
ENGROSSED SUBSTITUTE SENATE BILL 5300

State of Washington

56th Legislature

1999 Regular Session

By Senate Committee on State & Local Government (originally sponsored by Senators Patterson, Horn, Haugen, Gardner and Honeyford)

Read first time 02/17/1999.

1 AN ACT Relating to cities and towns; amending RCW 41.04.190,
2 35.33.075, 35.34.120, 35.34.130, 35A.33.075, 35A.34.120, 35A.34.130,
3 35.23.181, 35A.12.110, 35A.14.299, 35A.14.020, 35A.63.110, 82.29A.090,
4 65.04.045, and 39.36.020; and adding a new section to chapter 43.21C
5 RCW.

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

7 **Sec. 1.** RCW 41.04.190 and 1996 c 230 s 1610 are each amended to
8 read as follows:

9 The cost of a policy or plan to a public agency or body is not
10 additional compensation to the employees or elected officials covered
11 thereby. The elected officials to whom this section applies include
12 but are not limited to commissioners elected under chapters 28A.315,
13 52.14, 53.12, 54.12, 57.12, 70.44, and 87.03 RCW, as well as any county
14 elected officials who are provided insurance coverage under RCW
15 41.04.180, and city officials elected under chapters 35.17, 35.22,
16 35.23, 35.27, 35A.12, and 35A.13 RCW. Such a policy or plan for
17 elected city officials must be adopted at an open meeting, must be
18 included on the council meeting agenda, and must be included as a line
19 item in the city budget. Any officer authorized to disburse such funds

1 may pay in whole or in part to an insurance carrier or health care
2 service contractor the amount of the premiums due under the contract.

3 **Sec. 2.** RCW 35.33.075 and 1995 c 301 s 41 are each amended to read
4 as follows:

5 Following conclusion of the hearing, and prior to the beginning of
6 the fiscal year, the legislative body shall make such adjustments and
7 changes as it deems necessary or proper and after determining the
8 allowance in each item, department, classification and fund, and shall
9 by ordinance, adopt the budget in its final form and content.
10 Appropriations shall be limited to the total estimated revenues
11 contained therein including the amount to be raised by ad valorem taxes
12 and the unencumbered fund balances estimated to be available at the
13 close of the current fiscal year. Such ordinances may adopt the final
14 budget by reference: PROVIDED, That the ordinance adopting such budget
15 shall set forth in summary form the totals of estimated revenues and
16 appropriations for each separate fund and the aggregate totals for all
17 such funds combined.

18 A complete copy of the final budget as adopted shall be transmitted
19 to the (~~association of Washington cities~~) municipal research council
20 or its designee.

21 **Sec. 3.** RCW 35.34.120 and 1995 c 301 s 45 are each amended to read
22 as follows:

23 Following conclusion of the hearing, and prior to the beginning of
24 the fiscal biennium, the legislative body shall make such adjustments
25 and changes as it deems necessary or proper and, after determining the
26 allowance in each item, department, classification, and fund, shall by
27 ordinance adopt the budget in its final form and content.
28 Appropriations shall be limited to the total estimated revenues
29 contained therein including the amount to be raised by ad valorem taxes
30 and the unencumbered fund balances estimated to be available at the
31 close of the current fiscal biennium. Such ordinances may adopt the
32 final budget by reference. However, the ordinance adopting the budget
33 shall set forth in summary form the totals of estimated revenues and
34 appropriations for each separate fund and the aggregate totals for all
35 such funds combined.

1 A complete copy of the final budget as adopted shall be transmitted
2 to the state auditor and to the ((~~association of Washington cities~~))
3 municipal research council or its designee.

4 **Sec. 4.** RCW 35.34.130 and 1995 c 301 s 46 are each amended to read
5 as follows:

6 The legislative authority of a city or town having adopted the
7 provisions of this chapter shall provide by ordinance for a mid-
8 biennial review and modification of the biennial budget. The ordinance
9 shall provide that such review and modification shall occur no sooner
10 than eight months after the start nor later than conclusion of the
11 first year of the fiscal biennium. The chief administrative officer
12 shall prepare the proposed budget modification and shall provide for
13 publication of notice of hearings consistent with publication of
14 notices for adoption of other city or town ordinances. City or town
15 ordinances providing for a mid-biennium review and modification shall
16 establish procedures for distribution of the proposed modification to
17 members of the city or town legislative authority, procedures for
18 making copies available to the public, and shall provide for public
19 hearings on the proposed budget modification. The budget modification
20 shall be by ordinance approved in the same manner as are other
21 ordinances of the city or town.

22 A complete copy of the budget modification as adopted shall be
23 transmitted to the state auditor and to the ((~~association of Washington~~
24 ~~cities~~)) municipal research council or its designee.

25 **Sec. 5.** RCW 35A.33.075 and 1995 c 301 s 53 are each amended to
26 read as follows:

27 Following conclusion of the hearing, and prior to the beginning of
28 the fiscal year, the legislative body shall make such adjustments and
29 changes as it deems necessary or proper and after determining the
30 allowance in each item, department, classification and fund, and shall
31 by ordinance, adopt the budget in its final form and content.
32 Appropriations shall be limited to the total estimated revenues
33 contained therein including the amount to be raised by ad valorem taxes
34 and the unencumbered fund balances estimated to be available at the
35 close of the current fiscal year. Such ordinances may adopt the final
36 budget by reference: PROVIDED, That the ordinance adopting such budget
37 shall set forth in summary form the totals of estimated revenues and

1 appropriations for each separate fund and the aggregate totals for all
2 such funds combined.

3 A complete copy of the final budget as adopted shall be transmitted
4 to the state auditor(~~(7)~~) and to the (~~association of Washington~~
5 ~~cities~~) municipal research council or its designee.

6 **Sec. 6.** RCW 35A.34.120 and 1995 c 301 s 57 are each amended to
7 read as follows:

8 Following conclusion of the hearing, and prior to the beginning of
9 the fiscal biennium, the legislative body shall make such adjustments
10 and changes as it deems necessary or proper and, after determining the
11 allowance in each item, department, classification, and fund, shall by
12 ordinance adopt the budget in its final form and content.
13 Appropriations shall be limited to the total estimated revenues
14 contained therein including the amount to be raised by ad valorem taxes
15 and the unencumbered fund balances estimated to be available at the
16 close of the current fiscal biennium. Such ordinances may adopt the
17 final budget by reference. However, the ordinance adopting the budget
18 shall set forth in summary form the totals of estimated revenues and
19 appropriations for each separate fund and the aggregate totals for all
20 such funds combined.

21 A complete copy of the final budget as adopted shall be transmitted
22 to the state auditor and to the (~~association of Washington cities~~)
23 municipal research council or its designee.

24 **Sec. 7.** RCW 35A.34.130 and 1995 c 301 s 58 are each amended to
25 read as follows:

26 The legislative authority of a city having adopted the provisions
27 of this chapter shall provide by ordinance for a mid-biennial review
28 and modification of the biennial budget. The ordinance shall provide
29 that such review and modification shall occur no sooner than eight
30 months after the start nor later than conclusion of the first year of
31 the fiscal biennium. The chief administrative officer shall prepare
32 the proposed budget modification and shall provide for publication of
33 notice of hearings consistent with publication of notices for adoption
34 of other city ordinances. City ordinances providing for a mid-biennium
35 review and modification shall establish procedures for distribution of
36 the proposed modification to members of the city legislative authority,
37 procedures for making copies available to the public, and shall provide

1 for public hearings on the proposed budget modification. The budget
2 modification shall be by ordinance approved in the same manner as are
3 other ordinances of the city.

4 A complete copy of the budget modification as adopted shall be
5 transmitted to the state auditor and to the (~~association of Washington~~
6 ~~cities~~) municipal research council or its designee.

7 **Sec. 8.** RCW 35.23.181 and 1993 c 199 s 2 are each amended to read
8 as follows:

9 The city council and mayor shall meet in January next succeeding
10 the date of each general municipal election, and shall take the oath of
11 office, and shall hold regular meetings at least once during each month
12 but not to exceed one regular meeting in each week, at such times as
13 may be fixed by ordinance.

14 Special meetings may be called by the mayor or by a majority of the
15 members of the city council by written notice as provided in RCW
16 42.30.080. No ordinances shall be passed or contract let or entered
17 into, or bill for the payment of money allowed at any special meeting.

18 All meetings of the city council shall be held at such place as may
19 be designated by the city council. All final actions on resolutions
20 and ordinances must take place within the corporate limits of the city.
21 All meetings of the city council must be public.

22 **Sec. 9.** RCW 35A.12.110 and 1993 c 199 s 3 are each amended to read
23 as follows:

24 The city council and mayor shall meet regularly, at least once a
25 month, at a place and at such times as may be designated by the city
26 council. All final actions on resolutions and ordinances must take
27 place within the corporate limits of the city. Special meetings may be
28 called by the mayor or (~~any three~~) by a majority of the members of
29 the council by written notice delivered to each member of the council
30 at least twenty-four hours before the time specified for the proposed
31 meeting. All actions that have heretofore been taken at special
32 council meetings held pursuant to this section, but for which the
33 number of hours of notice given has been at variance with requirements
34 of RCW 42.30.080, are hereby validated. All council meetings shall be
35 open to the public except as permitted by chapter 42.30 RCW. No
36 ordinance or resolution shall be passed, or contract let or entered
37 into, or bill for the payment of money allowed at any meeting not open

1 to the public, nor at any public meeting the date of which is not fixed
2 by ordinance, resolution, or rule, unless public notice of such meeting
3 has been given by such notice to each local newspaper of general
4 circulation and to each local radio or television station, as provided
5 in RCW 42.30.080 as now or hereafter amended. Meetings of the council
6 shall be presided over by the mayor, if present, or otherwise by the
7 mayor pro tempore, or deputy mayor if one has been appointed, or by a
8 member of the council selected by a majority of the council members at
9 such meeting. Appointment of a council member to preside over the
10 meeting shall not in any way abridge his right to vote on matters
11 coming before the council at such meeting. In the absence of the
12 clerk, a deputy clerk or other qualified person appointed by the clerk,
13 the mayor, or the council, may perform the duties of clerk at such
14 meeting. A journal of all proceedings shall be kept, which shall be a
15 public record.

16 **Sec. 10.** RCW 35A.14.299 and 1967 ex.s. c 119 s 35A.14.299 are each
17 amended to read as follows:

18 Such annexation ordinance as provided for in RCW 35A.14.297 shall
19 be subject to referendum for forty-five days after the passage thereof.
20 Upon the filing of a timely and sufficient referendum petition with the
21 legislative body, signed by qualified (~~electors~~) registered voters in
22 number equal to not less than ten percent of the votes cast in the last
23 general state election in the area to be annexed, the question of
24 annexation shall be submitted to the voters of such area in a general
25 election if one is to be held within ninety days or at a special
26 election called for that purpose not less than forty-five days nor more
27 than ninety days after the filing of the referendum petition. Notice
28 of such election shall be given as provided in RCW 35A.14.070 (~~and the~~
29 ~~election shall be conducted as provided in RCW 35A.14.060~~). The
30 annexation shall be deemed approved by the voters unless a majority of
31 the votes cast on the proposition are in opposition thereto.

32 After the expiration of the forty-fifth day from but excluding the
33 date of passage of the annexation ordinance, if no timely and
34 sufficient referendum petition has been filed, the area annexed shall
35 become a part of the code city upon the date fixed in the ordinance of
36 annexation. From and after such date, if the ordinance so provided,
37 property in the annexed area shall be subject to the proposed zoning
38 regulation prepared and filed for such area as provided in RCW

1 35A.14.330 and 35A.14.340. If the ordinance so provided, all property
2 within the area annexed shall be assessed and taxed at the same rate
3 and on the same basis as the property of such annexing code city is
4 assessed and taxed to pay for any then outstanding indebtedness of such
5 city contracted prior to, or existing at, the date of annexation.

6 **Sec. 11.** RCW 35A.14.020 and 1989 c 351 s 4 are each amended to
7 read as follows:

8 When a petition is sufficient under the rules set forth in RCW
9 35A.01.040, calling for an election to vote upon the annexation of
10 unincorporated territory contiguous to a code city, describing the
11 boundaries of the area proposed to be annexed, stating the number of
12 voters therein as nearly as may be, and signed by qualified
13 (~~electors~~) registered voters resident in such territory equal in
14 number to ten percent of the votes cast at the last state general
15 election therein, it shall be filed with the auditor of the county in
16 which all, or the greatest portion, of the territory is located, and a
17 copy of the petition shall be filed with the legislative body of the
18 code city. If the territory is located in more than a single county,
19 the auditor of the county with whom the petition is filed shall act as
20 the lead auditor and transmit a copy of the petition to the auditor of
21 each other county within which a portion of the territory is located.
22 The auditor or auditors shall examine the petition, and the auditor or
23 lead auditor shall certify the sufficiency of the petition to the
24 legislative authority of the code city.

25 If the signatures on the petition are certified as containing
26 sufficient valid signatures, the city legislative authority shall, by
27 resolution entered within sixty days thereafter, notify the
28 petitioners, either by mail or by publication in the same manner notice
29 of hearing is required by RCW 35A.14.040 to be published, of its
30 approval or rejection of the proposed action. In approving the
31 proposed action, the legislative body may require that there also be
32 submitted to the electorate of the territory to be annexed, a
33 proposition that all property within the area to be annexed shall, upon
34 annexation, be assessed and taxed at the same rate and on the same
35 basis as the property of such annexing city is assessed and taxed to
36 pay for all or any portion of the then-outstanding indebtedness of the
37 city to which said area is annexed, which indebtedness has been
38 approved by the voters, contracted for, or incurred prior to, or

1 existing at, the date of annexation. Only after the legislative body
2 has completed preparation and filing of a proposed zoning regulation
3 for the area to be annexed as provided for in RCW 35A.14.330 and
4 35A.14.340, the legislative body in approving the proposed action, may
5 require that the proposed zoning regulation be simultaneously adopted
6 upon the approval of annexation by the electorate of the area to be
7 annexed. The approval of the legislative body shall be a condition
8 precedent to further proceedings upon the petition. The costs of
9 conducting the election called for in the petition shall be a charge
10 against the city concerned. The proposition or questions provided for
11 in this section may be submitted to the voter either separately or as
12 a single proposition.

13 **Sec. 12.** RCW 35A.63.110 and 1979 ex.s. c 18 s 34 are each amended
14 to read as follows:

15 A code city which pursuant to this chapter creates a planning
16 agency and which has twenty-five hundred or more inhabitants, by
17 ordinance, shall create a board of adjustment and provide for its
18 membership, terms of office, organization, jurisdiction. A code city
19 which pursuant to this chapter creates a planning agency and which has
20 a population of less than twenty-five hundred may, by ordinance,
21 similarly create a board of adjustment. In the event a code city with
22 a population of less than twenty-five hundred creates a planning
23 agency, but does not create a board of adjustment, the code city shall
24 provide that the city legislative authority shall itself hear and
25 decide the items listed in subdivisions (1), (2), and (3) of this
26 section. The action of the board of adjustment shall be final and
27 conclusive, unless, within (~~ten~~) twenty-one days from the date of the
28 action, the original applicant or an adverse party makes application to
29 the superior court for the county in which that city is located for a
30 writ of certiorari, a writ of prohibition, or a writ of mandamus. No
31 member of the board of adjustment shall be a member of the planning
32 agency or the legislative body. Subject to conditions, safeguards, and
33 procedures provided by ordinance, the board of adjustment may be
34 empowered to hear and decide:

35 (1) Appeals from orders, recommendations, permits, decisions, or
36 determinations made by a code city official in the administration or
37 enforcement of the provisions of this chapter or any ordinances adopted
38 pursuant to it.

1 (2) Applications for variances from the terms of the zoning
2 ordinance, the official map ordinance or other land-use regulatory
3 ordinances under procedures and conditions prescribed by city
4 ordinance, which among other things shall provide that no application
5 for a variance shall be granted unless the board of adjustment finds:

6 (a) the variance shall not constitute a grant of special privilege
7 inconsistent with the limitation upon uses of other properties in the
8 vicinity and zone in which the property on behalf of which the
9 application was filed is located; and

10 (b) that such variance is necessary, because of special
11 circumstances relating to the size, shape, topography, location, or
12 surroundings of the subject property, to provide it with use rights and
13 privileges permitted to other properties in the vicinity and in the
14 zone in which the subject property is located; and

15 (c) that the granting of such variance will not be materially
16 detrimental to the public welfare or injurious to the property or
17 improvements in the vicinity and zone in which the subject property is
18 situated.

19 (3) Applications for conditional-use permits, unless such
20 applications are to be heard and decided by the planning agency. A
21 conditional use means a use listed among those classified in any given
22 zone but permitted to locate only after review as herein provided in
23 accordance with standards and criteria set forth in the zoning
24 ordinance.

25 (4) Such other quasi judicial and administrative determinations as
26 may be delegated by ordinance.

27 In deciding any of the matters referred to in subsections (1), (2),
28 (3), and (4) of this section, the board of adjustment shall issue a
29 written report giving the reasons for its decision. If a code city
30 provides for a hearing examiner and vests in him the authority to hear
31 and decide the items listed in subdivisions (1), (2), and (3) of this
32 section pursuant to RCW 35A.63.170, then the provisions of this section
33 shall not apply to such a city.

34 NEW SECTION. **Sec. 13.** A new section is added to chapter 43.21C
35 RCW to read as follows:

36 (1) The disincorporation of a city or town is exempt from
37 compliance with this chapter.

1 (2) The reduction of city or town limits is exempt from compliance
2 with this chapter.

3 **Sec. 14.** RCW 82.29A.090 and 1981 2nd ex.s. c 4 s 9 are each
4 amended to read as follows:

5 (1) Bimonthly the state treasurer shall make distribution from the
6 local leasehold excise tax account to the counties and cities the
7 amount of tax collected on behalf of each county or city.

8 (2) Earnings accrued through July 31, 1999, shall be disbursed to
9 counties and cities proportionate to the amount of tax collected
10 annually on behalf of each county or city.

11 (3) After July 31, 1999, bimonthly the state treasurer shall
12 disburse earnings from the local leasehold excise tax account to the
13 counties or cities proportionate to the amount of tax collected on
14 behalf of each county or city.

15 (4) The state treasurer shall make the distribution under this
16 section without appropriation.

17 **Sec. 15.** RCW 65.04.045 and 1998 c 27 s 1 are each amended to read
18 as follows:

19 (1) When any instrument is presented to a county auditor or
20 recording officer for recording, the first page of the instrument shall
21 contain:

22 (a) A top margin of at least three inches and a one-inch margin on
23 the bottom and sides, except that an instrument may be recorded if a
24 minor portion of a notary seal, incidental writing, or minor portion of
25 a signature extends beyond the margins;

26 (b) The top left-hand side of the page shall contain the name and
27 address to whom the instrument will be returned;

28 (c) The title or titles, or type or types, of the instrument to be
29 recorded indicating the kind or kinds of documents or transactions
30 contained therein. The auditor or recording officer shall only be
31 required to index the title or titles captioned on the document;

32 (d) Reference numbers of documents assigned or released with
33 reference to the document page number where additional references can
34 be found, if applicable;

35 (e) The names of the grantor(s) and grantee(s), as defined under
36 RCW 65.04.015, with reference to the document page number where
37 additional names are located, if applicable;

1 (f) An abbreviated legal description of the property, including
2 lot, block, plat, or section, township, and range, and reference to the
3 document page number where the full legal description is included, if
4 applicable;

5 (g) The assessor's property tax parcel or account number.

6 (2) All pages of the document shall be on sheets of paper of a
7 weight and color capable of producing a legible image that are not
8 larger than fourteen inches long and eight and one-half inches wide
9 with text printed or written in eight point type or larger; however,
10 reduced illustrative exhibits, such as maps or drawings, the original
11 of which exceeds the fourteen inch long and eight and one-half inch
12 wide requirement, are exempt from the eight point type requirement if
13 labeled "reduced for recording." Further, all instruments presented
14 for recording must have a one-inch margin on the top, bottom, and sides
15 for all pages except page one, be prepared in ink color capable of
16 being imaged, and have all seals legible and capable of being imaged,
17 and no attachments may be affixed to the pages.

18 The information provided on the instrument must be in substantially
19 the following form:

20 This Space Provided for Recorder's Use

21 When Recorded Return to:

22

23 Document Title(s)

24 Grantor(s)

25 Grantee(s)

26 Legal Description

27 Assessor's Property Tax Parcel or Account Number

28 Reference Numbers of Documents Assigned or Released

1 **Sec. 16.** RCW 39.36.020 and 1994 c 277 s 1 are each amended to read
2 as follows:

3 (1) Except as otherwise expressly provided by law or in subsections
4 (2), (3) and (4) of this section, no taxing district shall for any
5 purpose become indebted in any manner to an amount exceeding
6 three-eighths of one percent of the value of the taxable property in
7 such taxing district without the assent of three-fifths of the voters
8 therein voting at an election to be held for that purpose, nor in cases
9 requiring such assent shall the total indebtedness incurred at any time
10 exceed one and one-fourth percent on the value of the taxable property
11 therein.

12 (2)(a)(i) Public hospital districts are limited to an indebtedness
13 amount not exceeding three-fourths of one percent of the value of the
14 taxable property in such public hospital districts without the assent
15 of three-fifths of the voters therein voting at an election held for
16 that purpose.

17 (ii) Counties, cities, and towns are limited to an indebtedness
18 amount not exceeding one and one-half percent of the value of the
19 taxable property in such counties, cities, or towns without the assent
20 of three-fifths of the voters therein voting at an election held for
21 that purpose.

22 (b) In cases requiring such assent counties, cities, towns, and
23 public hospital districts are limited to a total indebtedness of two
24 and one-half percent of the value of the taxable property therein.
25 However, any county that has assumed the rights, powers, functions, and
26 obligations of a metropolitan municipal corporation under chapter 36.56
27 RCW may become indebted to a larger amount for its authorized
28 metropolitan functions, as provided under chapter 35.58 RCW, but not
29 exceeding an additional three-fourths of one percent of the value of
30 the taxable property in the county without the assent of three-fifths
31 of the voters therein voting at an election held for that purpose, and
32 in cases requiring such assent not exceeding an additional two and one-
33 half percent of the value of the taxable property in the county.

34 (3) School districts are limited to an indebtedness amount not
35 exceeding three-eighths of one percent of the value of the taxable
36 property in such district without the assent of three-fifths of the
37 voters therein voting at an election held for that purpose. In cases
38 requiring such assent school districts are limited to a total

1 indebtedness of two and one-half percent of the value of the taxable
2 property therein.

3 (4) No part of the indebtedness allowed in this chapter shall be
4 incurred for any purpose other than strictly county, city, town, school
5 district, township, port district, metropolitan park district, or other
6 municipal purposes: PROVIDED, That a city or town, with such assent,
7 may become indebted to a larger amount, but not exceeding two and one-
8 half percent additional, determined as herein provided, for supplying
9 such city or town with water, artificial light, and sewers, when the
10 works for supplying such water, light, and sewers shall be owned and
11 controlled by the city or town; and a city or town, with such assent,
12 may become indebted to a larger amount, but not exceeding two and one-
13 half percent additional for acquiring or developing open space ((and)),
14 park facilities, and capital facilities associated with economic
15 development: PROVIDED FURTHER, That any school district may become
16 indebted to a larger amount but not exceeding two and one-half percent
17 additional for capital outlays.

18 (5) Such indebtedness may be authorized in any total amount in one
19 or more propositions and the amount of such authorization may exceed
20 the amount of indebtedness which could then lawfully be incurred. Such
21 indebtedness may be incurred in one or more series of bonds from time
22 to time out of such authorization but at no time shall the total
23 general indebtedness of any taxing district exceed the above
24 limitation.

25 The term "value of the taxable property" as used in this section
26 shall have the meaning set forth in RCW 39.36.015.

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