
Local Government Committee

HB 2789

Brief Description: Requiring support by a majority of the people before annexation of a city, town, or unincorporated area.

Sponsors: Representatives Kraft, Haler and Pike.

Brief Summary of Bill

- Modifies the procedures of the election method of annexation of unincorporated areas by classified cities and code cities related to the timing of public hearing and the election;
- Requires that local voters' pamphlets include information about annexation ballot measures; or, if a jurisdiction does not publish a local pamphlet, requires the information to be included in the state voters' pamphlet.
- Repeals the direct petition method of annexation of: (1) unincorporated areas by classified cities and code cities; and (2) all or a part of a city or town by another city or town.
- Prohibits a city from requiring an owner of property located outside its corporate limits to enter into a utility service annexation covenant as a condition of extending utilities to such property.
- Modifies the procedures for the alternative direct petition method of annexation of unincorporated areas by classified cities and code cities related to signature requirements.
- Repeals the dual resolution method of annexation of all or a part of a city or town by another city or town and allows such annexations to be conducted according to the procedures for the alternative direct petition method of annexation of an unincorporated area.

Hearing Date: 1/24/18

Staff: Cassie Jones (786-7303).

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.

Background:

Annexations of Unincorporated Areas by Classified Cities and Code Cities.

There are three methods by which unincorporated territory may be annexed by a classified or code city: election method, direct petition method, and alternative direct petition method. Separate sets of statutes detail the procedures for classified cities and code cities. The procedures are similar, but vary in detail. The following is a general description of the three methods:

1. *Election method.* This method is initiated by resolution of the city council or by a petition signed by a specified number of voters in the area to be annexed. If procedural requirements are met, a special election is held. A simple majority is required for approval of the annexation.
2. *Direct petition method.* This method is initiated by a notice which is filed with the city council by a specified number of property owners or residents of the area to be annexed. If the city council accepts the initial proposal, a petition for annexation is circulated that must ultimately be signed by owners of at least 60 percent of the assessed valuation of the property to be annexed.
3. *Alternative direct petition method.* This method is initiated by a notice filed with the city council by owners of at least 10 percent of the acreage of the area to be annexed. If the city council accepts the proposal, a petition is circulated that must ultimately be signed by the owners of a majority of the acreage of the area to be annexed and a majority of the registered voters residing in the area to be annexed.

Annexations of a City or Town by another City or Town.

There are also three methods by which a city or town may annex all or a part of another city or town: election method, dual resolution method, and direct petition method. The following is a general description of the three methods:

1. *Election method.* This method follows the procedures for the election method (initiated by petition) of annexation of unincorporated areas. However, the city council from which territory will be removed must approve of the annexation.
2. *Dual resolution method.* The annexing city adopts a resolution proposing an annexation and the city from which territory is to be annexed adopts a resolution proposing the annexation. The annexation can be stopped if the owners of 60 percent of the assessed valuation in the territory to be annexed sign a petition to stop the annexation.
3. *Direct petition method.* This method follows the procedures for the direct petition method of annexation of unincorporated areas. However, the city council of the city from which the territory would be taken must approve the annexation.

Local Voters' Pamphlets.

The legislative authority of any county or first-class or code city may adopt an ordinance authorizing the publication and distribution of a local voters' pamphlet. The pamphlet must provide information on all measures within that jurisdiction and may, if specified in the ordinance, include information on candidates within that jurisdiction. Any ordinance adopted authorizing a local voters' pamphlet may be for a specific primary, special or general election, or for any future primaries or elections.

Extension of City Utilities Outside a City's Corporate Limits.

When a city or town owns or operates a municipal waterworks system and desires to extend such utility beyond its corporate limits it may acquire, construct and maintain any addition to or extension of the system, and dispose of and distribute water to any other municipality, water-sewer district, community, or person desiring to purchase it. A city or town may enter into a contract with any outside municipality, community, corporation, or person, for furnishing them with water; the contract may fix the terms upon which the outside distribution systems will be installed and the rates at which and the manner in which payment must be made for the water supplied or for the service rendered.

Every city or town may permit connections with any of its sewers from property beyond its limits, upon such terms, conditions and payments as may be prescribed by ordinance. The city or town may require a written agreement between the city or town and the owner of the property to be served by the connecting sewer. If any such agreement is made and filed with the county auditor of the county in which the property is located, it constitutes a covenant running with the land and such agreements and covenants are binding on the owner and all persons subsequently acquiring any right, title, or interest in the property.

In Yakima County Fire Protection District No. 12 v. Yakima, the state Supreme Court reviewed an agreement that the city of Yakima required landowners located outside the city to sign as a condition of receiving sewer service from the city. The agreement required the landowners to sign a future petition for annexation into the city. The Court held that cities have statutory authority to enter this type of contract.

Summary of Bill:

Annexations of Unincorporated Areas by Classified Cities and Code Cities.

Procedures for the election method of annexation of an unincorporated area by classified cities and towns are modified as follows:

- the hearing that the board of county commissioners is required to conduct upon its approval of an initiating petition must be a public hearing;
- the election on the annexation must be held on a date for a general election rather than a special election;
- the election on annexation must take place at least 90 days after the public hearing; and
- the board of county commissioners must hold a public hearing on a proposed annexation upon the filing of a resolution initiating the annexation and must publish notice of the public hearing.

The direct petition method of annexation of unincorporated areas by classified cities and code cities is repealed.

Procedures for the alternative direct petition method of annexation of unincorporated areas by classified cities and code cities are modified in the following ways:

- the initiating parties must be either: not less than 30 percent of the homeowners in the area to be annexed or the owners of not less than 30 percent in value of the property to be annexed; and
- the petition for annexation must be signed by a majority of the homeowners in the territory to be annexed and a majority of not less than 50 percent in value of the property to be annexed.

Annexations of a City or Town by another City or Town.

The dual resolution method and the direct petition method of annexation of all or a part of a city or town by another city or town are repealed; however, such annexations may be conducted according to the procedures for the alternative direct petition method of annexation of an unincorporated area.

Local Voters' Pamphlets.

Local voters' pamphlets must contain the information related to annexation ballot measures. If no local voters' pamphlet has been authorized in a local jurisdiction from which territory is proposed to be annexed by a ballot measure, the county auditor must submit the ballot measure information to the Secretary of State for inclusion in the state voters' pamphlet.

Utility Service Annexation Covenants.

A city may not require an owner of property located outside its corporate limits to enter into a utility service annexation covenant as a condition of extending utilities to such property. "Utility service annexation covenant" is defined as a contract between a city and a property owner located in another city, town, or unincorporated wherein the city agrees to provide utility service in exchange for a promise that the property owner will sign, upon request, a petition for annexation of the property into the city.

Appropriation: None.

Fiscal Note: Requested on January 17, 2018.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.