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**HOUSE BILL 1643**

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**State of Washington****54th Legislature****1995 Regular Session**

**By** Representatives Stevens, Cairnes, Koster, L. Thomas, Dyer, Cooke, B. Thomas, Thompson, D. Schmidt, Boldt, Lambert and Backlund

Read first time 02/02/95. Referred to Committee on Government Operations.

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 and  
14 differing from the information under this subsection is deemed  
15 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 petition contains 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 proponents may file additional petitions proposing the creation of the  
12 new county with the secretary of state that contain additional  
13 signatures of registered voters residing in the territory proposed to  
14 be stricken from the county and included in the new county. The  
15 secretary of state shall copy the additional petitions and forward a  
16 copy to the proponents and the county auditor of each parent county for  
17 validation and shall give a copy of the petitions to the proponents.  
18 The county auditor shall review the signatures and, together with the  
19 prior petitions that were reviewed, certify the results to the  
20 secretary of state, as provided in this subsection.

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

26 NEW SECTION. **Sec. 4.** SPECIAL LEGISLATION TO CREATE A NEW COUNTY.  
27 If the secretary of state certifies to the legislature under section 3  
28 of this act that petitions proposing the creation of a new county have  
29 been filed containing sufficient valid signatures, as authorized in  
30 Article II, section 28(15) of the state Constitution, the legislature  
31 may then enact special legislation striking territory from a county or  
32 counties and creating and organizing a new county.

33 The special legislation creating a new county must name the county,  
34 define the boundaries of the new county, redefine the boundaries of the  
35 parent county or counties to reflect the territory that is stricken to  
36 create the new county, specify a date when the new county is officially  
37 created, and declare the population of the new county that is  
38 determined by the office of financial management. RCW 84.09.030,

1 establishing the boundaries of taxing districts for purposes of  
2 imposing property taxes, must be considered when specifying the date  
3 the new county is officially created.

4 The special legislation creating the new county must include a  
5 finding that the population of the new county, and the population or  
6 populations of the parent county or counties after the striking of  
7 territory to create the new county, and the number of valid signatures  
8 on the petitions, meet the population requirements and signature  
9 requirements established under Article XI, section 3 of the state  
10 Constitution.

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

16 (2) The legislature may include additional territory in the  
17 proposed new county if the additional territory is adjacently located  
18 to any portion of the territory proposed to be included in the new  
19 county by the initial petitions and other petitions proposing the  
20 addition of this territory to the proposed new county are submitted to  
21 the secretary of state and certified by the secretary of state as  
22 having sufficient valid signatures. The additional territory that is  
23 proposed to be included may be located in the same parent county or  
24 counties, as in the initial petitions, or another county or counties.  
25 These other petitions must be signed by at least a majority of the  
26 registered voters residing in the additional territory described in the  
27 petition that is proposed to be stricken from a county and included in  
28 the new county. The review and certification of sufficiency of the  
29 signatures on these other petitions must follow the same process as the  
30 original petitions.

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

34 NEW SECTION. **Sec. 6.** INTERIM OFFICERS. Within thirty days after  
35 the enactment of special legislation creating a new county, the  
36 governor shall appoint two petitioners to the positions of interim  
37 county commissioners for the new county. The petitioners who are

1 appointed must be from a list of from five to ten names submitted to  
2 the governor by the proponents, who submitted to the secretary of state  
3 the largest number of signatures of petitions, within ten days after  
4 the enactment of the special legislation creating the new county. The  
5 two interim county commissioners who are appointed by the governor  
6 shall assume office immediately and, as a first order of business,  
7 shall appoint a third interim county commissioner who shall assume  
8 office immediately. The three interim county commissioners constitute  
9 the first board of county commissioners. Each of the interim county  
10 commissioners must have been a resident of the territory included in  
11 the new county for at least three years. The interim county  
12 commissioners shall remain in office until successors have been elected  
13 and qualified, as provided in section 9 of this act.

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

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

21 NEW SECTION. **Sec. 7.** ANNUAL SALARIES. The director of the  
22 department of community, trade, and economic development shall  
23 designate the same annual salary for each of the interim county  
24 commissioners of a new county that will be payable on a monthly basis.  
25 The annual salary for each interim county commissioner must be the  
26 lowest annual salary that exists for a county commissioner in any of  
27 the four noncharter counties with the closest populations to the  
28 population of the new county.

29 The interim county commissioners shall establish annual salaries  
30 for other interim county officials at the time the appointments are  
31 made.

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

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

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

12      NEW SECTION. **Sec. 9.** ELECTION OF COUNTY OFFICIALS. (1) Within  
13 thirty days of when the third interim county commissioner is appointed,  
14 the interim board of county commissioners shall divide the county into  
15 three county commissioner districts and, where necessary, voting  
16 precincts. The voting precincts within the new county that a parent  
17 county created remain in effect until changed by the interim board of  
18 county commissioners. The interim board shall alter the boundaries of  
19 these voting precincts only as is necessitated by the removal of  
20 territory from the parent county or counties to create the new county.  
21 The newly created county commissioner districts must be used for the  
22 election of the first elected county commissioners and may not apply to  
23 the interim county commissioners.

24       (2) Each of the county elected official offices must be filled at  
25 the state general election held in the same year as the official date  
26 the new county is created if the official date is on or before the  
27 fifteenth day of June in a year, or at the state general election held  
28 in the year after the official date the new county is created if the  
29 county is created after the fifteenth day of June in a year. The  
30 election must be held in accordance with general election laws and a  
31 special filing period may be called if necessary. A primary must be  
32 held at the primary immediately preceding the state general election to  
33 nominate candidates for these offices.

34       The persons who are elected to every position other than a county  
35 commissioner must be elected to a four-year term of office if the state  
36 general election is held in an even-numbered year, or to a three-year  
37 term of office if the state general election is held in an odd-numbered  
38 year, and shall take office on the first day of January in the year

1 following the election. Their successors must be elected to four-year  
2 terms of office.

3 The terms of office of the three persons who are elected as county  
4 commissioners must be staggered so that the two persons who are elected  
5 receiving the two largest numbers of votes are elected to four-year  
6 terms of office and the other person who is elected is elected to a  
7 two-year term of office if the election is held in an even-numbered  
8 year, or the two persons who are elected receiving the two largest  
9 numbers of votes are elected to three-year terms of office and the  
10 other person who is elected is elected to a one-year term of office if  
11 the election is held in an odd-numbered year. The persons who are  
12 first elected as county commissioners shall take office immediately  
13 when elected and qualified and their terms of office must be calculated  
14 from the first day in January in the year following their elections.

15        **NEW SECTION.** **Sec. 10.** SPECIAL DISTRICTS. The creation of a new  
16 county may not affect the boundaries of a city, town, or special  
17 district including, but not limited to, a fire protection district,  
18 school district, port district, public utility district, or public  
19 hospital district.

20        Unless the interim board of county commissioners provides  
21 otherwise, a single road district must exist in the new county composed  
22 of all the unincorporated area within the new county. Territory that  
23 is stricken from a parent county to create a new county must also be  
24 stricken from the road district or districts of the parent county  
25 effective on the official date of creating the new county.

26        An area in a new county that was included in a county rural library  
27 district must remain part of that county rural library district. The  
28 trustees of such a library district must be appointed by joint action  
29 of the members of the county legislative authorities of the parent  
30 county and new county, with the vote on each appointment distributed  
31 among the members of the county legislative authorities so that the  
32 combined vote of all the members of a single county legislative  
33 authority is in direct proportion to the percentage of population  
34 within the library district residing in that county and each member of  
35 that county legislative authority receiving an equal portion of that  
36 vote.

1        NEW SECTION. **Sec. 11.** COURTS. The special legislation creating  
2 the new county must provide for a separate superior court for the new  
3 county or include the new county as part of a superior court with  
4 another county or counties. The special legislation creating the new  
5 county shall provide for a justice court in the new county.

6        NEW SECTION. **Sec. 12.** TRANSFER OF CASES. (1) If a separate  
7 superior court is provided for the new county, all actions and  
8 proceedings that are pending in the superior court of a parent county  
9 at the date the new county is officially created affecting the title or  
10 possession of real property in the new county, or in which all the  
11 parties are residents of the new county, must be transferred to the  
12 superior court of the new county, and all proceedings in these lawsuits  
13 must be held in the new county as if originally commenced in that  
14 county. All other civil or criminal proceedings pending in the  
15 superior court of a parent county must be prosecuted to their  
16 termination in that court.

17        All pleadings, process, documents, and files in the office of the  
18 county clerk and other officers of the superior court of a parent  
19 county affecting actions and proceedings transferred to the superior  
20 court of the new county must be certified and transferred to the county  
21 clerk or other officers of the superior court of the new county.

22        (2) All actions and proceedings that are pending in the district  
23 court of a parent county at the date the new county is officially  
24 created affecting real property located in the new county, or in which  
25 all parties are residents of the new county, must be transferred to the  
26 district court of the new county, and all proceedings in these lawsuits  
27 must be held in the new county as if originally commenced in that  
28 county. All other civil or criminal proceedings pending in the  
29 district court of a parent county must be prosecuted to their  
30 termination in that court.

31        All pleadings, process, documents, and files in the district court  
32 of a parent county affecting actions and proceedings transferred to the  
33 district court of the new county must be certified and transferred to  
34 the district court of the new county.

35        NEW SECTION. **Sec. 13.** TRANSFER OF RECORDS. Within ninety days of  
36 appointment of the third interim county commissioner of the new county,  
37 all records, documents, and papers in the offices of county auditor,

1 county assessor, county treasurer, and other county offices of a parent  
2 county affecting the title or possession of real property in the new  
3 county, assessed valuation of property located in the new county, the  
4 registration of voters residing in the new county, or other appropriate  
5 matters, must be copied, certified as being correct copies, and  
6 transferred to the appropriate county officials and officers of the new  
7 county. The new county shall provide proper and suitable record books  
8 and computer or otherwise electronic, mechanical, photocopying,  
9 recording, and retrieval systems, to which the records, documents, and  
10 papers must be transferred.

11 The parent county shall bear all costs of collecting, transcribing  
12 or copying, and transferring the records, documents, and papers. The  
13 appropriate officials of the parent county shall certify each book of  
14 records as being correct copies or the correct original records.

15 **NEW SECTION.** **Sec. 14.** INTERIM TRANSITION PERIOD. (1) During the  
16 interim period the interim county officials of a new county may provide  
17 for the transition of the area into a new county, including the  
18 authority of the interim board of county commissioners to adopt  
19 ordinances effective on or after the date the new county is officially  
20 created and to enter into contracts and agreements facilitating the  
21 transition of the area into a new county and ensuring a continuation of  
22 governmental services during the interim period and after the new  
23 county is officially created.

24 The two interim county commissioners who are appointed by the  
25 governor shall establish a date, time, and place within the new county  
26 for the first meeting of the interim board of county commissioners, at  
27 which meeting they shall appoint the third interim county commissioner,  
28 elect a chair of the board of county commissioners, and transact other  
29 business. The interim board of county commissioners shall appoint the  
30 other interim county officials at the first meeting or at the next  
31 meeting. The county commissioners shall cause to be published a notice  
32 of this first meeting in a newspaper of general circulation in the new  
33 county at least once ten days before the meeting.

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

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

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

6       (c) Submit to voters of the new county ballot propositions  
7 authorizing a single-year excess levy to be imposed, as provided in RCW  
8 84.52.052;

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

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

15       (f) Adopt ordinances imposing excise taxes that counties are  
16 allowed to impose to be collected after the new county is created,  
17 including, but not limited to, sales and use taxes authorized in  
18 chapter 82.14 RCW and excise taxes for sale of real estate authorized  
19 in chapter 82.46 RCW. These excise taxes must begin to be collected on  
20 the date the new county is officially created, if the ordinances  
21 imposing the excise taxes are adopted in a timely manner.

22       During the interim period, RCW 82.14.036 applies. During the  
23 interim period, the interim board of county commissioners may adopt  
24 resolutions establishing moratoria on the filing permit applications.

25       (3) During this interim period, the new county that will be created  
26 and the interim county elected officials are subject to the following  
27 as though the county were officially created: RCW 36.16.050 relating  
28 to the filing of bonds; RCW 4.24.470 relating to immunity; chapter  
29 42.17 RCW relating to open government; chapter 40.14 RCW relating to  
30 the preservation and disposition of public records; chapters 42.20,  
31 42.22, and 42.23 RCW relating to ethics and conflicts of interest;  
32 chapters 42.30 and 42.32 RCW relating to open public meetings and  
33 minutes; RCW 36.72.075 relating to the designation of an official  
34 newspaper, except that the interim board of county commissioners may  
35 designate its official county newspaper at a meeting during the interim  
36 period; RCW 36.16.138 relating to liability insurance; RCW 36.32.240  
37 through 36.32.267, chapter 36.77 RCW, and statutes referenced in RCW  
38 36.32.240 through 36.32.267 and chapter 36.77 RCW, relating to public

1 contracts and bidding; and chapter 39.34 RCW relating to interlocal  
2 cooperation.

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

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

17       The parent county or counties shall continue financing the  
18 maintenance and construction of county facilities and providing county  
19 services in the new county during the interim period as if the new  
20 county were not created. The new county shall not be required to  
21 reimburse the parent county or counties for these costs. During the  
22 interim period each county official of the parent county or counties  
23 retains joint authority with the similar interim county officials of  
24 the new county in that portion of the parent county from which new  
25 county was formed.

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

31       (2) The interim board of county commissioners shall adopt a budget  
32 or budgets for the interim period in consultation with the division of  
33 municipal corporations of the office of the state auditor. The initial  
34 interim budget may authorize the expenditure of moneys in a general  
35 sense without specific detail.

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

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

26       The department of community, trade, and economic development shall  
27 prepare and file with the legislature a report detailing the potential  
28 revenues and expenses of a proposed new county whenever the secretary  
29 of state certifies that petitions proposing the creation of a new  
30 county have sufficient valid signatures. The potential revenues of the  
31 proposed new county must include both tax revenue of the new county  
32 itself and distributions of state and federal moneys to the new county.

33       NEW SECTION. **Sec. 19.** BORROWING MONEY FROM THE COUNTY SALES AND  
34 USE TAX EQUALIZATION ACCOUNT. During the interim period, the interim  
35 board of county commissioners of a new county may by resolution borrow  
36 money from the county sales and use tax equalization account up to one  
37 hundred thousand dollars or five dollars per capita based on a

1 population estimate of the new county made by the office of financial  
2 management, whichever is less.

3       The loan authorized by this section must be repaid over a three-  
4 year period. The state treasurer shall withhold moneys from the funds  
5 otherwise payable to the new county that has obtained the loan, either  
6 from the county sales and use tax equalization account or from sales  
7 and use tax entitlements otherwise distributable to the new county, so  
8 that the account is fully reimbursed over the three-year period. The  
9 state treasurer shall adopt by rule procedures to accomplish the  
10 purpose of this section on a reasonable and equitable basis over the  
11 three-year period.

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

14       TRANSPORTATION FUNDING. The department of transportation shall  
15 adjust the allocations of transportation moneys made to counties to  
16 reflect the creation of a new county based upon its information of the  
17 number of registered vehicles, truck highway mileage, total county road  
18 placement costs, annual maintenance costs, assessed valuation, or other  
19 relevant factors.

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

22       APPORTIONMENT OF DEBTS, OBLIGATIONS, AND ASSETS. Whenever a new  
23 county shall be or shall have been ((organized)) created out of the  
24 territory which was ((included within the limits of any other))  
25 stricken from another county or counties, the new county shall be  
26 liable for a ((reasonable)) just proportion of the debts and  
27 obligations of the parent county ((from which it was taken, and  
28 entitled to its proportion of the property of the county)) or counties  
29 and shall receive a just proportion of the assets of the parent county  
30 or counties.

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

33       PROCEDURE TO APPORTION DEBTS, LIABILITIES, AND ASSETS. (1) The  
34 auditor of the ((old)) parent county shall give the auditor of the new  
35 county reasonable notice to meet ((him)) together on a certain day at  
36 the county seat of the ((old)) parent county, or at some other

1 convenient place, to settle ((upon and fix the amount which the new  
2 county shall pay)) the apportionment of debts and liabilities, if any,  
3 as provided in subsection (2) of this section and apportionment of  
4 assets under section 23 of this act.

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

18       The remaining debts and liabilities of the parent county must be  
19 apportioned so that the new county is assigned an amount of these debts  
20 and liabilities that is in the same proportion as the assessed  
21 valuation of the new county, that was part of that parent county, is to  
22 the total assessed valuation in the parent county before the creation  
23 of the new county. The assessed valuations must be those used for  
24 taxes imposed in the year before the effective date of the creation of  
25 the new county.

26       This section may not be construed to effect the rights of  
27 creditors.

28       **NEW SECTION. Sec. 23. ASSETS.** The parent county shall retain  
29 ownership of real property it owns that remains in its boundaries after  
30 the creation of the new county. At the effective date of the creation  
31 of the new county, the new county shall acquire ownership of real  
32 property that was owned by the parent county that is located in the new  
33 county.

34       All equipment owned by the parent county that is used in the  
35 construction or maintenance of roads or bridges must be apportioned  
36 between the new county and parent county so that the new county  
37 receives a portion of this equipment that is in the same proportion as  
38 the number of miles of county roads in the new county, that were part

1 of that parent county, is to the total number of miles of county roads  
2 in the parent county before the creation of the new county.

3 All other assets of the parent county, the apportionment of which  
4 is not otherwise provided for, must be apportioned between the parent  
5 county and new county so that the new county receives a portion of  
6 these assets that is in the same proportion as the assessed valuation  
7 of the new county, that was part of the parent county, is to the total  
8 assessed valuation of the parent county before the creation of the new  
9 county. The assessed valuations must be those used for taxes imposed  
10 in the year before the effective date of the creation of the new  
11 county.

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

14 MEDIATION. In case the two auditors cannot agree to the  
15 apportionment of debts, liabilities, and assets, they shall call ((a  
16 third person, not a citizen of either county, or in any other manner  
17 interested, whose decision shall be binding. In case they cannot agree  
18 upon such third person, they shall each name one and decide by lot  
19 which it shall be)) the state auditor to mediate. The state auditor  
20 shall mediate over any other disputes on the transfer of records,  
21 documents, and papers under sections 12 and 13 of this act. The  
22 decision of the state auditor is binding on the parent county and new  
23 county.

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

26 PAYMENT OF INDEBTEDNESS. The auditor of the county indebted upon  
27 ((such)) the decision apportioning debts, liabilities, and assets shall  
28 give to the auditor of the other county his or her order upon the  
29 treasurer for the amount to be paid out of the proper fund, as in other  
30 cases, and also make out a transfer of such property as shall be  
31 assigned to either county. The auditors shall establish a method of  
32 transfer or payment within sixty calendar days after the final  
33 apportionment is made.

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

1       COLLECTION AND APPORTIONMENT OF TAX REVENUES. When a county is  
2 divided or the boundary is altered, all property taxes levied by the  
3 county and road district or districts before the division was made or  
4 boundaries changed, must be collected by the officers of the parent  
5 county ((in which the territory was situated before the division or  
6 change)) or counties. ((And)) The auditor or auditors of the county or  
7 counties so divided or having boundaries changed, shall apportion the  
8 amount of the real property taxes so collected after division or change  
9 of boundary to the ((old)) parent county or counties and the new county  
10 or counties, ((in the ratio of the assessed value of such property  
11 situated in the territory of each county or counties respectively, and  
12 the old county that may have been divided or whose boundaries may have  
13 been changed,)) so that each new county receives a portion of these tax  
14 receipts that is in the same proportion as the assessed valuation of  
15 that county, that was part of a parent county, is to the total assessed  
16 valuation of that parent county before the creation of the new county  
17 multiplied by a fraction, the numerator of which is the number of days  
18 remaining in the calendar year and the denominator of which is the  
19 number of days in that calendar year. The assessed valuations must be  
20 those that were used for taxes imposed in the year before the effective  
21 date of the creation of the new county. The parent county shall retain  
22 all of the personal property taxes on ((the said)) its tax rolls, as  
23 compensation for cost of collection of the entire taxes(: PROVIDED,  
24 That)). However, in such accounting neither county shall be charged  
25 with any debt or liability then existing incurred in the purchase of  
26 any county property, or in the purchase or construction of any county  
27 buildings then in use or under construction, which shall fall within  
28 and be retained by the county(: PROVIDED FURTHER, That)). Nothing in  
29 this section shall ((not)) be construed to affect the rights of  
30 creditors(: AND PROVIDED FURTHER, That any such county property or  
31 buildings shall be the property of and owned by the county wherein the  
32 same is situated. In case the auditors of the interested counties are  
33 not able to agree upon the proportion to be awarded to each county, the  
34 same shall be determined by the judge of the superior court of the  
35 district in which all of the interested counties are situated, if they  
36 be in one district, and have one common judge, and if not, by the  
37 judges sitting en banc of the superior courts of the counties involved.  
38 Said auditors shall make said apportionment within sixty days after the  
39 creation of any new county or the changing of boundaries of any old

1 county, and if they do not, within said time, agree upon said  
2 apportionment, thereafter either or any county affected may petition  
3 the judge or judges of any court given jurisdiction by this section,  
4 and upon ten days' notice to any other county affected, the same may be  
5 brought on for hearing and summarily disposed of by said judge or  
6 judges, after allowing each side an opportunity to be heard)).

7 Each parent county shall continue imposing sales and use taxes  
8 throughout its entire boundaries until the effective date of the  
9 creation of the new county. Before the effective date of creating the  
10 new county, each parent county shall continue receiving federal and  
11 state moneys allocated to it as if the new county did not exist. State  
12 moneys must be allocated to the new county on whatever basis these  
13 moneys are distributed commencing on the effective date of creating the  
14 new county.

15 NEW SECTION. **Sec. 27.** CONSTRUCTION. The rule of strict  
16 construction does not apply to this chapter. This chapter must be  
17 liberally construed to provide for the creation of a new county and  
18 removal of territory from a parent county forming all or part of the  
19 new county. A continuation of government remains in both the new  
20 county and the remaining parent county or counties.

21 The interim board of county commissioners of a new county is  
22 granted broad authority to provide for a transition to a new county  
23 during the interim period so that, to the greatest extent possible, a  
24 new county will be able to fully function as a complete county  
25 government at the date the new county is officially created. Should a  
26 situation arise where it appears that technically the new county is  
27 unable to act, the interim board of county commissioners is granted the  
28 full authority to take necessary actions.

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

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

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

3       ESTABLISHING BOUNDARIES FOR PURPOSES OF IMPOSING PROPERTY TAXES.  
4 Except as follows, the boundaries of counties, cities and all other  
5 taxing districts, for purposes of property taxation and the levy of  
6 property taxes, shall be the established official boundaries of such  
7 districts existing on the first day of March of the year in which the  
8 property tax levy is made.

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

12     (1) Boundaries for a newly incorporated city shall be established  
13 on the last day of March of the year in which the initial property tax  
14 levy is made, and the boundaries of a road district, library district,  
15 or fire protection district or districts, that include any portion of  
16 the area that was incorporated within its boundaries shall be altered  
17 as of this date to exclude this area, if the budget for the newly  
18 incorporated city is filed pursuant to RCW 84.52.020 and the levy  
19 request of the newly incorporated city is made pursuant to RCW  
20 84.52.070. Whenever a proposed city incorporation is on the March  
21 special election ballot, the county auditor shall submit the legal  
22 description of the proposed city to the department of revenue on or  
23 before the first day of March;

24     (2) Boundaries for a newly incorporated port district shall be  
25 established on the first day of October if the boundaries of the newly  
26 incorporated port district are coterminous with the boundaries of  
27 another taxing district, as they existed on the first day of March of  
28 that year;

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

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

38     (5) Boundaries of a new county, the counties from which territory  
39 is stricken to create the new county, any road districts in the

1   counties from which the territory is stricken, and road districts in  
2   the newly created county shall be established on the date special  
3   legislation is enacted creating the new county.

4       The boundaries of a taxing district shall be established on the  
5   first day of June if territory has been added to, or removed from, the  
6   taxing district after the first day of March of that year with  
7   boundaries coterminous with the boundaries of another taxing district  
8   as they existed on the first day of March of that year. However, the  
9   boundaries of a road district, library district, or fire protection  
10   district or districts, that include any portion of the area that was  
11   annexed to a city or town within its boundaries shall be altered as of  
12   this date to exclude this area. In any case where any instrument  
13   setting forth the official boundaries of any newly established taxing  
14   district, or setting forth any change in such boundaries, is required  
15   by law to be filed in the office of the county auditor or other county  
16   official, said instrument shall be filed in triplicate. The officer  
17   with whom such instrument is filed shall transmit two copies to the  
18   county assessor.

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

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

24       NEW SECTION.   **Sec. 31.**   If necessary, the code reviser shall  
25   recodify RCW 36.09.010, 36.09.020, 36.09.035, 36.09.040, and 36.09.050  
26   to conform with the reorganization of chapter 36.09 RCW as provided in  
27   this act and provide for a logical order of sections.

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

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