Bond Case Briefs

Municipal Finance Law Since 1971

TAX - WASHINGTON

Ferlin v. Chuckanut Community Forest Park District

Court of Appeals of Washington, Division 1 - October 30, 2017 - P.3d - 2017 WL 4875818

Property owners brought action against park district, city, and county, alleging that property tax levy imposed on property owners by district to aid city in repaying loan that was used to purchase park land was illegal.

The Superior Court granted defendants' cross-motion for summary judgment and denied property owners' cross-motion for summary judgment. Property owners appealed.

The Court of Appeals held that:

- District was not void at inception;
- Raising and spending money generated from property tax levy to repay city's loan was a legitimate park purpose, and thus district did not exceed its statutory authority by adopting levy;
- District was statutorily and organizationally distinct from city, and thus district was authorized to impose tax within its boundaries without violating state constitution's requirement for uniformity in taxation; and
- Levy did not violate state constitution's provision regarding the object of levied taxes.

Park district, which was created to aid city in repaying loan that was used to purchase park land by imposing a property tax, was not void at inception because it allegedly was not created for any of itemized statutory purposes, where the property owners who challenged district's tax offered no authority for declaring a municipal corporation void ab initio on a theory that the individuals who voted to create it had improper purposes.

Raising and spending money generated from property tax levy imposed by park district to aid city in paying off its loan that city took out to purchase park land was a legitimate park purpose, and thus district did not exceed its statutory authority by adopting levy, although district did not own title to real property contained in the park in fee simple. District acquired a conservation easement that ran with the park property in perpetuity under which district exerted substantial control over the way the forest will be used and managed in years to come, and enabling city to pay off the loan was a means of preserving the entire property as a park, including acreage that most likely would not have been otherwise protected from development.

Park district, which was created to aid city in repaying loan that was used to purchase park land by imposing a property tax, was statutorily and organizationally distinct from city, and thus district was authorized to impose tax within its boundaries without violating state constitution's requirement for uniformity in taxation; district was permitted to include territory located in city, district had specific statutory authority to levy property taxes, district was vested with sufficient express and implied powers to carry out all essential functions without reliance upon city, and fact that district obtained a conservation easement from city in exchange for aid in paying loan indicated that it was not a shell for city.

Property tax levy that was imposed by park district to aid city in repaying loan that was used to purchase park land did not violate state constitution’s provision regarding the object of levied taxes. The levy was in pursuance of law as district had statutory authority to levy a property tax within its boundaries, object or purposes of a park district levy were set forth in statute governing creation of park districts, and park district commissioners adopted a budget on the same day they passed the levy resolution that indicated that the primary expense they anticipated was repayment of city’s loan.

Copyright © 2026 Bond Case Briefs | bondcasebriefs.com