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HOUSE BILL 1643

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State of Washington

55th Legislature

1997 Regular Session

By Representatives D. Schmidt, Scott, D. Sommers, Wolfe and Reams

Read first time 02/04/97. Referred to Committee on Government Administration.

1 AN ACT Relating to voter approval of city assumption of a water or  
2 sewer district; amending RCW 35.13A.020, 35.13A.030, and 35.13A.040;  
3 and adding a new section to chapter 35.13A RCW.

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

5 **Sec. 1.** RCW 35.13A.020 and 1971 ex.s. c 95 s 2 are each amended to  
6 read as follows:

7 Whenever all of the territory of a water district or sewer district  
8 is included within the corporate boundaries of a city, (~~and~~) the city  
9 legislative body has elected by resolution or ordinance to assume  
10 jurisdiction thereof, and the commissioners have approved the  
11 acquisition in compliance with section 4 of this act, all real and  
12 personal property, franchises, rights, assets, taxes levied but not  
13 collected for the district for other than indebtedness, water and sewer  
14 lines, and all other facilities and equipment of the district shall  
15 become the property of such city subject to all financial, statutory,  
16 or contractual obligations of the district for the security or  
17 performance of which such property may have been pledged. Such city,  
18 in addition to its other powers, shall have the power to manage,  
19 control, maintain and operate such property, facilities and equipment

1 and to fix and collect service and other charges from owners and  
2 occupants of properties so served by the city, subject, however, to any  
3 outstanding indebtedness, bonded or otherwise, of the district payable  
4 from taxes, assessments or revenues of any kind or nature and to any  
5 other contractual obligations of the district.

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

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 election, the same when  
38 collected shall belong and be paid to the city and be used by such city  
39 so far as necessary for payment of the indebtedness of the district

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

10 **Sec. 2.** RCW 35.13A.030 and 1971 ex.s. c 95 s 3 are each amended to  
11 read as follows:

12 Whenever a portion of a water district or sewer district equal to  
13 at least sixty percent of the area or sixty percent of the assessed  
14 valuation of the real property lying within such district, is included  
15 within the corporate boundaries of a city, the city may assume by  
16 ordinance the full and complete management and control of that portion  
17 of the entire district not included within another city, whereupon the  
18 provisions of RCW 35.13A.020 shall be operative; or the city may  
19 proceed directly under the provisions of RCW 35.13A.050. The city's  
20 assumption of management and control shall not occur unless the  
21 district commissioners shall so approve by resolution in compliance  
22 with section 4 of this act.

23 **Sec. 3.** RCW 35.13A.040 and 1971 ex.s. c 95 s 4 are each amended to  
24 read as follows:

25 Whenever the portion of a water or sewer district included within  
26 the corporate boundaries of a city is less than sixty percent of the  
27 area of the district and less than sixty percent of the assessed  
28 valuation of the real property within the district, the city may elect  
29 to proceed under the provisions of RCW 35.13A.050. The city's  
30 assumption of jurisdiction shall not occur unless the district  
31 commissioners shall so approve by resolution in compliance with section  
32 4 of this act.

33 NEW SECTION. **Sec. 4.** A new section is added to chapter 35.13A RCW  
34 to read as follows:

35 No city may assume management, control, or jurisdiction of a water  
36 district's responsibilities, property, facilities, or equipment until

1 the district commissioners determine by resolution that such assumption  
2 is in the public interest and conducive to the public health, welfare,  
3 and convenience and such resolution is ratified by the voters of the  
4 district. Any resolution under this section shall include the city's  
5 management plan that includes, but is not limited to, a provision  
6 guaranteeing that customers of the city water system who do not live  
7 within the city limits are treated equally with those who live within  
8 the city limits. If the district commissioners approve such a  
9 resolution, the commissioners shall submit the resolution to the voters  
10 of the water district at any general election or a special election to  
11 be called for such purpose. If a majority of the voters voting at such  
12 an election are in favor of the resolution, the commissioners shall so  
13 notify the city, and the city may proceed under RCW 35.13A.050.

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