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**SUBSTITUTE HOUSE BILL 1643**

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**State of Washington**

**54th Legislature**

**1995 Regular Session**

**By** House Committee on Government Operations (originally sponsored by Representatives Stevens, Cairnes, Koster, L. Thomas, Dyer, Cooke, B. Thomas, Thompson, D. Schmidt, Boldt, Lambert and Backlund)

Read first time 02/28/95.

1 AN ACT Relating to new counties; amending RCW 36.09.010, 36.09.020,  
2 36.09.035, 36.09.040, 36.09.050, and 84.09.030; adding new sections to  
3 chapter 36.09 RCW; adding a new section to chapter 47.01 RCW; adding a  
4 new section to chapter 36.57A RCW; creating new sections; and  
5 recodifying RCW 36.09.010, 36.09.020, 36.09.035, 36.09.040, and  
6 36.09.050.

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

8 NEW SECTION. **Sec. 1.** PURPOSES. The purposes of this act are to:  
9 (1) Clarify the procedures under chapter 36.09 RCW and Article XI,  
10 section 3 of the state Constitution, by which new counties are created;  
11 (2) assist the legislature with its obligations under Article XI,  
12 section 3 of the state Constitution; and (3) provide for a just  
13 apportionment of the debts, liabilities, and assets of the parent  
14 county or counties between the new county and the remaining parent  
15 county or counties.

16 NEW SECTION. **Sec. 2.** DEFINITIONS. Unless the context clearly  
17 requires otherwise, the definitions in this section apply throughout  
18 this chapter.

1 (1) "Assets" means all: (a) Real estate owned by the parent  
2 county; (b) intangible personal property owned by the parent county,  
3 such as cash, securities, accounts receivable, leases, other monetary  
4 instruments, and surplus moneys held by the parent county on the last  
5 day of the interim period that are not allocated for a specific  
6 purpose; and (c) tangible personal property owned by the parent county,  
7 such as vehicles and office equipment.

8 (2) "Citizens' oversight committee" means a committee of citizens  
9 appointed by the county auditor of not less than three nor more than  
10 nine petitioners whose names have been submitted by the proponents to  
11 the county auditor of the parent county.

12 (3) "Interim period" means the period of transition when territory  
13 is stricken from a county or counties and included in a newly created  
14 county, commencing when the governor appoints two of the interim county  
15 commissioners and ending on the date the new county is officially  
16 created, as provided in the special legislation creating the new  
17 county.

18 (4) "New county" means the county that is created by striking  
19 territory from a parent county or counties as provided under Article  
20 XI, section 3 of the state Constitution.

21 (5) "Parent county or counties" means the existing county or  
22 counties out of which territory is stricken to create a new county.

23 (6) "Petitioner" means a signer of the new county petition who is  
24 deemed a valid signer of the petition by means of residence and voter  
25 registration.

26 (7) "Proponents" means the person or persons submitting the  
27 petitions for creation of a new county to the secretary of state who  
28 are named in the receipt for the petitions that is provided by the  
29 office of the secretary of state.

30 NEW SECTION. Sec. 3. PETITIONS PROPOSING THE CREATION OF A NEW  
31 COUNTY. (1) A petition proposing to create a new county must be signed  
32 by at least a majority of registered voters residing in the portion of  
33 each parent county that is proposed to be stricken and included in the  
34 new county.

35 (2) Proponents shall file petitions proposing the creation of a new  
36 county with the office of the secretary of state. The office of the  
37 secretary of state shall provide a written receipt to the proponents  
38 that lists the names of the proponents. A petition must include: (a)

1 A prayer to create the new county and the name of the proposed new  
2 county; (b) a map of the proposed new county; (c) a legal description  
3 of the proposed new county; (d) a warning clause requiring the signer  
4 to be both a resident of the proposed new county and a registered  
5 voter, that they not sign the petition with other than their true name  
6 as registered, that they not knowingly sign more than one petition, and  
7 that they make no false statements; (e) identification of the  
8 proponents; and (f) lines and spaces for petitioners' signatures,  
9 printed names, street addresses, cities, and counties. A petition may  
10 include space for identifying the precinct in which a petitioner  
11 resides and the petitioner's phone number. Honoring the goodwill  
12 intent of the signature gathering process under this subsection and  
13 subsection (1) of this section, a new county petition circulated before  
14 the effective date of this act and differing from the information under  
15 this subsection is deemed acceptable as to these form requirements.

16 (3) The office of the secretary of state shall copy the petitions  
17 and forward a copy of the petitions to the county auditor of each  
18 parent county for validation and shall give a copy of the petitions to  
19 the proponents.

20 (4) The county auditor of each parent county shall review the  
21 petitions and validate or invalidate each petitioner's signature. The  
22 county auditor shall appoint a citizens' oversight committee to oversee  
23 the certification process. The auditor shall consider the signature of  
24 a petitioner valid if it is clearly the signature of a registered voter  
25 residing in a portion of the parent county that is proposed to be  
26 stricken from that county to create the new county. For any  
27 petitioner, a variation between the signature of the petitioner on the  
28 petition and that in the registration files due to the substitution of  
29 initials or the use of common nicknames is permitted so long as the  
30 surname and handwriting are clearly the same.

31 (5) The county auditor of each parent county shall review the  
32 signatures contained on the petitions. If the petitions contain the  
33 valid signatures of at least a majority of the registered voters of the  
34 county residing in the territory proposed to be stricken from that  
35 county and included in the new county, the county auditor shall return  
36 the copy of the petitions to the secretary of state and certify both:  
37 (a) The number of registered voters residing within the territory of  
38 the parent county that is proposed to be stricken and included in the  
39 new county; and (b) the number of signatures on the petitions that are

1 determined to be the valid signatures of registered voters residing  
2 within the territory in that parent county proposed to be stricken and  
3 included in the new county.

4 If the county auditor of a parent county from which territory is  
5 proposed to be stricken and included in the new county finds that the  
6 petitions do not contain sufficient valid signatures of registered  
7 voters residing in that territory, the county auditor shall notify the  
8 proponents of the number of additional valid signatures required to  
9 meet a majority of registered voters residing in the territory proposed  
10 to be stricken from that county and included in the new county. The  
11 county auditor shall allow only an additional ninety days from the  
12 notification for the proponents to acquire the additional signatures  
13 needed to create the new county. The proponents shall file the  
14 additional petitions proposing the creation of the new county with the  
15 secretary of state that contain additional signatures of registered  
16 voters residing in the territory proposed to be stricken from the  
17 county and included in the new county. The secretary of state shall  
18 copy the additional petitions and forward a copy to the proponents and  
19 the county auditor of each parent county for validation. The county  
20 auditor shall review the signatures and, together with the prior  
21 petitions that were reviewed, certify the results to the secretary of  
22 state, as provided in this subsection.

23 The secretary of state shall certify whether the petitions contain  
24 sufficient valid signatures. If the petitions are certified as having  
25 sufficient valid signatures, the secretary of state shall provide  
26 written notice of the certification to the proponents, the chief clerk  
27 of the house of representatives, and the secretary of the senate.

28 NEW SECTION. **Sec. 4.** SPECIAL LEGISLATION TO CREATE A NEW COUNTY.  
29 If the secretary of state certifies to the legislature under section 3  
30 of this act that petitions proposing the creation of a new county have  
31 been filed containing sufficient valid signatures, as authorized in  
32 Article II, section 28(18) of the state Constitution, the legislature  
33 may then enact special legislation striking territory from a county or  
34 counties and creating and organizing a new county. At the next regular  
35 session following the certification by the secretary of state that the  
36 petitions proposing the creation of the new county have been filed  
37 containing sufficient valid signatures, special legislation creating  
38 the new county shall be given high priority over other measures in the

1 legislature, except appropriation bills and measures initiated by the  
2 people under Article II, section 2 of the state Constitution. Each  
3 house of the legislature shall hold a public hearing and must take  
4 action on the special legislation at that session.

5 The special legislation creating a new county must name the county,  
6 define the boundaries of the new county, redefine the boundaries of the  
7 parent county or counties to reflect the territory that is stricken to  
8 create the new county, specify a date when the new county is officially  
9 created, and declare the population of the new county that is  
10 determined by the office of financial management. RCW 84.09.030,  
11 establishing the boundaries of taxing districts for purposes of  
12 imposing property taxes, must be considered when specifying the date  
13 the new county is officially created.

14 The special legislation creating the new county must include a  
15 finding that the population of the new county, and the population or  
16 populations of the parent county or counties after the striking of  
17 territory to create the new county, and the number of valid signatures  
18 on the petitions, meet the population requirements and signature  
19 requirements established under Article XI, section 3 of the state  
20 Constitution.

21 NEW SECTION. **Sec. 5.** BOUNDARIES. (1) The special legislation  
22 creating a new county may not change the boundaries of the proposed new  
23 county, as specified in the petitions, except to correct clerical  
24 errors or uncertainties, which must not be appreciable or significant  
25 in scope, and as provided in subsection (2) of this section.

26 (2) The legislature may include additional territory in the  
27 proposed new county if the additional territory is adjacently located  
28 to any portion of the territory proposed to be included in the new  
29 county by the initial petitions and other petitions proposing the  
30 addition of this territory to the proposed new county are submitted to  
31 the secretary of state and certified by the secretary of state as  
32 having sufficient valid signatures. The additional territory that is  
33 proposed to be included may be located in the same parent county or  
34 counties, as in the initial petitions, or another county or counties.  
35 These other petitions must be signed by at least a majority of the  
36 registered voters residing in the additional territory described in the  
37 petition that is proposed to be stricken from a county and included in  
38 the new county. The review and certification of sufficiency of the

1 signatures on these other petitions must follow the same process as the  
2 original petitions.

3 (3) A new county must include a single contiguous area and each  
4 parent county must include a single contiguous area after the creation  
5 of a new county.

6 NEW SECTION. **Sec. 6.** INTERIM OFFICERS. Within thirty days after  
7 the enactment of special legislation creating a new county, the  
8 governor shall appoint two petitioners to the positions of interim  
9 county commissioners for the new county. The petitioners who are  
10 appointed must be from a list of from five to ten names submitted to  
11 the governor by the proponents, who submitted to the secretary of state  
12 the largest number of petition signatures. These appointments must  
13 take place within ten days after the enactment of the special  
14 legislation creating the new county. The two interim county  
15 commissioners who are appointed by the governor shall assume office  
16 immediately and, as a first order of business, shall appoint a third  
17 interim county commissioner who shall assume office immediately. The  
18 three interim county commissioners constitute the first board of county  
19 commissioners. Each of the interim county commissioners must have been  
20 a resident of the territory included in the new county for at least  
21 three years. The interim county commissioners shall remain in office  
22 until successors have been elected and qualified, as provided in  
23 section 9 of this act.

24 The interim board of county commissioners shall appoint all of the  
25 remaining county officials required by general law for a county with  
26 the population of the new county. These appointed county officials  
27 shall be interim officials and shall serve until successors have been  
28 elected and qualified, as provided in section 9 of this act.

29 The interim county commissioners and all other interim county  
30 officials must be appointed without regard to party affiliation.

31 NEW SECTION. **Sec. 7.** ANNUAL SALARIES. The director of the  
32 department of community, trade, and economic development shall  
33 designate the same annual salary for each of the interim county  
34 commissioners of a new county that will be payable on a monthly basis.  
35 The annual salary for each interim county commissioner must be the  
36 lowest annual salary that exists for a county commissioner in any of

1 the four noncharter counties with the closest populations to the  
2 population of the new county.

3 The interim county commissioners shall establish annual salaries  
4 for other interim county officials at the time the appointments are  
5 made.

6 NEW SECTION. **Sec. 8.** COUNTY SEAT. (1) Within thirty days of the  
7 appointment of the third interim county commissioner, the interim board  
8 of county commissioners shall designate an initial county seat for the  
9 new county. The county voters shall make the selection of the  
10 permanent county seat at the first election of county officials under  
11 section 9 of this act.

12 (2) A city, town, or other commonly named area within the new  
13 county may be nominated as the permanent county seat in a petition that  
14 has been signed by at least one percent of the number of registered  
15 voters residing in the new county and filed with the interim county  
16 auditor during the filing period for candidates for the first elected  
17 county officials.

18 (3) The ballot proposition to select the county seat must list the  
19 names of the nominated cities, towns, and commonly named area  
20 alphabetically. Each voter may select a single nominee. The nominee  
21 receiving the most number of votes is the permanent county seat until  
22 removed under general law.

23 NEW SECTION. **Sec. 9.** ELECTION OF COUNTY OFFICIALS. (1) Within  
24 thirty days of when the third interim county commissioner is appointed,  
25 the interim board of county commissioners shall divide the county into  
26 three county commissioner districts and, where necessary, voting  
27 precincts. The voting precincts within the new county that a parent  
28 county created remain in effect until changed by the interim board of  
29 county commissioners. The interim board shall alter the boundaries of  
30 these voting precincts only as is necessitated by the removal of  
31 territory from the parent county or counties to create the new county.  
32 The newly created county commissioner districts must be used for the  
33 election of the first elected county commissioners and may not apply to  
34 the interim county commissioners.

35 (2) Each of the county elected official offices must be filled at  
36 the state general election held in the same year as the official date  
37 the new county is created if the official date is on or before the

1 fifteenth day of June in a year, or at the state general election held  
2 in the year after the official date the new county is created if the  
3 county is created after the fifteenth day of June in a year. The  
4 election must be held in accordance with general election laws and a  
5 special filing period may be called if necessary. A primary must be  
6 held at the primary immediately preceding the state general election to  
7 nominate candidates for these offices.

8 The persons who are elected to every position other than a county  
9 commissioner must be elected to a four-year term of office if the state  
10 general election is held in an even-numbered year, or to a three-year  
11 term of office if the state general election is held in an odd-numbered  
12 year, and shall take office immediately upon certification of the  
13 election. Their successors must be elected to four-year terms of  
14 office.

15 The terms of office of the three persons who are elected as county  
16 commissioners must be staggered so that the two persons who are elected  
17 receiving the two largest numbers of votes are elected to four-year  
18 terms of office and the other person who is elected is elected to a  
19 two-year term of office if the election is held in an even-numbered  
20 year, or the two persons who are elected receiving the two largest  
21 numbers of votes are elected to three-year terms of office and the  
22 other person who is elected is elected to a one-year term of office if  
23 the election is held in an odd-numbered year. The persons who are  
24 first elected as county commissioners shall take office immediately  
25 when elected and qualified and their terms of office must be calculated  
26 from the first day in January in the year following their elections.

27 NEW SECTION. **Sec. 10.** SPECIAL DISTRICTS. The creation of a new  
28 county may not affect the boundaries of a city, town, or special  
29 district including, but not limited to, a fire protection district,  
30 school district, port district, public utility district, or public  
31 hospital district.

32 Unless the interim board of county commissioners provides  
33 otherwise, a single road district must exist in the new county composed  
34 of all the unincorporated area within the new county. Territory that  
35 is stricken from a parent county to create a new county must also be  
36 stricken from the road district or districts of the parent county  
37 effective on the official date of creating the new county.



1 An area in a new county that was included in a county rural library  
2 district must remain part of that county rural library district. The  
3 trustees of such a library district must be appointed by joint action  
4 of the members of the county legislative authorities of the parent  
5 county and new county, with the vote on each appointment distributed  
6 among the members of the county legislative authorities so that the  
7 combined vote of all the members of a single county legislative  
8 authority is in direct proportion to the percentage of population  
9 within the library district residing in that county and each member of  
10 that county legislative authority receiving an equal portion of that  
11 vote.

12 NEW SECTION. **Sec. 11.** COURTS. The special legislation creating  
13 the new county must provide for a separate superior court for the new  
14 county or include the new county as part of a superior court with  
15 another county or counties. The special legislation creating the new  
16 county shall provide for a justice court in the new county.

17 NEW SECTION. **Sec. 12.** TRANSFER OF CASES. (1) If a separate  
18 superior court is provided for the new county, all actions and  
19 proceedings that are pending in the superior court of a parent county  
20 at the date the new county is officially created affecting the title or  
21 possession of real property in the new county, or in which all the  
22 parties are residents of the new county, must be transferred to the  
23 superior court of the new county, and all proceedings in these lawsuits  
24 must be held in the new county as if originally commenced in that  
25 county. All other civil or criminal proceedings pending in the  
26 superior court of a parent county must be prosecuted to their  
27 termination in that court.

28 All pleadings, process, documents, and files in the office of the  
29 county clerk and other officers of the superior court of a parent  
30 county affecting actions and proceedings transferred to the superior  
31 court of the new county must be certified and transferred to the county  
32 clerk or other officers of the superior court of the new county.

33 (2) All actions and proceedings that are pending in the district  
34 court of a parent county at the date the new county is officially  
35 created affecting real property located in the new county, or in which  
36 all parties are residents of the new county, must be transferred to the  
37 district court of the new county, and all proceedings in these lawsuits

1 must be held in the new county as if originally commenced in that  
2 county. All other civil or criminal proceedings pending in the  
3 district court of a parent county must be prosecuted to their  
4 termination in that court.

5 All pleadings, process, documents, and files in the district court  
6 of a parent county affecting actions and proceedings transferred to the  
7 district court of the new county must be certified and transferred to  
8 the district court of the new county.

9 NEW SECTION. **Sec. 13.** TRANSFER OF RECORDS. Within ninety days of  
10 appointment of the third interim county commissioner of the new county,  
11 all records, documents, and papers in the offices of county auditor,  
12 county assessor, county treasurer, and other county offices of a parent  
13 county affecting the title or possession of real property in the new  
14 county, assessed valuation of property located in the new county, the  
15 registration of voters residing in the new county, or other appropriate  
16 matters, must be copied, certified as being correct copies, and  
17 transferred to the appropriate county officials and officers of the new  
18 county. The new county shall provide proper and suitable record books  
19 and computer or otherwise electronic, mechanical, photocopying,  
20 recording, and retrieval systems, to which the records, documents, and  
21 papers must be transferred.

22 The parent county shall bear all costs of collecting, transcribing  
23 or copying, and transferring the records, documents, and papers. The  
24 appropriate officials of the parent county shall certify each book of  
25 records as being correct copies or the correct original records.

26 NEW SECTION. **Sec. 14.** INTERIM TRANSITION PERIOD. (1) During the  
27 interim period the interim county officials of a new county may provide  
28 for the transition of the area into a new county, including the  
29 authority of the interim board of county commissioners to adopt  
30 ordinances effective on or after the date the new county is officially  
31 created and to enter into contracts and agreements facilitating the  
32 transition of the area into a new county and ensuring a continuation of  
33 governmental services during the interim period and after the new  
34 county is officially created.

35 The two interim county commissioners who are appointed by the  
36 governor shall establish a date, time, and place within the new county  
37 for the first meeting of the interim board of county commissioners, at

1 which meeting they shall appoint the third interim county commissioner,  
2 elect a chair of the board of county commissioners, and transact other  
3 business. The interim board of county commissioners shall appoint the  
4 other interim county officials at the first meeting or at the next  
5 meeting. The county commissioners shall cause to be published a notice  
6 of this first meeting in a newspaper of general circulation in the new  
7 county at least once ten days before the meeting.

8 (2) During the interim period the interim county officials may  
9 employ staff and acquire required facilities, supplies, equipment,  
10 insurance, and bonds, as if the new county were in existence. During  
11 the interim period, the interim board of county commissioners may:

12 (a) Cause tax anticipation or revenue anticipation notes or  
13 warrants or other short-term obligations to be issued. Funds may be  
14 borrowed in these instruments as provided in chapter 39.50 RCW;

15 (b) Authorize the borrowing money from state and federal agencies  
16 as if the new county were already created;

17 (c) Submit to voters of the new county ballot propositions  
18 authorizing a single-year excess levy to be imposed, as provided in RCW  
19 84.52.052;

20 (d) Submit to voters of the new county ballot propositions  
21 authorizing both voter approved general indebtedness to be issued and  
22 bond retirement excess levies to be imposed, as provided RCW 84.52.056  
23 and 39.36.050;

24 (e) Impose property taxes to be collected after the county is  
25 officially created; and

26 (f) Adopt ordinances imposing excise taxes that counties are  
27 allowed to impose to be collected after the new county is created,  
28 including, but not limited to, sales and use taxes authorized in  
29 chapter 82.14 RCW and excise taxes for sale of real estate authorized  
30 in chapter 82.46 RCW. These excise taxes must begin to be collected on  
31 the date the new county is officially created, if the ordinances  
32 imposing the excise taxes are adopted in a timely manner.

33 During the interim period, RCW 82.14.036 applies. During the  
34 interim period, the interim board of county commissioners may adopt  
35 resolutions establishing moratoria on the filing permit applications.

36 (3) During this interim period, the new county that will be created  
37 and the interim county elected officials are subject to the following  
38 as though the county were officially created: RCW 36.16.050 relating  
39 to the filing of bonds; RCW 4.24.470 relating to immunity; chapter

1 42.17 RCW relating to open government; chapter 40.14 RCW relating to  
2 the preservation and disposition of public records; chapters 42.20,  
3 42.22, and 42.23 RCW relating to ethics and conflicts of interest;  
4 chapters 42.30 and 42.32 RCW relating to open public meetings and  
5 minutes; RCW 36.72.075 relating to the designation of an official  
6 newspaper, except that the interim board of county commissioners may  
7 designate its official county newspaper at a meeting during the interim  
8 period; RCW 36.16.138 relating to liability insurance; RCW 36.32.240  
9 through 36.32.267, chapter 36.77 RCW, and statutes referenced in RCW  
10 36.32.240 through 36.32.267 and chapter 36.77 RCW, relating to public  
11 contracts and bidding; and chapter 39.34 RCW relating to interlocal  
12 cooperation.

13 NEW SECTION. **Sec. 15.** PARENT COUNTY ORDINANCES REMAIN IN EFFECT.  
14 All ordinances, rules, and regulations of a parent county that were in  
15 effect in an area included in a new county before the official date of  
16 creating the new county remain in effect in that area until the  
17 effective date of an amendment or repeal of these ordinances, rules, or  
18 regulations by the board of county commissioners of the new county.

19 NEW SECTION. **Sec. 16.** ASSISTANCE BY PARENT COUNTY OR COUNTIES.  
20 The parent county or counties shall assist the new county during the  
21 interim period, including, but not limited to, providing services, work  
22 staff, materials, supplies, equipment, and other property and loaning  
23 money to the new county. The value of the assistance that is provided  
24 by the parent county to the new county during the interim period must  
25 be included in the calculations under RCW 36.09.010 through 36.09.050  
26 (as recodified in this act) and section 23 of this act.

27 The parent county or counties shall continue financing the  
28 maintenance and construction of county facilities and providing county  
29 services in the new county during the interim period as if the new  
30 county were not created. The new county shall not be required to  
31 reimburse the parent county or counties for these costs. During the  
32 interim period each county official of the parent county or counties  
33 retains joint authority with the similar interim county officials of  
34 the new county in that portion of the parent county from which new  
35 county was formed.

1        NEW SECTION.    **Sec. 17.**    BUDGETS.    (1) Budgets for the interim  
2 period and the initial budget for the county effective for the  
3 remainder of the calendar year after the interim period ends must be  
4 adopted as provided in this section. Chapter 36.40 RCW does not apply  
5 to the adoption of budgets under this section.

6        (2) The interim board of county commissioners shall adopt a budget  
7 or budgets for the interim period in consultation with the division of  
8 municipal corporations of the office of the state auditor. The initial  
9 interim budget may authorize the expenditure of moneys in a general  
10 sense without specific detail.

11        (3) The interim board of county commissioners shall adopt a budget  
12 for the new county for the period commencing on the first day of the  
13 official date the new county is created through the remainder of that  
14 calendar year ending on December 31st. A public hearing must be held  
15 on the proposed budget before its adoption. A budget message must be  
16 prepared for the proposed budget that contains an explanation of the  
17 budget document, an outline of the recommended financial policies and  
18 programs of the county for the ensuing full or partial fiscal year, and  
19 a statement of the relationship of the recommended appropriation to  
20 these policies and programs. Immediately following the release of the  
21 preliminary budget the interim board of county commissioners shall  
22 cause a notice of the public hearing of the budget to be published once  
23 each week for two consecutive weeks before the public hearing. The  
24 public hearing must be held at least twenty days before the date the  
25 new county is officially created and operating. A taxpayer may appear  
26 to be heard for or against any part of the budget. The interim board  
27 of county commissioners may make such adjustments and changes as it  
28 deems necessary and may adopt the final budget at the conclusion of the  
29 public hearing or at any time before the new county is officially  
30 created and operating.

31        NEW SECTION.    **Sec. 18.**    ASSISTANCE BY LOCAL GOVERNMENTS AND STATE  
32 AGENCIES.    Counties, cities, towns, special districts, and state  
33 agencies may provide staff, equipment, and technical and financial  
34 assistance to a new county during the interim period to facilitate its  
35 transition. The assistance may be provided without compensation.

36        The department of community, trade, and economic development shall  
37 prepare and file with the legislature a report detailing the potential  
38 revenues and expenses of a proposed new county whenever the secretary

1 of state certifies that petitions proposing the creation of a new  
2 county have sufficient valid signatures. The potential revenues of the  
3 proposed new county must include both tax revenue of the new county  
4 itself and distributions of state and federal moneys to the new county.

5 NEW SECTION. **Sec. 19.** BORROWING MONEY FROM THE COUNTY SALES AND  
6 USE TAX EQUALIZATION ACCOUNT. During the interim period, the interim  
7 board of county commissioners of a new county may by resolution borrow  
8 money from the county sales and use tax equalization account up to one  
9 hundred thousand dollars or five dollars per capita based on a  
10 population estimate of the new county made by the office of financial  
11 management, whichever is less.

12 The loan authorized by this section must be repaid over a three-  
13 year period. The state treasurer shall withhold moneys from the funds  
14 otherwise payable to the new county that has obtained the loan, either  
15 from the county sales and use tax equalization account or from sales  
16 and use tax entitlements otherwise distributable to the new county, so  
17 that the account is fully reimbursed over the three-year period. The  
18 state treasurer shall adopt by rule procedures to accomplish the  
19 purpose of this section on a reasonable and equitable basis over the  
20 three-year period.

21 NEW SECTION. **Sec. 20.** A new section is added to chapter 47.01 RCW  
22 to read as follows:

23 TRANSPORTATION FUNDING. The department of transportation shall  
24 adjust the allocations of transportation moneys made to counties to  
25 reflect the creation of a new county based upon its information of the  
26 number of registered vehicles, truck highway mileage, total county road  
27 placement costs, annual maintenance costs, assessed valuation, or other  
28 relevant factors.

29 **Sec. 21.** RCW 36.09.010 and 1963 c 4 s 36.09.010 are each amended  
30 to read as follows:

31 APPORTIONMENT OF DEBTS, OBLIGATIONS, AND ASSETS. Whenever a new  
32 county shall be or shall have been (~~organized~~) created out of the  
33 territory which was (~~included within the limits of any other~~)  
34 stricken from another county or counties, the new county shall be  
35 liable for a (~~reasonable~~) just proportion of the debts and  
36 obligations of the parent county (~~from which it was taken, and~~

1 ~~entitled to its proportion of the property of the county))~~ or counties  
2 and shall receive a just proportion of the assets of the parent county  
3 or counties.

4 **Sec. 22.** RCW 36.09.020 and 1963 c 4 s 36.09.020 are each amended  
5 to read as follows:

6 PROCEDURE TO APPORTION DEBTS, LIABILITIES, AND ASSETS. (1) The  
7 auditor of the ~~((old))~~ parent county shall give the auditor of the new  
8 county reasonable notice to meet ~~((him))~~ together on a certain day at  
9 the county seat of the ~~((old))~~ parent county, or at some other  
10 convenient place, to settle ~~((upon and fix the amount which the new~~  
11 ~~county shall pay))~~ the apportionment of debts and liabilities, if any,  
12 as provided in subsection (2) of this section and apportionment of  
13 assets under section 23 of this act.

14 (2) In ~~((doing so))~~ apportioning the debts and liabilities, they  
15 shall not charge either county with any share of debts ~~((arising from~~  
16 ~~the erection of))~~ or liabilities then existing incurred in the purchase  
17 of any county property, or in the purchase or construction of any  
18 public buildings then in use or under construction, or ((out of the  
19 ~~construction of))~~ any roads or bridges ((which shall be and remain,  
20 ~~after the division, within the limits of the other county, and of the~~  
21 ~~other debts they shall apportion to each county such a share of the~~  
22 ~~indebtedness as may be just and equitable, taking into consideration~~  
23 ~~the population of such portion of territory so forming a part of the~~  
24 ~~said counties while so united, and also the relative advantages,~~  
25 ~~derived from the old county organization))~~ then in use or under  
26 construction, that are located within the other county.

27 The remaining debts and liabilities of the parent county must be  
28 apportioned so that the new county is assigned an amount of these debts  
29 and liabilities that is in the same proportion as the assessed  
30 valuation of the new county, that was part of that parent county, is to  
31 the total assessed valuation in the parent county before the creation  
32 of the new county. The assessed valuations must be those used for  
33 taxes imposed in the year before the effective date of the creation of  
34 the new county.

35 This section may not be construed to effect the rights of  
36 creditors.

1        NEW SECTION.    **Sec. 23.**    ASSETS.    The parent county shall retain  
2 ownership of real property it owns that remains in its boundaries after  
3 the creation of the new county.    At the effective date of the creation  
4 of the new county, the new county shall acquire ownership of real  
5 property that was owned by the parent county that is located in the new  
6 county.

7        All equipment owned by the parent county that is used in the  
8 construction or maintenance of roads or bridges must be apportioned  
9 between the new county and parent county so that the new county  
10 receives a portion of this equipment that is in the same proportion as  
11 the number of miles of county roads in the new county, that were part  
12 of that parent county, is to the total number of miles of county roads  
13 in the parent county before the creation of the new county.

14        All other assets of the parent county, the apportionment of which  
15 is not otherwise provided for, must be apportioned between the parent  
16 county and new county so that the new county receives a portion of  
17 these assets that is in the same proportion as the assessed valuation  
18 of the new county, that was part of the parent county, is to the total  
19 assessed valuation of the parent county before the creation of the new  
20 county.    The assessed valuations must be those used for taxes imposed  
21 in the year before the effective date of the creation of the new  
22 county.

23        **Sec. 24.**    RCW 36.09.035 and 1963 c 4 s 36.09.035 are each amended  
24 to read as follows:

25        MEDIATION.    In case the two auditors cannot agree to the  
26 apportionment of debts, liabilities, and assets, they shall call ((a  
27 ~~third person, not a citizen of either county, or in any other manner~~  
28 ~~interested, whose decision shall be binding.~~ In case they cannot agree  
29 ~~upon such third person, they shall each name one and decide by lot~~  
30 ~~which it shall be)) the state auditor to mediate.    The state auditor  
31 shall mediate over any other disputes on the transfer of records,  
32 documents, and papers under sections 12 and 13 of this act.    The  
33 decision of the state auditor is binding on the parent county and new  
34 county.~~

35        **Sec. 25.**    RCW 36.09.040 and 1963 c 4 s 36.09.040 are each amended  
36 to read as follows:



1 PAYMENT OF INDEBTEDNESS. The auditor of the county indebted upon  
2 (~~such~~) the decision apportioning debts, liabilities, and assets shall  
3 give to the auditor of the other county his or her order upon the  
4 treasurer for the amount to be paid out of the proper fund, as in other  
5 cases, and also make out a transfer of such property as shall be  
6 assigned to either county. The auditors shall establish a method of  
7 transfer or payment within sixty calendar days after the final  
8 apportionment is made.

9 **Sec. 26.** RCW 36.09.050 and 1963 c 4 s 36.09.050 are each amended  
10 to read as follows:

11 COLLECTION AND APPORTIONMENT OF TAX REVENUES. When a county is  
12 divided or the boundary is altered, all property taxes levied by the  
13 county and road district or districts before the division was made or  
14 boundaries changed, must be collected by the officers of the parent  
15 county (~~in which the territory was situated before the division or~~  
16 ~~change~~) or counties. (~~And~~) The auditor or auditors of the county or  
17 counties so divided or having boundaries changed, shall apportion the  
18 amount of the real property taxes so collected after division or change  
19 of boundary to the (~~old~~) parent county or counties and the new county  
20 or counties, (~~in the ratio of the assessed value of such property~~  
21 ~~situated in the territory of each county or counties respectively, and~~  
22 ~~the old county that may have been divided or whose boundaries may have~~  
23 ~~been changed,~~) so that each new county receives a portion of these tax  
24 receipts that is in the same proportion as the assessed valuation of  
25 that county, that was part of a parent county, is to the total assessed  
26 valuation of that parent county before the creation of the new county  
27 multiplied by a fraction, the numerator of which is the number of days  
28 remaining in the calendar year and the denominator of which is the  
29 number of days in that calendar year. The assessed valuations must be  
30 those that were used for taxes imposed in the year before the effective  
31 date of the creation of the new county. The parent county shall retain  
32 all of the personal property taxes on (~~the said~~) its tax rolls, as  
33 compensation for cost of collection of the entire taxes(~~:- PROVIDED,~~  
34 ~~That~~)). However, in such accounting neither county shall be charged  
35 with any debt or liability then existing incurred in the purchase of  
36 any county property, or in the purchase or construction of any county  
37 buildings then in use or under construction, which shall fall within  
38 and be retained by the county(~~:- PROVIDED FURTHER, That~~)). Nothing in

1 this section shall ((not)) be construed to affect the rights of  
2 creditors(~~(: AND PROVIDED FURTHER, That any such county property or~~  
3 ~~buildings shall be the property of and owned by the county wherein the~~  
4 ~~same is situated. In case the auditors of the interested counties are~~  
5 ~~not able to agree upon the proportion to be awarded to each county, the~~  
6 ~~same shall be determined by the judge of the superior court of the~~  
7 ~~district in which all of the interested counties are situated, if they~~  
8 ~~be in one district, and have one common judge, and if not, by the~~  
9 ~~judges sitting en banc of the superior courts of the counties involved.~~  
10 ~~Said auditors shall make said apportionment within sixty days after the~~  
11 ~~creation of any new county or the changing of boundaries of any old~~  
12 ~~county, and if they do not, within said time, agree upon said~~  
13 ~~apportionment, thereafter either or any county affected may petition~~  
14 ~~the judge or judges of any court given jurisdiction by this section,~~  
15 ~~and upon ten days' notice to any other county affected, the same may be~~  
16 ~~brought on for hearing and summarily disposed of by said judge or~~  
17 ~~judges, after allowing each side an opportunity to be heard)).~~

18 Each parent county shall continue imposing sales and use taxes  
19 throughout its entire boundaries until the effective date of the  
20 creation of the new county. Before the effective date of creating the  
21 new county, each parent county shall continue receiving federal and  
22 state moneys allocated to it as if the new county did not exist. State  
23 moneys must be allocated to the new county on whatever basis these  
24 moneys are distributed commencing on the effective date of creating the  
25 new county.

26 NEW SECTION. Sec. 27. CONSTRUCTION. The rule of strict  
27 construction does not apply to this chapter. This chapter must be  
28 liberally construed to provide for the creation of a new county and  
29 removal of territory from a parent county forming all or part of the  
30 new county. A continuation of government remains in both the new  
31 county and the remaining parent county or counties.

32 The interim board of county commissioners of a new county is  
33 granted broad authority to provide for a transition to a new county  
34 during the interim period so that, to the greatest extent possible, a  
35 new county will be able to fully function as a complete county  
36 government at the date the new county is officially created. Should a  
37 situation arise where it appears that technically the new county is

1 unable to act, the interim board of county commissioners is granted the  
2 full authority to take necessary actions.

3 NEW SECTION. **Sec. 28.** A new section is added to chapter 36.57A  
4 RCW to read as follows:

5 PUBLIC TRANSPORTATION BENEFIT AREAS. Effective on the first day  
6 after the interim period for the creation of a new county, a public  
7 transportation benefit area that includes territory located in both the  
8 remaining parent county and new county shall have its boundaries  
9 reduced to eliminate any territory located in the new county.

10 **Sec. 29.** RCW 84.09.030 and 1994 c 292 s 4 are each amended to read  
11 as follows:

12 ESTABLISHING BOUNDARIES FOR PURPOSES OF IMPOSING PROPERTY TAXES.  
13 Except as follows, the boundaries of counties, cities and all other  
14 taxing districts, for purposes of property taxation and the levy of  
15 property taxes, shall be the established official boundaries of such  
16 districts existing on the first day of March of the year in which the  
17 property tax levy is made.

18 The official boundaries of a newly incorporated taxing district  
19 shall be established at a different date in the year in which the  
20 incorporation occurred as follows:

21 (1) Boundaries for a newly incorporated city shall be established  
22 on the last day of March of the year in which the initial property tax  
23 levy is made, and the boundaries of a road district, library district,  
24 or fire protection district or districts, that include any portion of  
25 the area that was incorporated within its boundaries shall be altered  
26 as of this date to exclude this area, if the budget for the newly  
27 incorporated city is filed pursuant to RCW 84.52.020 and the levy  
28 request of the newly incorporated city is made pursuant to RCW  
29 84.52.070. Whenever a proposed city incorporation is on the March  
30 special election ballot, the county auditor shall submit the legal  
31 description of the proposed city to the department of revenue on or  
32 before the first day of March;

33 (2) Boundaries for a newly incorporated port district shall be  
34 established on the first day of October if the boundaries of the newly  
35 incorporated port district are coterminous with the boundaries of  
36 another taxing district, as they existed on the first day of March of  
37 that year;

1 (3) Boundaries of any other newly incorporated taxing district  
2 shall be established on the first day of June of the year in which the  
3 property tax levy is made if the taxing district has boundaries  
4 coterminous with the boundaries of another taxing district, as they  
5 existed on the first day of March of that year;

6 (4) Boundaries for a newly incorporated water district shall be  
7 established on the fifteenth of June of the year in which the  
8 proposition under RCW 57.04.050 authorizing a water district excess  
9 levy is approved; and

10 (5) Boundaries of a new county, the counties from which territory  
11 is stricken to create the new county, any road districts in the  
12 counties from which the territory is stricken, and road districts in  
13 the newly created county shall be established on the date special  
14 legislation is enacted creating the new county.

15 The boundaries of a taxing district shall be established on the  
16 first day of June if territory has been added to, or removed from, the  
17 taxing district after the first day of March of that year with  
18 boundaries coterminous with the boundaries of another taxing district  
19 as they existed on the first day of March of that year. However, the  
20 boundaries of a road district, library district, or fire protection  
21 district or districts, that include any portion of the area that was  
22 annexed to a city or town within its boundaries shall be altered as of  
23 this date to exclude this area. In any case where any instrument  
24 setting forth the official boundaries of any newly established taxing  
25 district, or setting forth any change in such boundaries, is required  
26 by law to be filed in the office of the county auditor or other county  
27 official, said instrument shall be filed in triplicate. The officer  
28 with whom such instrument is filed shall transmit two copies to the  
29 county assessor.

30 No property tax levy shall be made for any taxing district whose  
31 boundaries are not established as of the dates provided in this  
32 section.

33 NEW SECTION. **Sec. 30.** Captions as used in this act do not  
34 constitute any part of the law.

35 NEW SECTION. **Sec. 31.** If necessary, the code reviser shall  
36 recodify RCW 36.09.010, 36.09.020, 36.09.035, 36.09.040, and 36.09.050

1 to conform with the reorganization of chapter 36.09 RCW as provided in  
2 this act and provide for a logical order of sections.

3 NEW SECTION. **Sec. 32.** Sections 2 through 19, 23, and 27 of this  
4 act are each added to chapter 36.09 RCW.

5 NEW SECTION. **Sec. 33.** If any provision of this act or its  
6 application to any person or circumstance is held invalid, the  
7 remainder of the act or the application of the provision to other  
8 persons or circumstances is not affected.

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