

CERTIFICATION OF ENROLLMENT

SUBSTITUTE SENATE BILL 6119

Chapter 326, Laws of 1998

55th Legislature
1998 Regular Session

ASSUMPTION OF WATER-SEWER DISTRICTS BY MUNICIPALITIES--REVISIONS

EFFECTIVE DATE: 4/3/98

Passed by the Senate March 11, 1998
YEAS 29 NAYS 20

BRAD OWEN

President of the Senate

Passed by the House March 4, 1998
YEAS 79 NAYS 19

CLYDE BALLARD

**Speaker of the
House of Representatives**

Approved April 3, 1998

CERTIFICATE

I, Mike O Connell, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SUBSTITUTE SENATE BILL 6119** as passed by the Senate and the House of Representatives on the dates hereon set forth.

MIKE O'CONNELL

Secretary

FILED

April 3, 1998 - 3:03 p.m.

GARY LOCKE

Governor of the State of Washington

**Secretary of State
State of Washington**

SUBSTITUTE SENATE BILL 6119

AS AMENDED BY THE HOUSE

Passed Legislature - 1998 Regular Session

State of Washington 55th Legislature 1998 Regular Session

By Senate Committee on Government Operations (originally sponsored by Senators Schow, Haugen, Patterson, McCaslin and Roach)

Read first time 02/06/98.

1 AN ACT Relating to voter approval of a city assumption of a water-
2 sewer district; amending RCW 35.13A.010 and 35.13A.020; creating a new
3 section; and declaring an emergency.

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

5 **Sec. 1.** RCW 35.13A.010 and 1971 ex.s. c 95 s 1 are each amended to
6 read as follows:

7 Whenever used in this chapter, the following words shall have the
8 following meanings:

9 (1) The words "district," "water district," and "sewer district"
10 shall mean a (~~water district or sewer district as indicated by the~~
11 ~~context of the section in which used~~) "water-sewer district" as that
12 term is used in Title 57 RCW.

13 (2) The word "city" shall mean a city or town of any class and
14 shall also include any code city as defined in chapter 35A.01 RCW.

15 (3) (~~The words "included with" shall mean the inclusion of all or~~
16 ~~part of the territory of a district, as indicated by the context,~~
17 ~~within the corporate limits of a city either by incorporation of a~~
18 ~~city, annexation to a city, consolidation of cities or any combination~~
19 ~~thereof.~~

1 ~~(4))~~) The word "indebtedness" shall include general obligation,
2 revenue, and special indebtedness and temporary, emergency, and interim
3 loans.

4 **Sec. 2.** RCW 35.13A.020 and 1971 ex.s. c 95 s 2 are each amended to
5 read as follows:

6 (1) Whenever all of the territory of a water ~~((district or))~~ sewer
7 district is included within the corporate boundaries of a city, ~~((and))~~
8 the city legislative body ~~((has elected by))~~ may adopt a resolution or
9 ordinance to assume jurisdiction ((thereof)) over all of the district.

10 (2) Upon the assumption, all real and personal property,
11 franchises, rights, assets, taxes levied but not collected for the
12 district for other than indebtedness, water ~~((and))~~ sewer ~~((lines))~~,
13 and drainage facilities, and all other facilities and equipment of the
14 district shall become the property of ~~((such))~~ the city subject to all
15 financial, statutory, or contractual obligations of the district for
16 the security or performance of which ~~((such))~~ the property may have
17 been pledged. ~~((Such))~~ The city, in addition to its other powers,
18 shall have the power to manage, control, maintain, and operate ~~((such))~~
19 the property, facilities and equipment and to fix and collect service
20 and other charges from owners and occupants of properties so served by
21 the city, subject, however, to any outstanding indebtedness, bonded or
22 otherwise, of the district payable from taxes, assessments, or revenues
23 of any kind or nature and to any other contractual obligations of the
24 district.

25 ~~((Such))~~ (3) The city may by resolution or ordinance of its
26 legislative body, assume the obligation of paying such district
27 indebtedness and of levying and of collecting or causing to be
28 collected ~~((such))~~ the district taxes, assessments, and utility rates
29 and charges of any kind or nature to pay and secure the payment of
30 ~~((such))~~ the indebtedness, according to all of the terms, conditions
31 and covenants incident to ~~((such))~~ the indebtedness, and shall assume
32 and perform all other outstanding contractual obligation of the
33 district in accordance with all of ~~((its))~~ their terms, conditions, and
34 covenants. ~~((No such))~~ An assumption shall not be deemed to impair the
35 obligation of any indebtedness or other contractual obligation
36 ~~((entered into after August 9, 1971))~~. During the period until the
37 outstanding indebtedness of the district has been discharged, the
38 territory of the district and the owners and occupants of property

1 therein, shall continue to be liable for its and their proportionate
2 share of ((such)) the indebtedness, including any outstanding
3 assessments levied within any local improvement district or utility
4 local improvement district thereof. The city shall assume the
5 obligation of causing the payment of ((such)) the district's
6 indebtedness, collecting ((such)) the district's taxes, assessments,
7 and charges, and observing and performing the other district
8 contractual obligations. The legislative body of the city shall act as
9 the officers of the district for the purpose of certifying the amount
10 of any property tax to be levied and collected therein, and causing
11 service and other charges and assessments to be collected from ((such))
12 the property or owners or occupants thereof, enforcing ((such)) the
13 collection and performing all other acts necessary to ((insure)) ensure
14 performance of the district's contractual obligations in the same
15 manner and by the same means as if the territory of the district had
16 not been included within the boundaries of a city.

17 When a city assumes the obligation of paying the outstanding
18 indebtedness, and if property taxes or assessments have been levied and
19 service and other charges have accrued for ((such)) this purpose but
20 have not been collected by the district prior to ((such election)) the
21 assumption, the same when collected shall belong and be paid to the
22 city and be used by ((such)) the city so far as necessary for payment
23 of the indebtedness of the district existing and unpaid on the date
24 ((such)) the city ((elects to)) assumes the indebtedness. Any funds
25 received by the city which have been collected for the purpose of
26 paying any bonded or other indebtedness of the district, shall be used
27 for the purpose for which they were collected and for no other purpose.
28 Any outstanding indebtedness shall be paid as provided in the ((bond))
29 terms, conditions, and covenants of the indebtedness. All funds of the
30 district on deposit with the county treasurer at the time of title
31 transfer shall be used by the city solely for the benefit of the
32 assumed utility and shall not be transferred to or used for the benefit
33 of the city's general fund.

34 NEW SECTION. **Sec. 3.** During the period commencing with the
35 effective date of this act and running through July 1, 1999, a city may
36 not assume jurisdiction of all or a portion of a water-sewer district
37 under RCW 35.13A.030 or 35.13A.040, unless voters of the entire water-
38 sewer district approve a ballot proposition authorizing the assumption

1 under general election law with the city paying for the election costs,
2 and during the same period a water-sewer district may not:

3 (1) Merge or consolidate with another water-sewer district unless
4 each city that is partially included within any of the districts
5 proposing to merge or consolidate indicates that it has no interest in
6 assuming jurisdiction of the district; or

7 (2) Take any action that would establish different contractual
8 obligations, requirements for retiring indebtedness, authority to issue
9 debt in parity with the district's existing outstanding indebtedness,
10 rates of compensation, or terms of employment contracts, if a city
11 assumes jurisdiction of all or a portion of the district. Nothing in
12 this subsection shall be construed to prevent a district from issuing
13 obligations on a parity with its outstanding obligations, to repeat
14 terms and conditions of obligations provided with respect to earlier
15 parity obligations, or to provide covenants that are customary for
16 obligations of similar utilities whether those utilities are operated
17 by cities or special purpose districts.

18 NEW SECTION. **Sec. 4.** This act is necessary for the immediate
19 preservation of the public peace, health, or safety, or support of the
20 state government and its existing public institutions, and takes effect
21 immediately.

Passed the Senate March 11, 1998.

Passed the House March 4, 1998.

Approved by the Governor April 3, 1998.

Filed in Office of Secretary of State April 3, 1998.