

HOUSE OF REPRESENTATIVES

Olympia Washington

BilAnalysis

BilNo. SSB 6119

Water-sewer district assumption
Brief title

Hrg Date: 2/20/98

Senators Schow/Haugen
Sponsor

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BACKGROUND:

A city or town that includes all or part of a water-sewer district within its boundaries may assume control of all or part of the district's utility operations as follows:

- o The city may adopt an ordinance assuming control of all or part of the district's operations if all or part of the district is located in the city.
- o The city may adopt an ordinance assuming control of all or part of the district's utility operations for the portion of the district's utility operations within the city if 50 percent of either the area or assessed valuation of the district is located in the city.
- o The city may adopt an ordinance assuming control of the district's utility operations within the city if less than 60 percent of either the area or assessed valuation of a water-sewer district is located in the city.

In any instance where a city only assumes the utility operations of a water-sewer district within the city's boundaries, voters of the water-sewer district may approve a ballot proposition requiring the city to provide utility service throughout the entire district.

Article II, Section 1, of the state constitution requires that property taxes imposed by a taxing district be uniform throughout the boundaries of the taxing district.

SUMMARY:

Existing procedures for a city to assume the operations of a water-sewer district are repealed and replaced by a new procedure.

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A city may assume jurisdiction over all or part of a water-sewer district that has territory located in the city as follows:

- o The city adopts a resolution declaring its intent to assume all or a portion of a water-sewer district and sends a certified copy of its resolution by certified mail, copy received to both the water-sewer district and the county legislative authority.
- o The city issues a written report on the feasibility of the proposed assumption within 90 days of adopting the resolution.
- o The district may declare by resolution that it will issue a written report on the assumption within 30 days of receiving the city's report. A certified copy of this resolution must be sent by certified mail, copy received to the city. This report must be issued within 90 days after adoption of the resolution.
- o The city adopts a second resolution submitting a ballot proposition authorizing the proposed assumption to voters of the entire water-sewer district.
- o A ballot proposition authorizing the assumption is submitted to district voters at a general municipal election or special election held more than 180 days after the city adopts its second resolution. The ballot proposition may require the city to assume the obligation to pay all or part of the district's indebtedness, levy and collect taxes, assessments and charges, and perform contractual obligations.

The city assumes jurisdiction over all or a portion of the water-sewer district on December 31 of the year in which the election was held if the ballot proposition approved by district voters allows and personal property, asset taxes and rights of the water-sewer district become the property of the city if the city assumes jurisdiction over all or only a portion of the district subject to all financial, statutory, and contractual obligations of the district. If the ballot proposition also requires the city to assume the obligations of the water-sewer district, the city shall perform all contractual obligations of the district related to these obligations.

The total fall rate and taxes that are imposed for the district shall be uniform for the same class of customers. All customers using water from the district on their property but not for the principal purpose of resale to other customers are considered to be of the same class whether they are located inside or outside of the city.

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Where a service agreement exists covering district territory, a city may not assume the operations of a water-sewer district unless the governing bodies of all local governments party to the service agreement approve the assumption.

Any proposed assumption of a water-sewer district that has not been approved by a boundary review board by the effective date of this legislation must follow this new procedure.

FISCAL NOTE: Not requested.

EFFECTIVE DATE: Ninety days after adjournment of session in which bill passed.