
HOUSE BILL 1197

State of Washington 64th Legislature 2015 Regular Session

By Representatives Takko and Kochmar

Read first time 01/15/15. Referred to Committee on Local Government.

1 AN ACT Relating to water-sewer districts; amending RCW 57.08.016,
2 57.16.062, and 57.16.090; and adding a new section to chapter 57.20
3 RCW.

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

5 **Sec. 1.** RCW 57.08.016 and 2011 c 90 s 1 are each amended to read
6 as follows:

7 (1) ~~((There shall be no private sale of))~~ Real property ~~((where~~
8 ~~the))~~ with an estimated value ((exceeds the sum)) of five thousand
9 dollars or more may be sold by public sale only. Estimated value
10 shall be determined by the board of commissioners ~~((and))~~, based upon
11 a written appraisal report by a state-licensed or state-certified
12 real estate appraiser ((and broker advice as it considers
13 appropriate)), as described and governed by chapter 18.140 RCW, or a
14 written broker's price opinion, as defined in RCW 18.140.010 and
15 described in RCW 18.140.020. The appraisal report or broker's price
16 opinion must have been prepared less than six months prior to the
17 date of sale. Subject to the provisions of subsection (2) of this
18 section, no real property of the district shall be sold for less than
19 ninety percent of the value thereof. ~~((Where the estimated value of~~
20 ~~the real property exceeds five thousand dollars, value shall be~~
21 ~~established by a written broker price opinion made not more than six~~

1 months prior to the date of sale by three disinterested real estate
2 brokers licensed under the laws of the state or by one professionally
3 designated real estate appraiser as defined in chapter 18.140 RCW.
4 A) The broker price opinion (~~shall be signed by~~) or the (~~broker~~
5 ~~and an~~) appraisal report must be (~~signed by the appraiser and~~)
6 filed with the secretary of the board of commissioners of the
7 district, who shall keep it at the office of the district open to
8 public inspection. (~~Any~~) In addition to the requirements of RCW
9 57.08.015, the notice of intention to sell such real property (~~of~~
10 ~~the district~~) shall recite the estimated value (~~or, if an appraisal~~
11 ~~has been made, the appraised value thereof~~) and refer to the
12 appraisal report or the broker's price opinion, as applicable.

13 (2) If no purchasers can be obtained for the real property at
14 ninety percent or more of its estimated (~~or appraised~~) value
15 (~~after~~) within one hundred twenty days of (~~offering the property~~
16 ~~for sale~~) publication of the initial notice of intention to sell,
17 the board of commissioners of the district may adopt a resolution
18 stating that the district has been unable to sell the property at the
19 ninety percent (~~amount~~) or more of the estimated value. The
20 district then may sell the property at the highest price it can
21 obtain at public auction. A notice of intention to sell at public
22 auction shall be published once a week for two consecutive weeks in a
23 newspaper of general circulation in the district. The notice shall
24 describe the real property, state the time and place at which it will
25 be offered for sale (~~and~~) at public auction, state the minimum
26 opening bid, if any, state the terms and conditions of sale (~~, and~~
27 ~~shall call for bids, fix the conditions thereof~~), and reserve the
28 right to reject any and all bids for good cause.

29 **Sec. 2.** RCW 57.16.062 and 1996 c 230 s 605 are each amended to
30 read as follows:

31 Whether an improvement district is initiated by petition or
32 resolution, the board shall conduct a public hearing at the time and
33 place designated in the notice to property owners. At this hearing
34 the board shall hear objections from any person affected by the
35 formation of the improvement district and may make such changes in
36 the boundaries of the improvement district or such modifications in
37 the plans for the proposed improvement as shall be deemed necessary.
38 The board may not change the boundaries of the improvement district
39 to include property not previously included in it without first

1 passing a new resolution of intention and giving a new notice to
2 property owners in the manner and form and within the time provided
3 in this chapter for the original notice.

4 After the hearing and the expiration of the ten-day period for
5 filing protests, the commissioners shall have jurisdiction to
6 overrule protests and proceed with any such improvement district
7 initiated by petition or resolution. The jurisdiction of the
8 commissioners to proceed with any improvement district initiated by
9 resolution shall be divested by protests filed with the secretary of
10 the board within ten days after the public hearing, signed by the
11 owners, according to the records of the applicable county auditor, of
12 at least forty percent of the area of land within the proposed
13 improvement district.

14 If the commissioners find that the improvement district should be
15 formed, they shall by resolution form the improvement district and
16 order the improvement. After execution of the resolution forming the
17 improvement district, the secretary of the board of commissioners
18 shall publish, in a legal publication that serves the area subject to
19 the improvement district, a notice setting forth that a resolution
20 has been passed forming the improvement district and that a lawsuit
21 challenging the jurisdiction or authority of the district to proceed
22 with the improvement and creating the improvement district must be
23 filed, and notice to the district served, within thirty days of the
24 publication of the notice. (~~The notice shall set forth the nature of
25 the appeal. Property owners bringing the appeal shall follow the
26 procedures set forth under RCW 57.16.090.~~) Whenever a resolution
27 forming an improvement district has been adopted, the (~~formation is
28 conclusive in all things upon all parties, and cannot be contested or
29 questioned in any manner in any proceeding whatsoever by any person
30 not commencing a lawsuit in the manner and within the time provided
31 in this section, except for lawsuits made under RCW 57.16.090~~)
32 action and decision of the commissioners as to all matters passed
33 upon by it in relation to any petition or resolution is final and
34 conclusive. A lawsuit challenging the jurisdiction or authority of
35 the district to proceed with the improvement and create the local
36 improvement district or challenging the validity of or any
37 proceedings relating to the improvement may not be maintained unless
38 the lawsuit is served and filed no later than thirty days after the
39 publication of the notice of the execution of the resolution ordering
40 the improvement and creating the improvement district.

1 Following (~~(an appeal,)~~) the expiration of the time within which
2 a lawsuit challenging the formation of the improvement district must
3 be filed, or if ((it)) the lawsuit is unsuccessful ((or if no appeal
4 ~~is made under RCW 57.16.090))~~, the commissioners may proceed with
5 creating the improvement district, provide the improvement and
6 provide the general funds of the district to be applied thereto,
7 adopt detailed plans of the improvement district and declare the
8 estimated cost thereof, acquire all necessary land therefor, pay all
9 damages caused thereby, and commence in the name of the district such
10 eminent domain proceedings as may be necessary to entitle the
11 district to proceed with the improvements. The board shall thereupon
12 proceed with the work and file with the county treasurer of the
13 county in which the real property is located its roll levying special
14 assessments in the amount to be paid by special assessment against
15 the property situated within the improvement district in proportion
16 to the special benefits to be derived by the property therein from
17 the improvements.

18 **Sec. 3.** RCW 57.16.090 and 1996 c 230 s 609 are each amended to
19 read as follows:

20 The decision of the district board of commissioners upon any
21 objections made within the time and in the manner herein prescribed
22 may be reviewed by the superior court upon an appeal thereto taken in
23 the following manner. (~~The appeal shall be made by filing written~~
24 ~~notice of appeal with the secretary of the board of commissioners and~~
25 ~~with the clerk of the superior court in the county in which the real~~
26 ~~property is situated within ten days after publication of a notice~~
27 ~~that the resolution confirming such assessment roll has been adopted,~~
28 ~~and such notice of appeal shall describe the property and set forth~~
29 ~~the objections of such appellant to such assessment. Within ten days~~
30 ~~from the filing of such notice of appeal with the clerk of the~~
31 ~~superior court, the appellant shall file with the clerk of the court~~
32 ~~a transcript consisting of the assessment roll and the appellant's~~
33 ~~objections thereto, together with the resolution confirming the~~
34 ~~assessment roll and the record of the district commissioners with~~
35 ~~reference to the assessment. The transcript, upon payment of the~~
36 ~~necessary fees therefor, shall be furnished by the secretary of the~~
37 ~~board of commissioners and shall be certified by the secretary to~~
38 ~~contain full, true, and correct copies of all matters and proceedings~~
39 ~~required to be included in such transcript. Such fees shall be the~~

1 same as the fees payable to the county clerk for the preparation and
2 certification of transcripts on appeal to the supreme court or the
3 court of appeals in civil actions. At the time of the filing of the
4 notice of appeal with the clerk of the superior court, the appellant
5 shall file a sufficient bond in the penal sum of two hundred dollars,
6 with at least two sureties, to be approved by the judge of the court,
7 conditioned to prosecute such appeal without delay, and if
8 unsuccessful to pay all costs to which the district is put by reason
9 of such appeal. The court may order the appellant, upon application
10 therefor, to execute and file such additional bond or bonds as the
11 necessity of the case may require. Within three days after such
12 transcript is filed in the superior court, the appellant shall give
13 written notice to the secretary of the district that such transcript
14 is filed. The notice shall state a time, not less than three days
15 from the service thereof, when the appellant will call up the cause
16 for hearing. The superior court shall, at such time or at such
17 further time as may be fixed by order of the court, hear and
18 determine such appeal without a jury. The appeal shall have
19 preference over all civil causes pending in the court, except eminent
20 domain proceedings and actions of forcible entry and detainer. The
21 judgment of the court shall confirm, unless the court shall find from
22 the evidence that such assessment is either founded upon a
23 fundamentally wrong basis or a decision of the board of commissioners
24 thereon was arbitrary or capricious, or both, in which event the
25 judgment of the court shall correct, modify, or annul the assessment
26 insofar as it affects the property of the appellant. A certified copy
27 of the decision of the court shall be filed with the officer who
28 shall have custody of the assessment roll, who shall modify and
29 correct the assessment roll in accordance with such decision.
30 Appellate review of the judgment of the superior court may be sought
31 as in other civil cases. However, the appeal must be sought within
32 fifteen days after the date of the entry of the judgment of such
33 superior court. A certified copy of the order of the supreme court or
34 the court of appeals upon such appeal shall be filed with the officer
35 having custody of the assessment roll, who shall thereupon modify and
36 correct the assessment roll in accordance with the decision.)) A
37 person aggrieved by an assessment must perfect an appeal to the
38 superior court of the county in which the district is situated within
39 ten days after the approval and in the manner provided for appeals

1 from assessments levied by cities of the first class. If the appeal
2 is taken, RCW 35.44.220 through 35.44.270 govern the procedure.

3 NEW SECTION. **Sec. 4.** A new section is added to chapter 57.20
4 RCW to read as follows:

5 (1) The board of commissioners of a district that had an annual
6 operating budget of five million dollars or more in each of the
7 preceding three years may by resolution adopt a policy to issue its
8 own warrants for payment of claims or other obligations of the
9 district. The board of commissioners, after auditing all payrolls and
10 bills, may authorize the issuing of one general certificate to the
11 county treasurer, to be signed by the president of the board of
12 commissioners, authorizing the county treasurer to pay all the
13 warrants specified by date, number, name, and amount, and the
14 accounting funds on which the warrants are drawn. The district may
15 then issue the warrants specified in the general certificate.

16 (2) The board of commissioners of a district that had an annual
17 operating budget of greater than two hundred fifty thousand dollars
18 and under five million dollars in each of the preceding three years
19 may upon agreement between the county treasurer and the district
20 commission, with approval of the district commission by resolution,
21 adopt a policy to issue its own warrants for payment of claims or
22 other obligations of the district. The board of commissioners, after
23 auditing all payrolls and bills, may authorize the issuing of one
24 general certificate to the county treasurer, to be signed by the
25 president of the board of commissioners, authorizing the county
26 treasurer to pay all the warrants specified by date, number, name,
27 and amount, and the accounting funds on which the warrants are drawn.
28 The district may then issue the warrants specified in the general
29 certificate.

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