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HOUSE BILL 1964

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State of Washington

65th Legislature

2017 Regular Session

By Representative Doglio

1 AN ACT Relating to clean energy financing; and adding a new  
2 chapter to Title 36 RCW.

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

4 NEW SECTION. **Sec. 1.** The legislature finds that:

5 (1) The state of Washington has established targets for reducing  
6 greenhouse gas emissions, and local communities are important  
7 partners in helping to achieve those targets;

8 (2) The majority of the state's greenhouse gas emissions is  
9 associated with the energy consumed in the transportation and  
10 building sectors;

11 (3) The investment in clean energy by local communities is a  
12 public purpose of the state in meeting its greenhouse gas emission  
13 reduction targets, creating jobs, saving consumers money, and  
14 improving the health and well-being of local communities;

15 (4) This chapter is intended to facilitate local community  
16 investments in and financing of clean energy by authorizing the  
17 creation of clean energy districts; and

18 (5) It is in the interest of the people of the state of  
19 Washington to authorize the establishment of clean energy districts  
20 as independently governed, special purpose districts vested with the  
21 corporate authority included under Article VII, section 9 of the

1 state Constitution to make local improvements in accordance with this  
2 chapter and to carry out the purposes specifically authorized under  
3 this chapter.

4 NEW SECTION. **Sec. 2.** The definitions in this section apply  
5 throughout this chapter unless the context clearly requires  
6 otherwise.

7 (1) "Clean energy" includes: (a) Energy produced using renewable  
8 energy resources, including wind, solar, tidal, and geothermal  
9 resources; (b) energy efficiency and conservation; (c) hydroelectric  
10 generation from a generation facility is located in irrigation pipes,  
11 irrigation canals, municipal water pipes, and wastewater pipes; and  
12 (d) use of nonfossil fuel and renewable energy resources for  
13 transportation.

14 (2) "Clean energy district" or "district" means a district  
15 created under this chapter.

16 (3) "Governing body" means the governing body of a clean energy  
17 district.

18 (4) "Project" means a clean energy project.

19 (5) "Qualified voter" means a person; who is a natural person;  
20 who is a voter under general state election laws, registered to vote  
21 in the state of Washington for a period of not less than thirty days  
22 before the election; and a resident in the clean energy district for  
23 a period of not less than thirty days before the election.

24 NEW SECTION. **Sec. 3.** (1) The establishment of a clean energy  
25 district may be initiated either by petition of qualified voters  
26 located within the proposed clean energy district or by resolution of  
27 the county legislative authority or authorities within which the  
28 proposed clean energy district is located.

29 (2)(a) A petition calling for the creation of a clean energy  
30 district, which is signed by at least ten qualified voters located  
31 within the proposed district, must be filed with the county  
32 legislative authority within which a proposed clean energy district,  
33 or the largest portion of a clean energy district, is located. If the  
34 proposed clean energy district is proposed to be located within more  
35 than one county, the county legislative authority receiving the  
36 petitions shall notify the other counties' legislative authorities of  
37 the proposal.

1 (b) The petition must set forth in general terms: (i) The  
2 objectives and plan of the clean energy district; (ii) the projects  
3 proposed to be completed or financed by the clean energy district  
4 that will accomplish these objectives; (iii) the boundaries of the  
5 proposed clean energy district, which may be stated in terms of  
6 sections, townships, and ranges; and (iv) any other matters deemed  
7 material by the petitioners.

8 (c) The jurisdiction of the county legislative authority to  
9 proceed with consideration of the creation of the proposed clean  
10 energy district must not be affected by the form of the petition or  
11 allegations on the petition.

12 (d) The petition must be accompanied by proof of voter  
13 registration that is sufficient, in the opinion of the county  
14 legislative authority, to evidence voter registration by the  
15 petitioners within the proposed clean energy district.

16 (e) A petition calling for the creation of a clean energy  
17 district must be accompanied by a bond of five thousand dollars to  
18 defray the costs incurred by the county, or counties, in considering  
19 the creation of the clean energy district.

20 (3) A resolution of the county legislative authority or  
21 authorities proposing the creation of a clean energy district must  
22 contain the same items as are required and permitted to be contained  
23 in a petition to create a clean energy district under subsection (2)  
24 of this section.

25 NEW SECTION. **Sec. 4.** Upon the filing of a valid petition or the  
26 adoption of a resolution under section 3 of this act, the county  
27 legislative authority must direct the county engineer to investigate  
28 the proposed boundaries of the clean energy district and the  
29 feasibility of the projects located in the county as proposed in the  
30 petition or resolution. The engineer must report to the county  
31 legislative authority within ninety days of such direction on the  
32 proposed boundaries of the clean energy district within the county  
33 and feasibility of that portion of the proposed project. If the  
34 proposed clean energy district is located in more than one county,  
35 the county legislative authority of each county must direct its  
36 county engineer to investigate and report on the parts of the  
37 proposal located within its boundaries.

1        NEW SECTION.    **Sec. 5.**    (1) The county legislative authority must  
2 schedule a public hearing on the proposed clean energy district if  
3 the county engineer's report indicates that the proposed projects are  
4 feasible. If the engineers of each of the counties within which a  
5 proposed clean energy district is located indicate that the proposed  
6 projects are feasible, the county legislative authorities must  
7 schedule a joint public hearing on the proposed clean energy  
8 district.

9        (2) The county legislative authority may schedule a public  
10 hearing on the proposed clean energy district if the county  
11 engineer's report indicates that the proposed projects are not  
12 feasible. The county legislative authorities of counties within which  
13 a proposed clean energy district is located may schedule a joint  
14 public hearing on the proposed clean energy district if one or more  
15 of the county engineers' reports indicate that the proposed projects  
16 are not feasible.

17        (3)(a) Notice of the public hearing must be published in a  
18 newspaper of general circulation within the proposed clean energy  
19 district, such notice shall be purchased in the manner of a general  
20 advertisement, not to be included with legal advertisements or with  
21 classified advertisements. This notice must be published at least  
22 twice, not more than twenty nor less than three days before public  
23 hearing. Additional notice shall be made as required under RCW  
24 79.44.040.

25        (b) The notice must contain the following: (i) The date, time,  
26 and place of the public hearing; (ii) a statement that a particular  
27 clean energy district is proposed to be created; (iii) a general  
28 description of the proposed projects to be completed by the clean  
29 energy district; (iv) a general description of the proposed clean  
30 energy district boundaries; and (v) a statement that all affected  
31 persons may appear and present their comments in favor of or against  
32 the creation of the proposed clean energy district.

33        NEW SECTION.    **Sec. 6.**    (1) The county legislative authority or  
34 authorities must conduct the public hearing at the date, time, and  
35 place indicated in the notice published under section 5 of this act.  
36 Public hearings may be continued to other dates, times, and places  
37 specified by the county legislative authority or authorities before  
38 the adjournment of the public hearing. Each county legislative  
39 authority may alter those portions of boundaries of the proposed

1 clean energy district that are located within the county, but if  
2 territory is added that was not described in the original proposed  
3 boundaries, an additional hearing on the proposal shall be held with  
4 notice being published as provided in section 5 of this act.

5 (2) After receiving public testimony, the county legislative  
6 authority may cause an election to be held to authorize the creation  
7 of a clean energy district if it finds that:

8 (a) Creation of the clean energy district will be conducive to  
9 the public health, convenience, and welfare, especially in regards to  
10 reductions in greenhouse gas emissions;

11 (b) Creation of the clean energy district will be of special  
12 benefit to residents and businesses within the clean energy district;  
13 and

14 (c) The proposed projects are feasible and economical, and that  
15 the benefits of these projects exceed the costs for the projects.

16 (3) If the proposed clean energy district is located within two  
17 or more counties, the county legislative authorities may cause an  
18 election to be held to authorize the creation of the clean energy  
19 district upon making the findings set forth in subsection (2) of this  
20 section.

21 (4) The county legislative authority or authorities may choose  
22 not to allow an election on the creation of a clean energy district  
23 to be held by either failing to act or failing to make one or more of  
24 the findings set forth in subsection (2) of this section.

25 NEW SECTION. **Sec. 7.** (1) The county legislative authority or  
26 authorities must cause an election on the question of creating the  
27 clean energy district to be held if findings as provided in section 6  
28 of this act are made. The county legislative authority or authorities  
29 must designate a time and date for such election, which must be one  
30 of the special election dates provided for in RCW 29A.04.330,  
31 together with the site or sites at which votes are to be cast.

32 (2) The persons allowed to vote on the creation of a clean energy  
33 district shall be those persons who, if the clean energy district  
34 were created, would be qualified voters of the clean energy district  
35 as described in section 2 of this act. The county auditor or auditors  
36 of the counties within which the proposed clean energy district is  
37 located shall conduct the election and prepare a list of presumed  
38 eligible voters.

1 (3) Notices for the election must be published as provided in  
2 section 5 of this act. The clean energy district must be created if  
3 the proposition to create the clean energy district is approved by a  
4 simple majority vote of the voters voting on the proposition. The  
5 clean energy district may assume operations whenever the initial  
6 members of the governing body are appointed as provided in section 8  
7 of this act.

8 (4) Any clean energy district created after July 1, 2017, may  
9 only have special assessments measured and imposed, and budgets  
10 adopted, as provided in sections 13, 14, and 15 of this act.

11 (5) If a clean energy district is created, the county or counties  
12 may charge the clean energy district for the costs incurred by the  
13 county engineer or engineers pursuant to section 4 of this act and  
14 the costs of the auditor or auditors related to the election to  
15 authorize the creation of the clean energy district pursuant to this  
16 section. Such county actions shall be deemed to be special benefits  
17 of the property located within the clean energy district that are  
18 paid through the imposition of special assessments.

19 NEW SECTION. **Sec. 8.** (1) Each clean energy district must be  
20 governed by a three-member governing body. The term of office for  
21 each member of a clean energy district governing body shall be six  
22 years and until his or her successor is elected and qualified. One  
23 member of the governing body shall be elected at the time of the  
24 clean energy district general election held in each even-numbered  
25 year for a term of six years beginning as soon as the election  
26 returns have been certified for assumption of office by elected  
27 officials of cities.

28 (2) The initial members of the governing body of a newly created  
29 clean energy district must be appointed by the legislative authority  
30 of the county within which the clean energy district, or the largest  
31 portion of the clean energy district, is located. These initial  
32 governing body members shall serve until their successors are elected  
33 and qualified at the next clean energy district general election held  
34 at least ninety days after the clean energy district is established.  
35 At that election the first elected members of the governing body must  
36 be elected. No primary elections may be held.

37 (3) Any qualified voter of a clean energy district may become a  
38 candidate for a position on the governing body by filing written  
39 notice of this intention with the county auditor at least thirty, but

1 not more than sixty, days before a clean energy district general  
2 election. The county auditor, in consultation with the clean energy  
3 district, must establish the filing period. The names of all  
4 candidates for such positions must be listed alphabetically.

5 (4) At the first election, the candidate receiving the greatest  
6 number of votes must have a six-year term, the candidate receiving  
7 the second greatest number of votes must have a four-year term, and  
8 the candidate receiving the third greatest number of votes must have  
9 a two-year term of office. The initially elected members of a  
10 governing body must take office immediately when qualified as defined  
11 in RCW 29A.04.133. Thereafter the candidate receiving the greatest  
12 number of votes must be elected for a six-year term of office.  
13 Members of a governing body must hold their office until their  
14 successors are elected and qualified, and assume office as soon as  
15 the election returns have been certified.

16 (5) The requirements for the filing period and method for filing  
17 declarations of candidacy for the governing body of the district and  
18 the arrangement of candidate names on the ballot for all clean energy  
19 district elections conducted after the initial election in the  
20 district must be the same as the requirements for the initial  
21 election in the district.

22 (6)(a) Whenever a vacancy occurs in the governing body of a clean  
23 energy district, the legislative authority of the county within which  
24 the clean energy district, or the largest portion of the clean energy  
25 district, is located must appoint a qualified voter to serve until a  
26 person is elected at the next clean energy district general election,  
27 occurring sixty or more days after the vacancy has occurred, to serve  
28 the remainder of the unexpired term. The person so elected must take  
29 office immediately when qualified as defined in RCW 29A.04.133.

30 (b) If an election for the position which became vacant would  
31 otherwise have been held at this clean energy district election, only  
32 one election is held and the person elected to fill the succeeding  
33 term for that position must take office immediately when qualified,  
34 as defined in RCW 29A.04.133, and must serve both the remainder of  
35 the unexpired term and the succeeding term. A vacancy occurs upon the  
36 death, resignation, or incapacity of a governing body member or  
37 whenever the governing body member ceases to be a qualified voter of  
38 the clean energy district.

1        NEW SECTION.    **Sec. 9.**    (1) The members of the governing body may  
2 each receive up to ninety dollars per day spent in actual attendance  
3 at official meetings of the governing body or in performance of other  
4 official services or duties on behalf of the district. The governing  
5 body must fix the compensation to be paid to the members, secretary,  
6 and all other agents and employees of the district. Compensation for  
7 the members must not exceed eight thousand six hundred forty dollars  
8 in one calendar year.

9        (2) A member is entitled to reimbursement for reasonable expenses  
10 actually incurred in connection with official district business,  
11 including subsistence and lodging while away from the member's place  
12 of residence, and mileage for use of a privately owned vehicle in  
13 accordance with chapter 42.24 RCW.

14        (3) Any member may waive all or any portion of his or her  
15 compensation payable under this section as to any month or months  
16 during his or her term of office by a written waiver filed with the  
17 secretary as provided in this section. The waiver, to be effective,  
18 must be filed after the member's election, but prior to the date on  
19 which the compensation would otherwise be paid. The waiver must  
20 specify the month or period of months for which it is made.

21        (4) Every five years, beginning July 1, 2018, the dollar  
22 thresholds established in this section must be adjusted for inflation  
23 by the office of financial management based upon changes in the  
24 consumer price index during that time period. "Consumer price index"  
25 means, for any calendar year, that year's annual average consumer  
26 price index, for Washington state, for wage earners and clerical  
27 workers, all items, compiled by the bureau of labor statistics,  
28 United States department of labor. If the bureau of labor statistics  
29 develops more than one consumer price index for areas within the  
30 state, the index covering the greatest number of people, covering  
31 areas exclusively within the boundaries of the state, and including  
32 all items must be used for the adjustments for inflation in this  
33 section. The office of financial management must calculate the new  
34 dollar threshold and transmit it to the office of the code reviser  
35 for publication in the Washington State Register at least one month  
36 before the new dollar threshold is to take effect.

37        (5) A person holding office as commissioner for two or more  
38 special purpose districts may only receive that per diem compensation  
39 authorized for one of his or her commissioner positions as  
40 compensation for attending an official meeting or conducting official

1 services or duties while representing more than one of his or her  
2 districts. However, such a commissioner may receive additional per  
3 diem compensation if approved by resolution of all boards of the  
4 affected commissions.

5 NEW SECTION. **Sec. 10.** Each member of a governing body of a  
6 clean energy district, whether elected or appointed, must enter into  
7 a bond payable to the clean energy district. The bond must be in the  
8 sum of not less than one thousand dollars and not more than five  
9 thousand dollars, as determined by the county legislative authority  
10 of the county within which the clean energy district or the largest  
11 portion of the clean energy district is located. The bond must be  
12 conditioned on the faithful performance of his or her duties as a  
13 member of the governing body of the clean energy district and must be  
14 filed with the county clerk of the county within which the clean  
15 energy district, or the largest portion of the clean energy district,  
16 is located.

17 NEW SECTION. **Sec. 11.** General elections must be held in each  
18 clean energy district on the first Tuesday after the first Monday in  
19 February in each even-numbered year. The auditor of the county within  
20 which a clean energy district or the largest portion of a clean  
21 energy district is located may provide for special elections whenever  
22 necessary.

23 NEW SECTION. **Sec. 12.** (1) A clean energy district created in  
24 accordance with this chapter is an independently governed, special  
25 purpose district vested with the corporate authority included under  
26 Article VII, section 9 of the state Constitution to operate programs  
27 and complete or finance local projects by special assessment in  
28 accordance with this chapter. Nothing in this chapter exempts the  
29 projects provided or facilitated by a district from the regulatory  
30 and land use permitting requirements of the county, city, or town in  
31 which the projects are to be located.

32 (2) Subject to the terms and conditions of an approved petition,  
33 a clean energy district has the powers necessary to carry out the  
34 specific purposes authorized under this chapter in order to carry out  
35 the specific objectives, plan, and projects identified in the  
36 approved petition including, but not limited to, the authority to:

1 (a) Acquire, purchase, hold, lease, finance, manage, occupy,  
2 construct, and sell real and personal property, facilities, or any  
3 interest therein, either inside or outside of the boundaries of the  
4 district, except that any such property, facilities, or interests  
5 outside the boundaries of the district must directly serve facilities  
6 or benefit properties within the district;

7 (b) Finance and construct projects authorized under this chapter;

8 (c) Enter into and perform any and all necessary contracts;

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

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

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

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

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

19 (i) Issue revenue bonds in accordance with chapter 39.46 RCW and  
20 assessment bonds in accordance with chapter 35.45 RCW and the  
21 requirements of this chapter payable from revenue or assessments,  
22 respectively, of the district that is legally available to be pledged  
23 to secure the bonds;

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

27 (k) Sue and be sued;

28 (l) Accept and receive on behalf of the district any money or  
29 property donated, devised, or bequeathed to the district and carry  
30 out the terms of the donation, devise, or bequest, if it is within  
31 the powers granted by law to clean energy districts or, in the  
32 absence of such terms, expend or use the money or property for  
33 district purposes as determined by the board of supervisors;

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

36 (n) Hire staff and contract for service; and

37 (o) Do any and all lawful acts required and expedient to carry  
38 out the express authority provided in this chapter.

1        NEW SECTION.    **Sec. 13.**    Through the use of district revenue  
2 derived through special assessments and bonds authorized under this  
3 chapter and, consistent with the terms and conditions of a petition  
4 approved in accordance with this chapter, a clean energy district may  
5 finance all or a portion of the following costs, expenses, and  
6 projects whether located inside or outside the boundaries of an  
7 approved district:

8        (1) The cost, or any portion thereof, of the purchase, finance,  
9 lease, sublease, construction, expansion, improvement, or  
10 rehabilitation of any project with an estimated life of five years or  
11 longer;

12        (2) The planning and design work that is directly related to the  
13 purchase, construction, expansion, improvement, or rehabilitation of  
14 a project, including engineering, architectural, planning, and  
15 inspection costs;

16        (3) Programs and incentives to encourage private investment in  
17 clean energy; and

18        (4) Technical assistance and incentives to encourage residents,  
19 businesses, and nonprofit organizations to make clean energy  
20 improvements.

21        NEW SECTION.    **Sec. 14.**    (1) The governing body of a clean energy  
22 district may impose special assessments on property located inside  
23 the district and benefited by the projects provided, or to be  
24 provided, by the district. The requirements and powers of a district  
25 relating to the formation, assessment, collection, foreclosure, and  
26 other powers of a special assessment district are as set forth in  
27 chapters 35.43, 35.44, 35.49, and 35.50 RCW except where otherwise  
28 addressed under this chapter. In any case where the provisions of  
29 this chapter conflict with the requirements under any other chapter  
30 that applies to the formation, assessment, collection, foreclosure,  
31 or other powers of a special assessment district, the provisions of  
32 this chapter control.

33        (2) Except as otherwise expressly provided under this chapter,  
34 the special assessments imposed and collected on property within a  
35 district must not exceed the amount set forth in a petition or  
36 amended petition approved in accordance with this chapter.

37        (3) The term of the special assessment is limited to the lesser  
38 of (a) twenty-eight years or (b) two years less than the term of any  
39 bonds issued by or on behalf of the district to which the assessments

1 or other revenue of the district is specifically dedicated, pledged,  
2 or obligated.

3 (4) The computation of special assessments must follow the  
4 requirements of chapter 35.44 RCW, including the authority to use any  
5 method or combination of methods to compute assessments which may be  
6 deemed by the board of supervisors to fairly reflect the benefit to  
7 the properties being assessed. The method of assessment may utilize  
8 the supplemental authority granted under chapter 35.51 RCW. A  
9 petition meeting the requirements of section 3 of this act may  
10 provide for the reduction or waiver of special assessments for low-  
11 income households as that term is defined in RCW 36.130.010.

12 (5) The governing body must set a date, time, and place for  
13 hearing any objections to the assessment roll and the hearing must  
14 occur no later than one hundred twenty days from final approval of  
15 formation of the district. Petitioners or representatives of  
16 petitioners serving in the governing body must not participate in the  
17 determination of the special assessment roll or vote on the  
18 confirmation of that assessment roll.

19 (6) The procedures and requirements for assessments, hearings on  
20 the assessment roll, filing of objections to the assessment roll, and  
21 appeals from the decision of the board approving or rejecting the  
22 assessment roll must be as set forth in RCW 35.44.010 through  
23 35.44.020, 35.44.080 through 35.44.110, and 35.44.190 through  
24 35.44.270.

25 (7) At the hearing on the assessment roll and in no event later  
26 than thirty days after the day of the hearing the governing body may  
27 adopt a resolution approving the assessment roll or may correct,  
28 revise, raise, lower, change, or modify the assessment roll or any  
29 part thereof and provide the petitioner with a detailed explanation  
30 of the changes made by the governing body.

31 (8) If the assessment roll is revised by the governing body in  
32 any way, then within thirty days of the board's decision the  
33 petitioner(s) must unanimously make one of the following elections:  
34 (a) Rescind the petition or (b) accept the changes made by the  
35 governing body upon which occurrence the governing body must adopt a  
36 resolution approving the assessment roll as modified by the governing  
37 body.

38 (9) Reassessments, assessments on omitted property, and  
39 supplemental assessments are governed by the provisions set forth  
40 under chapter 35.44 RCW.

1 (10) Any assessment approved under the provisions of this chapter  
2 may be segregated upon a petition of one hundred percent of the  
3 owners of the property subject to the assessment to be segregated.  
4 The segregation must be made as nearly as possible on the same basis  
5 as the original assessment was levied and approved by the board. The  
6 governing body, in approving a petition for segregation and amendment  
7 of the assessment roll, must do so in a fashion such that the total  
8 of the segregated parts of the assessment equal the assessment before  
9 segregation. As to any property originally entered upon the  
10 assessment roll, which has not been raised, no objections to the  
11 approval of the petition for segregation, the resulting assessment,  
12 or the amended assessment roll may be considered by the jurisdiction  
13 in which the district is located by the governing body or by any  
14 court on appeal. Assessments must be collected in districts pursuant  
15 to the district's previous assessment roll until the amendment to the  
16 assessment roll is finalized under this section.

17 (11) Special assessments must be collected by the district  
18 treasurer determined in accordance with section 17 of this act.

19 (12) The district treasurer responsible for collecting special  
20 assessments may account for the costs of handling the assessments and  
21 may collect a fee not to exceed the measurable costs incurred by the  
22 treasurer.

23 NEW SECTION. **Sec. 15.** (1) The clean energy district may utilize  
24 the special assessments and revenue derived in accordance with this  
25 chapter for the payment of principal and interest on bonds issued  
26 pursuant to the authority granted under this chapter to fund or  
27 reimburse the costs of projects authorized under this chapter and  
28 prior to the issuance of bonds, may utilize the revenue to directly  
29 fund the costs of providing the programs and projects authorized  
30 under this chapter on a pay-as-you-go basis.

31 (2) The governing body may establish; administer; and pay or  
32 otherwise dedicate, pledge, or obligate the assessments and revenue  
33 generated in accordance with this chapter into a specific fund  
34 created by or on behalf of the district in order to guarantee payment  
35 of obligations incurred in connection with projects provided under  
36 this chapter, including the payment of principal and interest on any  
37 bonds issued by or on behalf of the district.

38 (3) The proceeds of any bond issued pursuant to this chapter may  
39 be used to pay any and all costs related to providing the projects

1 authorized under this chapter, including expenses incurred in  
2 connection with issuance of the bonds.

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

5 NEW SECTION. **Sec. 16.** No bonds issued by or on behalf of a  
6 clean energy district are obligations of any city, town, county, or  
7 the state of Washington or any political subdivision thereof other  
8 than the district and the bonds must so state.

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

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

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

33 (4) All interest collected on clean energy district funds belongs  
34 to the district and must be deposited to its credit in the proper  
35 district funds.

36 NEW SECTION. **Sec. 18.** All assessments imposed on the respective  
37 lots, tracts, parcels of land, and other property included within the

1 boundaries of an approved clean energy district in accordance with  
2 this chapter are a lien upon the property from the date of final  
3 approval and are paramount and superior to any other lien or  
4 encumbrance whatsoever except a lien for general taxes.

5 NEW SECTION. **Sec. 19.** Sections 1 through 18 of this act  
6 constitute a new chapter in Title 36 RCW.

--- END ---