

FINAL BILL REPORT

ESSB 5048

C 172 L 15

Synopsis as Enacted

Brief Description: Subjecting a resolution or ordinance adopted by the legislative body of a city or town to assume a water-sewer district to a referendum.

Sponsors: Senate Committee on Government Operations & Security (originally sponsored by Senators Chase, Roach, Hatfield and Miloscia).

Senate Committee on Government Operations & Security **House Committee on Local Government**

Background: Water-sewer districts provide water and sewer services to incorporated and unincorporated areas. Districts are established through a petition, public hearing, and voter approval process and are managed by a board of elected commissioners. District powers include the authority to purchase, construct, maintain, and supply waterworks to furnish water to inhabitants, and to develop and operate sewer and drainage systems.

Cities and towns may provide for the sewerage, drainage, and water supply of the city or town. They may also establish, construct, and maintain water supply systems and systems of sewers and drains both within and outside their corporate limits.

A city legislative authority may adopt a resolution or ordinance to assume jurisdiction of all or part of a district when:

- a district is wholly within the boundaries of the city or town;
- part of a district equal to at least 60 percent of the district area or 60 percent of the assessed valuation of real property in the district is within the boundaries of the city or town; or
- part of a district equal to less than 60 percent of the district area and less than 60 percent of the assessed valuation of real property in the district is within the boundaries of the city or town.

If a city or town assumes jurisdiction over an entire district, all property, franchises, rights, assets, district-specific taxes levied, and all other facilities and equipment of the district become the property of the city upon assumption. The city manages the district, including its facilities and equipment, and collects service charges from the properties served by the city. The city must honor or assume existing district debts.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

A city may assume jurisdiction by ordinance over a portion of a district located within its jurisdiction if the portion equals at least 60 percent of the district's total area or assessed real property valuation. Cities encompassing less than 60 percent of the district's total area and assessed real property valuation may assume jurisdiction of the district that is within its corporate city limits. In both situations, the district's voters may elect to require the city to assume responsibility for the management of the district's property, facilities, and equipment throughout the entire district.

If a district includes more than one city, a city encompassing at least 60 percent of the district's assessed valuation may assume management responsibility over the district if that city has approval from the other city or cities included within the district. The other cities may install facilities and establish local improvement districts to pay for these facilities, which may be connected to the utility system operated by the principal city if they were installed in accordance with the principal city's standards.

Summary: A resolution or ordinance to assume jurisdiction over all or a portion of a district is subject to referendum. A resolution or ordinance to assume jurisdiction of all or a part of a district may not take effect until 90 days after its adoption. A referendum petition to repeal the assumption resolution or ordinance must be submitted within ten days of the resolution or ordinance's passage.

Within ten days of submission of a referendum petition, the county auditor must issue an identification number and must notify the petitioner. The ballot title must be written by the applicable city attorney. The petitioner has 45 days to gather signatures. The referendum petition must be signed by at least 10 percent of the residents who voted in the most recent election and who live within the part of the district to be assumed.

If there are sufficient signatures on the referendum petition, the question of assumption must be submitted to the voters residing in the part of the district to be assumed at the next general election, or a special election held no later than 120 days after the signed petition is filed with the county auditor. The election cost must be paid by the city seeking approval to assume jurisdiction of all or part of the district.

When a referendum petition is filed with the county auditor, the assumption resolution or ordinance sought to be referred to the voters and any proceedings before a boundary review board are suspended from taking effect. The suspension terminates if there are insufficient signatures or the petition is not submitted in a timely manner, or if the assumption resolution or ordinance is approved by the voters.

The assumption of a district is not subject to a referendum if the city and the district enter into a contract or interlocal agreement for the assumption of all or part of the district.

Votes on Final Passage:

Senate	28	21	
House	96	1	(House amended)
Senate	43	6	(Senate concurred)

Effective: July 24, 2015