
SUBSTITUTE SENATE BILL 6119 - CC

State of Washington 55th Legislature 1998 Regular Session

By Senate Committee on Government Operations (originally sponsored by Senators Schow, Haugen, Patterson, McCaslin and Roach)

Read first time 02/06/98.

1 AN ACT Relating to voter approval of a city assumption of a water-
2 sewer district; amending RCW 35.13A.010 and 35.13A.020; adding new
3 sections to chapter 35.13A RCW; and repealing RCW 35.13A.030,
4 35.13A.040, 35.13A.050, and 35.13A.060.

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

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

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

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

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

16 (3) (~~The words "included with" shall mean the inclusion of all or~~
17 ~~part of the territory of a district, as indicated by the context,~~
18 ~~within the corporate limits of a city either by incorporation of a~~

1 city, annexation to a city, consolidation of cities or any combination
2 thereof.

3 (4)) The word "indebtedness" shall include general obligation,
4 revenue, and special indebtedness and temporary, emergency, and interim
5 loans.

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

8 Whenever all or part of the territory of a (~~water district or~~
9 ~~sewer~~) district is included within the corporate boundaries of a city,
10 (~~and~~) the city (~~legislative body has elected by resolution or~~
11 ~~ordinance to~~) may assume jurisdiction of all or part thereof under
12 section 4 of this act. Upon the assumption, all real and personal
13 property, franchises, rights, assets, taxes levied but not collected
14 for the district for other than indebtedness, water (~~and~~), sewer
15 (~~lines~~), and drainage facilities, and all other facilities and
16 equipment of the district shall become the property of such city
17 subject to all financial, statutory, or contractual obligations of the
18 district for the security or performance of which such property may
19 have been pledged. Such city, in addition to its other powers, shall
20 have the power to manage, control, maintain, and operate such property,
21 facilities, and equipment and, subject to section 3 of this act, to fix
22 and collect service and other charges from owners and occupants of
23 properties so served by the city, subject, however, to any outstanding
24 indebtedness, bonded or otherwise, of the district payable from taxes,
25 assessments, or revenues of any kind or nature and to any other
26 contractual obligations of the district.

27 (~~Such city may by resolution of its legislative body~~) In addition
28 to assumption of jurisdiction of the district, the city may, under
29 section 4 of this act, assume the obligation of paying such district
30 indebtedness and, subject to section 3 of this act, of levying and of
31 collecting or causing to be collected such district taxes, assessments,
32 and utility rates and charges of any kind or nature to pay and secure
33 the payment of such indebtedness, according to all of the terms,
34 conditions, and covenants incident to such indebtedness, and shall
35 assume and perform all other outstanding contractual obligations of the
36 district in accordance with all of (~~its~~) their terms, conditions, and
37 covenants. No such assumption shall be deemed to impair the obligation
38 of any indebtedness or other contractual obligation entered into after

1 August 9, 1971. During the period until the outstanding indebtedness
2 of the district has been discharged, the territory of the district and
3 the owners and occupants of property therein, shall continue to be
4 liable for its and their proportionate share of such indebtedness,
5 including any outstanding assessments levied within any local
6 improvement district or utility local improvement district thereof.
7 The city shall assume the obligation of causing the payment of such
8 indebtedness, collecting such taxes, assessments, and charges and
9 observing and performing the other district contractual obligations.
10 The legislative body of the city shall act as the officers of the
11 district for the purpose of certifying the amount of any property tax
12 to be levied and collected therein, and causing service and other
13 charges and assessments to be collected from such property or owners or
14 occupants thereof, enforcing such collection and performing all other
15 acts necessary to ~~((insure))~~ ensure performance of the district's
16 contractual obligations in the same manner and by the same means as if
17 the territory of the district had not been included within the
18 boundaries of a city.

19 When a city assumes the obligation of paying the outstanding
20 indebtedness, and if property taxes or assessments have been levied and
21 service and other charges have accrued for such purpose but have not
22 been collected by the district prior to ~~((such—election))~~ the
23 assumption, the same when collected shall belong and be paid to the
24 city and be used by such city so far as necessary for payment of the
25 indebtedness of the district existing and unpaid on the date such city
26 ~~((elects to))~~ assumes the indebtedness. Any funds received by the city
27 which have been collected for the purpose of paying any bonded or other
28 indebtedness of the district, shall be used for the purpose for which
29 they were collected and for no other purpose. Any outstanding
30 indebtedness shall be paid as provided in the ~~((bond))~~ terms,
31 conditions, and covenants of the indebtedness. All funds of the
32 district on deposit with the county treasurer at the time of title
33 transfer shall be used by the city solely for the benefit of the
34 assumed utility and shall not be transferred to or used for the benefit
35 of the city's general fund.

36 NEW SECTION. Sec. 3. A new section is added to chapter 35.13A RCW
37 to read as follows:

1 The total of all rates and taxes fixed, levied, or collected under
2 RCW 35.13A.020 shall be uniform for the same class of customers. All
3 residential customers shall be considered to be of the same class
4 whether they reside within or outside of the city limits.

5 For purposes of this section, "residential customer" means a person
6 or entity that receives service from the municipal water supply system
7 for use at the location where such service is received, and not for the
8 principal purpose of resale to another customer or customers.

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

11 When the legislative body of a city desires to assume all or part
12 of a district under RCW 35.13A.020, it shall adopt a resolution
13 declaring its intent to assume jurisdiction of all or part of the
14 district and, at its option, to further assume the obligation of paying
15 all or part of the district indebtedness, levying and collecting taxes,
16 assessments, and charges, and performing contractual obligations as
17 specified in RCW 35.13A.020. Within seven days after adoption of the
18 resolution, the city shall send by certified mail, copy received, a
19 certified copy of the resolution to the district and the county
20 legislative body. Within ninety days after adoption of the resolution,
21 the city shall issue a written report regarding the feasibility of the
22 proposed assumption and its present and future impacts on the city and
23 the district. Within thirty days after receiving the city's report,
24 the district shall by resolution declare whether or not it will issue
25 a written report concerning the same topics. Within seven days after
26 adoption of the resolution, the district shall send by certified mail,
27 copy received, a certified copy of the resolution to the city council.
28 The district shall issue its report within ninety days after adoption
29 of its resolution. After receiving the district's report, or after
30 receiving a district resolution declaring that no report will be
31 issued, whichever is applicable, the legislative body of the city shall
32 adopt a second resolution calling for the submission to the voters of
33 the entire district the question whether the territory of all or part
34 of the district shall be assumed by the city, and, if applicable,
35 whether the city shall assume the obligation of paying all or part of
36 the district indebtedness, levying and collecting taxes, assessments,
37 and charges, and performing contractual obligations as specified in RCW
38 35.13A.020. If both questions are presented to the voters, they shall

1 be presented as a single proposition. In all cases, the proposition
2 shall be submitted to the voters of the entire district at a general
3 municipal or special election held more than one hundred eighty days
4 after adoption of the second resolution. The request for a special
5 election, the notices of the election, and the conduct of the election
6 shall be in accordance with general election laws. The proposition
7 must be approved by a majority of the voters to be effective. If
8 approved, the assumption shall be effective on December 31st of the
9 year in which the election is held. For purposes of review of the
10 assumption by a county legislative body or county board or agency, the
11 second resolution calling for the election shall be considered the
12 action of the city that initiates or causes the review. The cost of
13 the election shall be paid by the city.

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

16 Where a service agreement covering district territory under chapter
17 36.115 RCW is in effect, an assumption under RCW 35.13A.020 may not be
18 initiated unless the governing bodies of all local governments that are
19 parties to the service agreement approve the assumption.

20 NEW SECTION. **Sec. 6.** A new section is added to chapter 35.13A RCW
21 to read as follows:

22 In counties in which a boundary review board has been established
23 under chapter 36.93 RCW, chapter . . . , Laws of 1998 (this act) applies
24 to assumptions of jurisdiction under this chapter that have not been
25 approved by a boundary review board on the effective date of this act.

26 NEW SECTION. **Sec. 7.** The following acts or parts of acts are each
27 repealed:

- 28 (1) RCW 35.13A.030 and 1971 ex.s. c 95 s 3;
- 29 (2) RCW 35.13.040 and 1971 ex.s. c 95 s 4;
- 30 (3) RCW 35.13A.050 and 1971 ex.s. c 95 s 5; and
- 31 (4) RCW 35.13A.060 and 1971 ex.s. c 95 s 6.

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