ Counties: An increase in costs may occur for county auditors and treasurers for the creation of new community facility districts (CFD)
- ☒ Special Districts: Allows CFDs to be established in limited areas of more intensive rural development (LAMRID); an increase in costs may occur for special districts that are within a proposed CFD area that must provide notice for and hold public hearings in order to authorize CFD petitions
- ☐ Specific jurisdictions only:
- ☒ Variance occurs due to: Potential size of new CFDs and the amount of signatures to be verified by county auditors

Part II: Estimates

- ☐ No fiscal impacts.
- ☒ Expenditures represent one-time costs: CFD creation costs are paid by petitioners; county auditors must process and certify petitions
- ☐ Legislation provides local option:
- ☒ Key variables cannot be estimated with certainty at this time: Number of new CFDs that would form overtime to finance and construct public facilities infrastructure

Estimated revenue impacts to:

Indeterminate Impact

Estimated expenditure impacts to:

Indeterminate Impact

Part III: Preparation and Approval

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Agency Approval: Steve Salmi	Phone: (360) 725 5034	Date: 02/17/2015
OFM Review: Kathy Cody	Phone: (360) 902-9822	Date: 02/17/2015

Part IV: Analysis

A. SUMMARY OF BILL

Provide a clear, succinct description of the bill with an emphasis on how it impacts local government.

This bill authorizes the creation of community facilities districts to include limited areas of more intensive rural development (LAMRID) per RCW 36.70A.070(5)(d).

B. SUMMARY OF EXPENDITURE IMPACTS

Briefly describe and quantify the expenditure impacts of the legislation on local governments, identifying the expenditure provisions by section number, and when appropriate, the detail of expenditures. Delineate between city, county and special district impacts.

The formation of new CFDs would result in an indeterminate and small increase in expenditures for county auditors, who are currently required to process and approve these private landowner petitions per RCW 36.145.020(j)(2), and for county treasurers who are required to create and manage funds for CFDs per RCW 36.145.140. The cost for these services would vary depending on the size of the proposed CFD, which would impact the amount of signatures to be verified by auditors. Once a petition has been certified, each legislative authority must provide notice for and hold a public hearing in order to authorize the petition, which would increase expenditures for special districts that are within a proposed CFD area. A range of costs is presented below for further information.

The Local Government Fiscal Note Program (LGFN) assumes that the net impact from the development of new CFDs in LAMRIDs could reduce expenditures for counties that would not provide public facility infrastructure services or development for projects financed by private land owners.

RESOLUTION AND PUBLIC HEARING COSTS:

The cost to hold a public hearing and to pass a resolution or ordinance can vary depending on the complexity of the issue(s) to be heard. LGFN estimates the cost range to be \$687 for a simple hearing, \$824 for a moderately complex hearing, and \$1,300 for a complex hearing. These figures take into account public notice, staff report, staff hours and meeting preparation, and the time for hearing. LGFN further estimates the cost to pass a simple resolution at \$352, \$1,394 for a moderately complex resolution, and \$3,689 for a complex resolution. These figures take into account the time to draft a resolution, public notice, staff report, advisory commission meeting and recommendation, legislative board or council meeting, publication of resolution, and public involvement and information, and the costs to enforce or execute a resolution. For this bill, local legislative authorities would not have enforcement costs because any person who appeals the decision must do so in Superior Court.

BACKGROUND:

A LAMRID is an unincorporated area of a county that is considered to be developed too densely to be rural development. The state's Growth Management Act (GMA) requires that these high-density areas be contained to prevent additional low-density sprawl. A county auditor who receives a CFD petition must confirm that it has been executed by 100 percent of all property owners located within the proposed CFD, including confirmation by all other auditors in an affected area if it spans multiple counties. The lead auditor must then issue a certificate of sufficiency to each legislative authority petitioned for formation of the CFD, or provide a list of property owner names who must sign the petition in order to be certified.

C. SUMMARY OF REVENUE IMPACTS

Briefly describe and quantify the revenue impacts of the legislation on local governments, identifying the revenue provisions by section number, and when appropriate, the detail of revenue sources. Delineate between city, county and special district impacts.

This bill would allow for an increase in the amount of special assessment revenue and bond financing in LAMRIDs.

SOURCES:

Local Government Fiscal Note PHSB 2577 (2010)

Local Government Fiscal Note Program unit cost data

Thurston County website http://www.co.thurston.wa.us/planning/_private/gma_compliance/gma_lamirds.html

Washington Association of County Officials