
HOUSE BILL 2039

State of Washington

57th Legislature

2001 Regular Session

By Representatives Marine, Mielke, Armstrong, Barlean, Morell,
D. Schmidt, Sump and Dunn

Read first time 02/13/2001. Referred to Committee on Local Government
& Housing.

1 AN ACT Relating to special districts; and amending RCW 36.96.040,
2 36.96.070, 85.38.220, and 85.38.225.

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

4 **Sec. 1.** RCW 36.96.040 and 1979 ex.s. c 5 s 4 are each amended to
5 read as follows:

6 After such hearings, the county legislative authority shall make
7 written findings whether each of the special purpose districts that was
8 a subject of the hearings meets each of the criteria of being
9 "inactive." Whenever a special purpose district other than a public
10 utility district has been found to meet a criterion of being inactive,
11 or a public utility district has been found to meet both criteria of
12 being inactive, the county legislative authority shall adopt an
13 ordinance dissolving the special purpose district if it also makes
14 additional written findings detailing why it is in the public interest
15 that the special purpose district be dissolved. Except for the purpose
16 of winding up its affairs as provided by this chapter, a special
17 purpose district that is so dissolved shall cease to exist and the
18 authority and obligation to carry out the purposes for which it was

1 created shall cease thirty-one days after adoption of the dissolution
2 ordinance.

3 **Sec. 2.** RCW 36.96.070 and 1979 ex.s. c 5 s 7 are each amended to
4 read as follows:

5 Any moneys or funds of the dissolved special purpose district and
6 any moneys or funds received by the board of trustees from the sale or
7 other disposition of any property of the dissolved special purpose
8 district shall be used, to the extent necessary, for the payment or
9 settlement of any outstanding obligations of the dissolved special
10 purpose district. Any remaining moneys or funds shall be used to pay
11 the county legislative authority for all costs and expenses incurred in
12 the dissolution and liquidation of the dissolved special purpose
13 district. Thereafter, any remaining moneys, funds, or property shall
14 become that of the county in which the dissolved special purpose
15 district was located(~~(:—PROVIDED, That)~~). However, if the territory
16 of the dissolved special purpose district was located within more than
17 one county, the remaining moneys, funds, and personal property shall be
18 apportioned and distributed to each county in the proportion that the
19 geographical area of the dissolved special purpose district within the
20 county bears to the total geographical area of the dissolved special
21 purpose district, and any remaining real property or improvements to
22 real property shall be transferred to the county within whose
23 boundaries it lies. A county to which real property or improvements to
24 real property are transferred under this section does not have an
25 obligation to use the property or improvements for the purposes for
26 which the dissolved special purpose district used the property or
27 improvements and the county does not assume the obligations or
28 liabilities of the dissolved special purpose district as a result of
29 the transfer.

30 **Sec. 3.** RCW 85.38.220 and 1986 c 278 s 10 are each amended to read
31 as follows:

32 Any special district may have its operations suspended as provided
33 in this section. The process of suspending a special district's
34 operations may be initiated by: (1) The adoption of a resolution
35 proposing such action by the governing body of the special district;
36 (2) the filing of a petition proposing such action with the county
37 legislative authority of the county in which all or the largest portion

1 of the special district is located, which petition is signed by voters
2 of the special district who own at least ten percent of the acreage in
3 the special district or is signed by ten or more voters of the special
4 district; or (3) the adoption of a resolution proposing such action by
5 the county legislative authority of the county in which all or the
6 largest portion of the special district is located.

7 A public hearing on the proposed action shall be held by the county
8 legislative authority at which it shall inquire into whether such
9 action is in the public interest. Notice of the public hearing shall
10 be published in a newspaper of general circulation in the special
11 district, posted in at least four locations in the special district to
12 attract the attention of the public, and mailed to the members of the
13 governing body of the special district, if there are any. After the
14 public hearing, the county legislative authority may adopt a resolution
15 suspending the operations of the special district if it finds such
16 suspension to be in the public interest. When a special district is
17 located in more than one county, the legislative authority of each of
18 such counties must so act before the operations of the special district
19 are suspended.

20 After holding a public hearing on the proposed reactivation of a
21 special district that has had its operations suspended, the legislative
22 authority or authorities of the county or counties in which the special
23 district is located may reactivate the special district by adopting a
24 resolution finding such action to be in the public interest. Notice of
25 the public hearing shall be posted and published as provided for the
26 public hearing on a proposed suspension of a special district's
27 operations. The governing body of a reactivated special district shall
28 be appointed as in a newly created special district.

29 No special district that owns drainage or flood control
30 improvements may be (~~dissolved~~) suspended unless the legislative
31 authority of a county accepts responsibility for operation and
32 maintenance of the improvements during the suspension period.

33 **Sec. 4.** RCW 85.38.225 and 1991 c 28 s 2 are each amended to read
34 as follows:

35 As an alternative to this chapter a drainage district or drainage
36 improvement district located within the boundaries of a county storm
37 drainage and surface water management utility, and which is not
38 currently imposing assessments, may be dissolved by ordinance of the

1 county legislative authority. If the alternative dissolution procedure
2 in this section is used the following shall apply:

3 (1) The county storm drainage and surface water management utility
4 shall assume responsibility for payment or settlement of outstanding
5 debts of the dissolved drainage district or drainage improvement
6 district.

7 (2) All assets, including money, funds, improvements, or property,
8 real or personal, shall become assets of the county in which the
9 dissolved drainage district or drainage improvement district was
10 located.

11 (3) Notwithstanding RCW 85.38.220, the county storm drainage and
12 surface water management utility may determine how to best manage,
13 operate, maintain, improve, exchange, sell, or otherwise dispose of all
14 property, real and personal, of the dissolved drainage district or
15 drainage improvement district, and may determine to modify, cease the
16 operation of, and/or remove any or all facilities or improvements to
17 real property of the dissolved drainage district or drainage
18 improvement district.

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