

2 **ESSB 6505** - H COMM AMD

3 By Committee on Government Operations

4

5 Strike everything after the enacting clause and insert the
6 following:

7 "NEW SECTION. **Sec. 1.** A new section is added to chapter 35.23 RCW
8 to read as follows:

9 No person shall be eligible to or hold an elective office in a city
10 unless the person is a resident and registered voter therein.

11 **Sec. 2.** RCW 35.02.130 and 1994 c 154 s 308 are each amended to
12 read as follows:

13 The city or town officially shall become incorporated at a date
14 from one hundred eighty days to three hundred sixty days after the date
15 of the election on the question of incorporation. An interim period
16 shall exist between the time the newly elected officials have been
17 elected and qualified and this official date of incorporation. During
18 this interim period, the newly elected officials are authorized to
19 adopt ordinances and resolutions which shall become effective on or
20 after the official date of incorporation, and to enter into contracts
21 and agreements to facilitate the transition to becoming a city or town
22 and to ensure a continuation of governmental services after the
23 official date of incorporation. Periods of time that would be required
24 to elapse between the enactment and effective date of such ordinances,
25 including but not limited to times for publication or for filing
26 referendums, shall commence upon the date of such enactment as though
27 the city or town were officially incorporated.

28 During this interim period, the city or town governing body may
29 adopt rules establishing policies and procedures under the state
30 environmental policy act, chapter 43.21C RCW, and may use these rules
31 and procedures in making determinations under the state environmental
32 policy act, chapter 43.21C RCW.

33 During this interim period, the newly formed city or town and its
34 governing body shall be subject to the following as though the city or
35 town were officially incorporated: RCW 4.24.470 relating to immunity;

1 chapter 42.17 RCW relating to open government; chapter 40.14 RCW
2 relating to the preservation and disposition of public records;
3 chapters 42.20 and 42.23 RCW relating to ethics and conflicts of
4 interest; chapters 42.30 and 42.32 RCW relating to open public meetings
5 and minutes; RCW 35.22.288, (~~(35.23.310, 35.24.220)~~) 35.23.221,
6 35.27.300, 35A.12.160, as appropriate, and chapter 35A.65 RCW relating
7 to the publication of notices and ordinances; RCW 35.21.875 and
8 35A.21.230 relating to the designation of an official newspaper; RCW
9 36.16.138 relating to liability insurance; RCW 35.22.620, 35.23.352,
10 and 35A.40.210, as appropriate, and statutes referenced therein
11 relating to public contracts and bidding; and chapter 39.34 RCW
12 relating to interlocal cooperation. Tax anticipation or revenue
13 anticipation notes or warrants and other short-term obligations may be
14 issued and funds may be borrowed on the security of these instruments
15 during this interim period, as provided in chapter 39.50 RCW. Funds
16 also may be borrowed from federal, state, and other governmental
17 agencies in the same manner as if the city or town were officially
18 incorporated.

19 RCW 84.52.020 and 84.52.070 shall apply to the extent that they may
20 be applicable, and the governing body of such city or town may take
21 appropriate action by ordinance during the interim period to adopt the
22 property tax levy for its first full calendar year following the
23 interim period.

24 The governing body of the new city or town may acquire needed
25 facilities, supplies, equipment, insurance, and staff during this
26 interim period as if the city or town were in existence. An interim
27 city manager or administrator, who shall have such administrative
28 powers and duties as are delegated by the governing body, may be
29 appointed to serve only until the official date of incorporation.
30 After the official date of incorporation the governing body of such a
31 new city organized under the council manager form of government may
32 extend the appointment of such an interim manager or administrator with
33 such limited powers as the governing body determines, for up to ninety
34 days. This governing body may submit ballot propositions to the voters
35 of the city or town to authorize taxes to be collected on or after the
36 official date of incorporation, or authorize an annexation of the city
37 or town by a fire protection district or library district to be
38 effective immediately upon the effective date of the incorporation as
39 a city or town.

1 The boundaries of a newly incorporated city or town shall be deemed
2 to be established for purposes of RCW 84.09.030 on the date that the
3 results of the initial election on the question of incorporation are
4 certified or the first day of January following the date of this
5 election if the newly incorporated city or town does not impose
6 property taxes in the same year that the voters approve the
7 incorporation.

8 The newly elected officials shall take office immediately upon
9 their election and qualification with limited powers during this
10 interim period as provided in this section. They shall acquire their
11 full powers as of the official date of incorporation and shall continue
12 in office until their successors are elected and qualified at the next
13 general municipal election after the official date of incorporation:
14 PROVIDED, That if the date of the next general municipal election is
15 less than twelve months after the date of the first election of
16 councilmembers, those initially elected councilmembers shall serve
17 until their successors are elected and qualified at the next following
18 general municipal election as provided in RCW 29.04.170. For purposes
19 of this section, the general municipal election shall be the date on
20 which city and town general elections are held throughout the state of
21 Washington, pursuant to RCW 29.13.020.

22 In any newly incorporated city that has adopted the council-manager
23 form of government, the term of office of the mayor, during the interim
24 period only, shall be set by the council, and thereafter shall be as
25 provided by law.

26 The official date of incorporation shall be on a date from one
27 hundred eighty to three hundred sixty days after the date of the
28 election on the question of incorporation, as specified in a resolution
29 adopted by the governing body during this interim period. A copy of
30 the resolution shall be filed with the county legislative authority of
31 the county in which all or the major portion of the newly incorporated
32 city or town is located. If the governing body fails to adopt such a
33 resolution, the official date of incorporation shall be three hundred
34 sixty days after the date of the election on the question of
35 incorporation. The county legislative authority of the county in which
36 all or the major portion of the newly incorporated city or town is
37 located shall file a notice with the county assessor that the city or
38 town has been authorized to be incorporated immediately after the
39 favorable results of the election on the question of incorporation have

1 been certified. The county legislative authority shall file a notice
2 with the secretary of state that the city or town is incorporated as of
3 the official date of incorporation.

4 **Sec. 3.** RCW 35.02.180 and 1986 c 234 s 17 are each amended to read
5 as follows:

6 The ownership of all county roads located within the boundaries of
7 a newly incorporated city or town shall revert to the city or town and
8 become streets as of the official date of incorporation. However, any
9 special assessments attributable to these county roads shall continue
10 to exist and be collected as if the incorporation had not occurred.
11 Property within the newly incorporated city or town shall continue to
12 be subject to any indebtedness attributable to these roads and any
13 related property tax levies.

14 The territory included within the newly incorporated city or town
15 shall be removed from the road district as of the official date of
16 incorporation. The territory included within the newly incorporated
17 city or town shall be removed from a fire protection district or
18 districts or library district or districts in which it was located, as
19 of the official date of incorporation, unless the fire protection
20 district or districts have annexed the city or town during the interim
21 period as provided in RCW (~~52.04.160 through 52.04.200~~) 52.04.061
22 through 52.04.101, or the library district or districts have annexed
23 the city or town during the interim period as provided in RCW
24 (~~27.12.260 through 27.12.290~~) 27.12.360 through 27.12.395.

25 The governing body of a city or town incorporated after August 1,
26 1995, may adopt a resolution submitting to the voters of a park and
27 recreation district governed under the provisions of chapter 36.69 RCW
28 and located wholly within the boundaries of a city or town, the
29 question of whether the ownership of all assets and liabilities of the
30 park and recreation district should revert to the city or town. The
31 city or town shall cause the ballot proposition to be submitted to the
32 voters at a state general election. If a majority of the votes cast in
33 the election are in favor of the reversion, the assets and liabilities
34 of the park and recreation district shall revert to the city or town
35 and become assets and liabilities of the city or town on the date the
36 election results are certified.

37 Any special assessment attributable to the park and recreation
38 district shall continue to exist and be collected as if the

1 incorporation had not occurred. Property that was within the
2 boundaries of the park and recreation district shall continue to be
3 subject to any indebtedness attributable to the park and recreation
4 district and any related property tax levies. Any funds received by
5 the city or town which have been collected for the purposes of paying
6 any bonded or other indebtedness of the district shall be used for the
7 purpose for which they were collected and for no other purpose. All
8 funds of the district on deposit with the county treasurer shall be
9 used by the city or town solely for the purpose for which they were
10 collected and for no other purpose.

11 **Sec. 4.** RCW 35.07.040 and 1965 c 7 s 35.07.040 are each amended to
12 read as follows:

13 ~~((If the applicable census shows a population of less than four~~
14 ~~thousand)) Upon receipt of a valid petition for disincorporation, the
15 council shall cause an election to be called upon the proposition of
16 disincorporation. If the city or town has any indebtedness or
17 outstanding liabilities, it shall order the election of a receiver at
18 the same time.~~

19 NEW SECTION. **Sec. 5.** A new section is added to chapter 35.13A RCW
20 to read as follows:

21 Whenever the board of commissioners of a water district or sewer
22 district has determined by resolution that it is in the best interests
23 of the district for a city to assume jurisdiction of the district,
24 whether or not any of the territory or assessed valuation of the
25 district is included within the corporate boundaries of the city, and
26 the city legislative body has determined to assume jurisdiction of the
27 district, the district and the city shall enter into a contract
28 pursuant to RCW 35.13A.070, acceptable to both the district and the
29 city, to carry out such assumption. The contract shall provide for the
30 transfer to the city of all real and personal property, franchises,
31 rights, assets, taxes levied but not collected for the district for
32 other than indebtedness, water and sewer lines, and all other
33 facilities and equipment of the district, which transfers shall be
34 subject to all financial, statutory, or contractual obligations of the
35 district for the security or performance of which such property may
36 have been pledged. Such city in addition to its other powers, shall
37 have the power to manage, control, maintain, and operate such property,

1 facilities, and equipment and to fix and collect service and other
2 charges from owners and occupants of properties so served by the city,
3 subject, however, to any outstanding indebtedness, bonded or otherwise,
4 of the district payable from taxes, assessments, or revenues of any
5 kind or nature and to any other contractual obligations of the district
6 including but not limited to the provisions of the contract entered
7 into by such city and the district pursuant to RCW 35.13A.070.

8 Pursuant to such contract, the city may assume the obligation of
9 paying such district indebtedness and of levying and of collecting or
10 causing to be collected such district taxes, assessments, and utility
11 rates and charges of any kind or nature to pay and secure the payment
12 of such indebtedness, according to all of the terms, conditions, and
13 covenants incident to such indebtedness, and shall assume and perform
14 all other outstanding contractual obligations of the district in
15 accordance with all of its terms, conditions, and covenants. No such
16 assumption shall be deemed to impair the obligation of any indebtedness
17 or other contractual obligation entered into after the effective date
18 of this act. During the period until the outstanding indebtedness of
19 the district has been discharged, the territory of the district and the
20 owners and occupants of property therein, shall continue to be liable
21 for its and their proportionate share of such indebtedness, including
22 any outstanding assessments levied within any local improvement
23 district or utility local improvement district thereof. The city shall
24 assume the obligation of causing the payment of such indebtedness,
25 collecting such taxes, assessments, and charges, and observing and
26 performing the other district contractual obligations. The legislative
27 body of the city shall act as the officers of the district for the
28 purpose of certifying the amount of any property tax to be levied and
29 collected therein, and causing service and other charges and
30 assessments to be collected from such property or owners or occupants
31 thereof, enforcing such collection, and performing all other acts
32 necessary to ensure performance of the district's contractual
33 obligations.

34 When a city assumes the obligation of paying the outstanding
35 indebtedness, and if property taxes or assessments have been levied and
36 service and other charges have accrued for such purpose but have not
37 been collected by the district prior to such assumption, the property
38 taxes or assessments when collected shall belong and be paid to the
39 city and be used by such city so far as necessary for payment of the

1 indebtedness of the district existing and unpaid on the date such city
2 elects to assume the indebtedness. Any funds received by the city that
3 have been collected for the purpose of paying any bonded or other
4 indebtedness of the district, shall be used for the purpose for which
5 they were collected and for no other purpose. Any outstanding
6 indebtedness shall be paid as provided in the bond covenants. All
7 funds of the district on deposit with the county treasurer at the time
8 of title transfer shall be used by the city solely for the benefit of
9 the utility and shall not be transferred to or used for the benefit of
10 the city's general fund.

11 **Sec. 6.** RCW 35.13A.070 and 1971 ex.s. c 95 s 7 are each amended to
12 read as follows:

13 Notwithstanding any provision of this chapter to the contrary, one
14 or more cities and one or more water districts or sewer districts may,
15 through their legislative authorities, authorize a contract with
16 respect to the rights, powers, duties, and obligation of such cities,
17 or districts with regard to the use and ownership of property, the
18 providing of services, the maintenance and operation of facilities,
19 allocation of cost, financing, and construction of new facilities,
20 application and use of assets, disposition of liabilities and debts,
21 the performance of contractual obligations, and any other matters
22 arising out of the inclusion, in whole or in part, of the district or
23 districts within any city or cities or the assumption by a city of
24 jurisdiction of a district pursuant to section 5 of this act. The
25 contract may provide for the furnishing of services by any party
26 thereto and the use of city or district facilities or real estate for
27 such purpose, and may also provide for the time during which such
28 district or districts may continue to exercise any rights, privileges,
29 powers, and functions provided by law for such district or districts as
30 if the district or districts or portions thereof were not included
31 within a city or subject to an assumption of jurisdiction pursuant to
32 section 5 of this act, including but not by way of limitation, the
33 right to promulgate rules and regulations, to levy and collect special
34 assessments, rates, charges, service charges, and connection fees,
35 ((and)) to adopt and carry out the provisions of a comprehensive plan,
36 and amendments thereto, for a system of improvements, and to issue
37 general obligation bonds or revenue bonds in the manner provided by
38 law. The contract may provide for the transfer to a city of district

1 facilities, property, rights, and powers as provided in RCW 35.13A.030
2 (~~and~~), 35.13A.050, and section 5 of this act, whether or not sixty
3 percent or any of the area or assessed valuation of real estate lying
4 within the district or districts is included within such city. The
5 contract may provide that any party thereto may authorize, issue, and
6 sell revenue bonds to provide funds for new water or sewer improvements
7 or to refund any water revenue, sewer revenue, or combined water and
8 sewer revenue bonds outstanding of any city(~~(7)~~) or district (~~(which)~~)
9 that is a party to such contract if such refunding is deemed necessary,
10 providing such refunding will not increase interest costs. The
11 contract may provide that any party thereto may authorize and issue, in
12 the manner provided by law, general obligation or revenue bonds of like
13 amounts, terms, conditions, and covenants as the outstanding bonds of
14 any other party to the contract, and such new bonds may be substituted
15 or exchanged for such outstanding bonds: PROVIDED, That no such
16 exchange or substitution shall be effected in such a manner as to
17 impair the obligation or security of any such outstanding bonds.

18 **Sec. 7.** RCW 35.13A.080 and 1971 ex.s. c 95 s 8 are each amended to
19 read as follows:

20 In any of the cases provided for in RCW 35.13A.020, 35.13A.030,
21 (~~and~~) 35.13A.050, and section 5 of this act, and notwithstanding any
22 other method of dissolution provided by law, dissolution proceedings
23 may be initiated by either the city or the district, or both, when the
24 legislative body of the city and the governing body of the district
25 agree to, and petition for, dissolution of the district.

26 The petition for dissolution shall be signed by the chief
27 administrative officer of the city and the district, upon authorization
28 of the legislative body of the city and the governing body of the
29 district(~~(7)~~) respectively, and such petition shall be presented to the
30 superior court of the county in which the city is situated.

31 If the petition is thus authorized by both the city and district,
32 and title to the property, facilities, and equipment of the district
33 has passed to the city pursuant to action taken under this chapter, all
34 indebtedness and local improvement district or utility local
35 improvement district assessments of the district have been discharged
36 or assumed by and transferred to the city, and the petition contains a
37 statement of the distribution of assets and liabilities mutually agreed
38 upon by the city and the district and a copy of the agreement between

1 such city and the district is attached thereto, a hearing shall not be
2 required and the court shall, if the interests of all interested
3 parties have been protected, enter an order dissolving the district.

4 In any of the cases provided for in RCW 35.13A.020 (~~and~~),
5 35.13A.030, and section 5 of this act, if the petition for an order of
6 dissolution is signed on behalf of the city alone or the district
7 alone, or there is no mutual agreement on the distribution of assets
8 and liabilities, the superior court shall enter an order fixing a
9 hearing date not less than sixty days from the day the petition is
10 filed, and the clerk of the court of the county shall give notice of
11 such hearing by publication in a newspaper of general circulation in
12 the district once a week for three successive weeks and by posting in
13 three public places in the district at least twenty-one days before the
14 hearing. The notice shall set forth the filing of the petition, its
15 purposes, and the date and place of hearing thereon.

16 After the hearing the court shall enter its order with respect to
17 the dissolution of the district. If the court finds that such district
18 should be dissolved and the functions performed by the city, the court
19 shall provide for the transfer of assets and liabilities to the city.
20 The court may provide for the dissolution of the district upon such
21 conditions as the court may deem appropriate. A certified copy of the
22 court order dissolving the district shall be filed with the county
23 auditor. If the court does not dissolve the district, it shall state
24 the reasons for declining to do so.

25 **Sec. 8.** RCW 35.27.070 and 1993 c 47 s 2 are each amended to read
26 as follows:

27 The government of a town shall be vested in a mayor and a council
28 consisting of five members and a treasurer, all elective; the mayor
29 shall appoint a clerk and a marshal; and may appoint a town attorney,
30 pound master, street superintendent, a civil engineer, and such police
31 and other subordinate officers and employees as may be provided for by
32 ordinance. All appointive officers and employees shall hold office at
33 the pleasure of the mayor, subject to any applicable law, rule, or
34 regulation relating to civil service, and shall not be subject to
35 confirmation by the town council.

36 **Sec. 9.** RCW 41.04.190 and 1992 c 146 s 13 are each amended to read
37 as follows:

1 The cost of a policy or plan to a public agency or body is not
2 additional compensation to the employees or elected officials covered
3 thereby. The elected officials to whom this section applies include
4 but are not limited to commissioners elected under chapters 28A.315,
5 52.14, 53.12, 54.12, 56.12, 57.12, 70.44, and 87.03 RCW, as well as any
6 county elected officials who are provided insurance coverage under RCW
7 41.04.180 and those city officials elected under chapters 35.22, 35.23,
8 35.27, 35A.12, and 35A.13 RCW. Any officer authorized to disburse such
9 funds may pay in whole or in part to an insurance carrier or health
10 care service contractor the amount of the premiums due under the
11 contract.

12 NEW SECTION. **Sec. 10.** The following acts or parts of acts are
13 each repealed:

- 14 (1) RCW 35.07.030 and 1965 c 7 s 35.07.030;
15 (2) RCW 35.17.160 and 1965 c 7 s 35.17.160;
16 (3) RCW 35.23.390 and 1965 c 7 s 35.23.390; and
17 (4) RCW 35.23.400 and 1965 c 7 s 35.23.400."

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