

# HOUSE BILL REPORT

## SB 5650

---

---

**As Reported By House Committee On:**  
Government Administration

**Title:** An act relating to local government.

**Brief Description:** Allowing cities to assume jurisdiction over water or sewer districts.

**Sponsors:** Senator McDonald.

**Brief History:**

**Committee Activity:**

Government Administration: 3/26/97 [DPA].

---

### HOUSE COMMITTEE ON GOVERNMENT ADMINISTRATION

**Majority Report:** Do pass as amended. Signed by 13 members: Representatives D. Schmidt, Chairman; D. Sommers, Vice Chairman; Scott, Ranking Minority Member; Gardner, Assistant Ranking Minority Member; Doumit; Dunn; Dunshee; Murray; Reams; Smith; L. Thomas; Wensman and Wolfe.

**Staff:** Steve Lundin (786-7127).

**Background:** A water-sewer district that includes territory located in a city may enter into a contract with the city relating to the provision of water or sewer service. The contract may allow the district to provide such service in the city over a period of time or for district facilities to be transferred to the city.

Separate provisions allow a city or town that includes all or part of a water-sewer district within its boundaries to assume control over all or part of the district's utility operations, without an agreement on the assumption. If all of a water-sewer district is included in a city, the city may assume control over all of the district's operations. If 60 percent of either the area or assessed valuation of a water-sewer district is included in the city, the city may assume control over all of the district's utility operations or may assume control over the portion of the district's utility operations within the city. If less than 60 percent of either the area or assessed valuation of a water-sewer district is included in a city, the city may assume control over the utility operations of the district within the city. In any instance where a city only assumes the utility operations of a water-sewer district within the city's boundaries, voters of the water-sewer district may require the city to provide utility service throughout the entire district.

In cases where a city has assumed control over all or a portion of a water-sewer district's utility operations, proceedings to dissolve the water-sewer district may be commenced. A dissolution petition is presented to the superior court of the county in which the city is located. The superior court must enter an order dissolving the district, without holding a hearing on the matter, if the interests of all interested parties are protected, title to all of the district's property and facilities has passed to the city, and the petition includes an agreement on the distribution of assets and liabilities. The superior court holds a hearing on the matter if the dissolution petition is signed by only the city or by only the water-sewer district, or there is no mutual agreement on the distribution of assets and liabilities. After holding the hearing, the court enters its order with respect to the dissolution. If the court finds that the district should be dissolved, it provides for the transfer of assets and liabilities to the city and provides such conditions as it deems appropriate. If the court finds that the district should not be dissolved, it states reasons for so deciding.

**Summary of Amended Bill:** A city and water-sewer district may enter into an agreement for the city to assume jurisdiction over the entire water-sewer district, both inside and outside of the city. The city assumes the obligation of paying indebtedness, collecting taxes, assessments, and charges, and performing all other contractual obligations.

A water-sewer district that has been assumed by a city under these provisions may be dissolved following existing dissolution procedures.

**Amended Bill Compared to Original Bill:** The terms water districts– and sewer districts– are changed to water-sewer districts.– Language is deleted that implies water-sewer districts impose taxes rather than request counties to impose their excess property tax levies.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date of Amended Bill:** Ninety days after adjournment of session in which bill is passed.

**Testimony For:** I support laws to make it easier for cities to annex areas and provide utility service to areas outside their boundaries.

**Testimony Against:** None.

**Testified:** George Tyler, citizen.