

2 **SSB 6119 - CC - H COMM AMD ADOPTED AS AMENDED 3/4/98**  
3 By Committee on Government Administration

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

7 **"Sec. 1.** RCW 35.13A.010 and 1971 ex.s. c 95 s 1 are each amended  
8 to read as follows:

9 Whenever used in this chapter, the following words shall have the  
10 following meanings:

11 (1) The words "district," "water district," and "sewer district"  
12 shall mean a ~~((water district or sewer district as indicated by the~~  
13 ~~context of the section in which used))~~ "water-sewer district" as that  
14 term is used in Title 57 RCW.

15 (2) The word "city" shall mean a city or town of any class and  
16 shall also include any code city as defined in chapter 35A.01 RCW.

17 ~~((The words "included with" shall mean the inclusion of all or~~  
18 ~~part of the territory of a district, as indicated by the context,~~  
19 ~~within the corporate limits of a city either by incorporation of a~~  
20 ~~city, annexation to a city, consolidation of cities or any combination~~  
21 ~~thereof.~~

22 ~~(4))~~ The word "indebtedness" shall include general obligation,  
23 revenue, and special indebtedness and temporary, emergency, and interim  
24 loans.

25 **Sec. 2.** RCW 35.13A.020 and 1971 ex.s. c 95 s 2 are each amended to  
26 read as follows:

27 (1) Whenever all of the territory of a water ~~((district or))~~ sewer  
28 district is included within the corporate boundaries of a city, ~~((and))~~  
29 the city legislative body ~~((has elected by))~~ may adopt a resolution or  
30 ordinance to assume jurisdiction ~~((thereof))~~ over all of the district.

31 (2) Upon the assumption, all real and personal property,  
32 franchises, rights, assets, taxes levied but not collected for the  
33 district for other than indebtedness, water ~~((and))~~ sewer ~~((lines)),~~  
34 and drainage facilities, and all other facilities and equipment of the  
35 district shall become the property of ~~((such))~~ the city subject to all

1 financial, statutory, or contractual obligations of the district for  
2 the security or performance of which ((such)) the property may have  
3 been pledged. ((Such)) The city, in addition to its other powers,  
4 shall have the power to manage, control, maintain, and operate ((such))  
5 the property, facilities and equipment and to fix and collect service  
6 and other charges from owners and occupants of properties so served by  
7 the city, subject, however, to any outstanding indebtedness, bonded or  
8 otherwise, of the district payable from taxes, assessments, or revenues  
9 of any kind or nature and to any other contractual obligations of the  
10 district.

11 ((Such)) (3) The city may by resolution or ordinance of its  
12 legislative body, assume the obligation of paying such district  
13 indebtedness and of levying and of collecting or causing to be  
14 collected ((such)) the district taxes, assessments, and utility rates  
15 and charges of any kind or nature to pay and secure the payment of  
16 ((such)) the indebtedness, according to all of the terms, conditions  
17 and covenants incident to ((such)) the indebtedness, and shall assume  
18 and perform all other outstanding contractual obligation of the  
19 district in accordance with all of ((its)) their terms, conditions, and  
20 covenants. ((No such)) An assumption shall not be deemed to impair the  
21 obligation of any indebtedness or other contractual obligation  
22 ((entered into after August 9, 1971)). During the period until the  
23 outstanding indebtedness of the district has been discharged, the  
24 territory of the district and the owners and occupants of property  
25 therein, shall continue to be liable for its and their proportionate  
26 share of ((such)) the indebtedness, including any outstanding  
27 assessments levied within any local improvement district or utility  
28 local improvement district thereof. The city shall assume the  
29 obligation of causing the payment of ((such)) the district's  
30 indebtedness, collecting ((such)) the district's taxes, assessments,  
31 and charges, and observing and performing the other district  
32 contractual obligations. The legislative body of the city shall act as  
33 the officers of the district for the purpose of certifying the amount  
34 of any property tax to be levied and collected therein, and causing  
35 service and other charges and assessments to be collected from ((such))  
36 the property or owners or occupants thereof, enforcing ((such)) the  
37 collection and performing all other acts necessary to ((insure)) ensure  
38 performance of the district's contractual obligations in the same

1 manner and by the same means as if the territory of the district had  
2 not been included within the boundaries of a city.

3 When a city assumes the obligation of paying the outstanding  
4 indebtedness, and if property taxes or assessments have been levied and  
5 service and other charges have accrued for ~~((such))~~ this purpose but  
6 have not been collected by the district prior to ~~((such election))~~ the  
7 assumption, the same when collected shall belong and be paid to the  
8 city and be used by ~~((such))~~ the city so far as necessary for payment  
9 of the indebtedness of the district existing and unpaid on the date  
10 ~~((such))~~ the city ~~((elects to))~~ assumes the indebtedness. Any funds  
11 received by the city which have been collected for the purpose of  
12 paying any bonded or other indebtedness of the district, shall be used  
13 for the purpose for which they were collected and for no other purpose.  
14 Any outstanding indebtedness shall be paid as provided in the ~~((bond))~~  
15 terms, conditions, and covenants of the indebtedness. All funds of the  
16 district on deposit with the county treasurer at the time of title  
17 transfer shall be used by the city solely for the benefit of the  
18 assumed utility and shall not be transferred to or used for the benefit  
19 of the city's general fund.

20 NEW SECTION. **Sec. 3.** During the period commencing with the  
21 effective date of this act and running through July 1, 1999, a city may  
22 not assume jurisdiction of all or a portion of a water-sewer district  
23 under RCW 35.13A.030 or 35.13A.040, unless voters of the entire water-  
24 sewer district approve a ballot proposition authorizing the assumption  
25 under general election law with the city paying for the election costs,  
26 and during the same period a water-sewer district may not:

27 (1) Merge or consolidate with another water-sewer district unless  
28 each city that is partially included within any of the districts  
29 proposing to merge or consolidate indicates that it has no interest in  
30 assuming jurisdiction of the district; or

31 (2) Take any action that would establish different contractual  
32 obligations, requirements for retiring indebtedness, authority to issue  
33 debt in parity with the district's existing outstanding indebtedness,  
34 rates of compensation, or terms of employment contracts, if a city  
35 assumes jurisdiction of all or a portion of the district. Nothing in  
36 this subsection shall be construed to prevent a district from issuing  
37 obligations on a parity with its outstanding obligations, to repeat  
38 terms and conditions of obligations provided with respect to earlier

1 parity obligations, or to provide covenants that are customary for  
2 obligations of similar utilities whether those utilities are operated  
3 by cities or special purpose districts.

4 NEW SECTION. **Sec. 4.** This act is necessary for the immediate  
5 preservation of the public peace, health, or safety, or support of the  
6 state government and its existing public institutions, and takes effect  
7 immediately."

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11 On page 1, line 2 of the title, after "district;" strike the  
12 remainder of the title and insert "amending RCW 35.13A.010 and  
13 35.13A.020; creating a new section; and declaring an emergency."

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