

CERTIFICATION OF ENROLLMENT

SUBSTITUTE SENATE BILL 5638

Chapter 299, Laws of 2001

57th Legislature
2001 Regular Session

COUNTY TREASURERS

EFFECTIVE DATE: 7/22/01

Passed by the Senate April 17, 2001
YEAS 49 NAYS 0

BRAD OWEN
President of the Senate

Passed by the House April 12, 2001
YEAS 95 NAYS 0

FRANK CHOPP
**Speaker of the
House of Representatives**

CLYDE BALLARD
**Speaker of the
House of Representatives**

Approved May 14, 2001

GARY LOCKE
Governor of the State of Washington

CERTIFICATE

I, Tony M. Cook, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SUBSTITUTE SENATE BILL 5638** as passed by the Senate and the House of Representatives on the dates hereon set forth.

TONY M. COOK
Secretary

FILED

May 14, 2001 - 3:25 p.m.

**Secretary of State
State of Washington**

SUBSTITUTE SENATE BILL 5638

AS AMENDED BY THE HOUSE

Passed Legislature - 2001 Regular Session

State of Washington 57th Legislature 2001 Regular Session

By Senate Committee on State & Local Government (originally sponsored by Senators Gardner, Swecker and Snyder)

READ FIRST TIME 02/28/01.

1 AN ACT Relating to county treasurer technical corrections; and
2 amending RCW 35.02.140, 35.13.270, 35A.14.801, 36.29.010, 36.29.050,
3 36.29.090, 36.29.100, 36.29.160, 36.29.170, 36.35.120, 36.35.150,
4 36.96.040, 36.96.070, 39.44.200, 39.46.020, 39.50.010, 39.50.030,
5 84.38.140, 84.56.250, 85.38.220, and 85.38.225.

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

7 **Sec. 1.** RCW 35.02.140 and 1986 c 234 s 20 are each amended to read
8 as follows:

9 Whenever in any territory forming a part of an incorporated city or
10 town which is part of a road district, and road district regular
11 property taxes are collectable on any property within such territory,
12 the same shall, when collected by the county treasurer, be paid to such
13 city or town and placed in the city or town street fund by the city or
14 town(~~(:—PROVIDED, That)~~); except that road district taxes that are
15 delinquent before the date of incorporation shall be paid to the county
16 and placed in the county road fund. This section shall not apply to
17 excess property tax levies securing general indebtedness or any special
18 assessments due in behalf of such property.

1 **Sec. 2.** RCW 35.13.270 and 1998 c 106 s 1 are each amended to read
2 as follows:

3 Whenever any territory is annexed to a city or town which is part
4 of a road district of the county and road district taxes have been
5 levied but not collected on any property within the annexed territory,
6 the same shall when collected by the county treasurer be paid to the
7 city or town and by the city or town placed in the city or town street
8 fund(~~(:—PROVIDED, That)~~); except that road district taxes that are
9 delinquent before the date of annexation shall be paid to the county
10 and placed in the county road fund. This section shall not apply to
11 any special assessments due in behalf of such property. The city or
12 town is required to provide notification, by certified mail, that
13 includes a list of annexed parcel numbers, to the county treasurer and
14 assessor at least thirty days before the effective date of the
15 annexation. The county treasurer is only required to remit to the city
16 or town those road taxes collected thirty days or more after receipt of
17 the notification.

18 **Sec. 3.** RCW 35A.14.801 and 1998 c 106 s 2 are each amended to read
19 as follows:

20 Whenever any territory is annexed to a code city which is part of
21 a road district of the county and road district taxes have been levied
22 but not collected on any property within the annexed territory, the
23 same shall when collected by the county treasurer be paid to the code
24 city and by the city placed in the city street fund(~~(:—PROVIDED,~~
25 ~~That)~~); except that road district taxes that are delinquent before the
26 date of annexation shall be paid to the county and placed in the county
27 road fund. This section shall not apply to any special assessments due
28 in behalf of such property. The code city is required to provide
29 notification, by certified mail, that includes a list of annexed parcel
30 numbers, to the county treasurer and assessor at least thirty days
31 before the effective date of the annexation. The county treasurer is
32 only required to remit to the code city those road taxes collected
33 thirty or more days after receipt of the notification.

34 **Sec. 4.** RCW 36.29.010 and 1998 c 106 s 3 are each amended to read
35 as follows:

36 The county treasurer:

1 (1) Shall receive all money due the county and disburse it on
2 warrants issued and attested by the county auditor and electronic funds
3 transfer under RCW 39.58.750 as attested by the county auditor;

4 (2) Shall issue a receipt in duplicate for all money received other
5 than taxes; the treasurer shall deliver immediately to the person
6 making the payment the original receipt and the duplicate shall be
7 retained by the treasurer;

8 (3) Shall affix on the face of all paid warrants the date of
9 redemption or, in the case of proper contract between the treasurer and
10 a qualified public depository, the treasurer may consider the date
11 affixed by the financial institution as the date of redemption;

12 (4) Shall (~~indorse~~) endorse, before the date of issue by the
13 county or by any taxing district for whom the county treasurer acts as
14 treasurer, on the face of all warrants for which there are not
15 sufficient funds for payment, "interest bearing warrant." When there
16 are funds to redeem outstanding warrants, the county treasurer shall
17 give notice:

18 (a) By publication in a legal newspaper published or circulated in
19 the county; or

20 (b) By posting at three public places in the county if there is no
21 such newspaper; or

22 (c) By notification to the financial institution holding the
23 warrant;

24 (5) Shall pay interest on all interest-bearing warrants from the
25 date of issue to the date of notification;

26 (6) Shall maintain financial records reflecting receipts and
27 disbursement by fund in accordance with generally accepted accounting
28 principles;

29 (7) Shall account for and pay all bonded indebtedness for the
30 county and all special districts for which the county treasurer acts as
31 treasurer;

32 (8) Shall invest all funds of the county or any special district in
33 the treasurer's custody, not needed for immediate expenditure, in a
34 manner consistent with appropriate statutes. If cash is needed to
35 redeem warrants issued from any fund in the custody of the treasurer,
36 the treasurer shall liquidate investments in an amount sufficient to
37 cover such warrant redemptions; and

38 (9) May provide certain collection services for county departments.

1 The treasurer, at the expiration of the term of office, shall make
2 a complete settlement with the county legislative authority, and shall
3 deliver to the successor all public money, books, and papers in the
4 treasurer's possession.

5 **Sec. 5.** RCW 36.29.050 and 1969 ex.s. c 48 s 1 are each amended to
6 read as follows:

7 When the county treasurer redeems any warrant on which interest is
8 due, ((he)) the treasurer shall enter on ((his)) the warrant register
9 account the amount of interest paid, distinct from the principal.

10 **Sec. 6.** RCW 36.29.090 and 1963 c 4 s 36.29.090 are each amended to
11 read as follows:

12 Whenever an action based upon official misconduct is commenced
13 against any county treasurer the county commissioners may suspend
14 ((him)) the treasurer from office until such suit is determined, and
15 may appoint some person to fill the vacancy.

16 **Sec. 7.** RCW 36.29.100 and 1963 c 4 s 36.29.100 are each amended to
17 read as follows:

18 The county treasurer of each county in which there is a city of the
19 first class is ex officio collector of city taxes of such city, and
20 before entering upon the duties of ((his)) office ((he)) the treasurer
21 shall execute in favor of the city and file with the clerk thereof a
22 good and sufficient bond, the penal sum to be fixed by the city
23 council, such bond to be approved by the mayor of such city or other
24 authority thereof by whom the bond of the city treasurer is required to
25 be approved. All special assessments and special taxation for local
26 improvements assessed on property benefited shall be collected by the
27 city treasurer.

28 **Sec. 8.** RCW 36.29.160 and 1998 c 106 s 4 are each amended to read
29 as follows:

30 The county treasurer shall make segregation, collect, and receive
31 from any owner or owners of any subdivision or portion of any lot,
32 tract or parcel of land upon which assessments or charges have been
33 made or may be made by public utility districts, water-sewer districts,
34 or the county, under the terms of Title 54 RCW, Title 57 RCW, or
35 chapter 36.88, 36.89, or 36.94 RCW, such portion of the assessments or

1 charges levied or to be levied against such lot, tract or parcel of
2 land in payment of such assessment or charges as the board of
3 commissioners of the public utility district, the water-sewer district
4 commissioners or the board of county commissioners, respectively, shall
5 certify to be chargeable to such subdivision, which certificate shall
6 state that such property as segregated is sufficient security for the
7 assessment or charges. Upon making collection upon any such
8 subdivision the county treasurer shall note such payment upon ~~((his))~~
9 the records of the office of the treasurer and give receipt therefor.
10 When a segregation is required, a certified copy of the resolution
11 shall be delivered to the treasurer of the county in which the real
12 property is located who shall proceed to make the segregation ordered
13 upon being tendered a fee of three dollars for each tract of land for
14 which a segregation is to be made.

15 **Sec. 9.** RCW 36.29.170 and 1963 c 4 s 36.29.170 are each amended to
16 read as follows:

17 The county treasurer shall keep ~~((his))~~ the office of the treasurer
18 at the ~~((seat of justice of his))~~ county seat, and shall keep the same
19 open for transaction of business during business hours; and ~~((he and~~
20 ~~his))~~ the treasurer and the treasurer's deputy are authorized to
21 administer all oaths necessary in the discharge of the duties of
22 ~~((his))~~ the office.

23 **Sec. 10.** RCW 36.35.120 and 1993 c 310 s 1 are each amended to read
24 as follows:

25 Real property acquired by any county of this state by foreclosure
26 of delinquent taxes may be sold by order of the county legislative
27 authority of the county when in the judgment of the county legislative
28 authority it is deemed in the best interests of the county to sell the
29 real property.

30 When the legislative authority desires to sell any such property it
31 may, if deemed advantageous to the county, combine any or all of the
32 several lots and tracts of such property in one or more units, and may
33 reserve from sale coal, oil, gas, gravel, minerals, ores, fossils,
34 timber, or other resources on or in the lands, and the right to mine
35 for and remove the same, and it shall then enter an order on its
36 records fixing the unit or units in which the property shall be sold
37 and the minimum price for each of such units, and whether the sale will

1 be for cash or whether a contract will be offered, and reserving from
2 sale such of the resources as it may determine and from which units
3 such reservations shall apply, and directing the county treasurer to
4 sell such property in the unit or units and at not less than the price
5 or prices and subject to such reservations so fixed by the county
6 legislative authority. The order shall be subject to the approval of
7 the county treasurer if several lots or tracts of land are combined in
8 one unit.

9 Except in cases where the sale is to be by direct negotiation as
10 provided in (~~this chapter~~) RCW 36.35.150, it shall be the duty of the
11 county treasurer upon receipt of such order to publish once a week for
12 three consecutive weeks a notice of the sale of such property in a
13 newspaper of general circulation in the county where the land is
14 situated. The notice shall describe the property to be sold, the unit
15 or units, the reservations, and the minimum price fixed in the order,
16 together with the time and place and terms of sale, in the same manner
17 as foreclosure sales as provided by RCW 84.64.080.

18 The person making the bid shall state whether he or she will pay
19 cash for the amount of his or her bid or accept a real estate contract
20 of purchase in accordance with the provisions hereinafter contained.
21 The person making the highest bid shall become the purchaser of the
22 property. If the highest bidder is a contract bidder the purchaser
23 shall be required to pay thirty percent of the total purchase price at
24 the time of the sale and shall enter into a contract with the county as
25 vendor and the purchaser as vendee which shall obligate and require the
26 purchaser to pay the balance of the purchase price in ten equal annual
27 installments commencing November 1st and each year following the date
28 of the sale, and shall require the purchaser to pay twelve percent
29 interest on all deferred payments, interest to be paid at the time the
30 annual installment is due; and may contain a provision authorizing the
31 purchaser to make payment in full at any time of any balance due on the
32 total purchase price plus accrued interest on such balance. The
33 contract shall contain a provision requiring the purchaser to pay
34 before delinquency all subsequent taxes and assessments that may be
35 levied or assessed against the property subsequent to the date of the
36 contract, and shall contain a provision that time is of the essence of
37 the contract and that in event of a failure of the vendee to make
38 payments at the time and in the manner required and to keep and perform
39 the covenants and conditions therein required of him or her that the

1 contract may be forfeited and terminated at the election of the vendor,
2 and that in event of the election all sums theretofore paid by the
3 vendee shall be forfeited as liquidated damages for failure to comply
4 with the provisions of the contract; and shall require the vendor to
5 execute and deliver to the vendee a deed of conveyance covering the
6 property upon the payment in full of the purchase price, plus accrued
7 interest.

8 The county legislative authority may, by order entered in its
9 records, direct the coal, oil, gas, gravel, minerals, ores, timber, or
10 other resources sold apart from the land, such sale to be conducted in
11 the manner hereinabove prescribed for the sale of the land. Any such
12 reserved minerals or resources not exceeding two hundred dollars in
13 value may be sold, when the county legislative authority deems it
14 advisable, either with or without such publication of the notice of
15 sale, and in such manner as the county legislative authority may
16 determine will be most beneficial to the county.

17 **Sec. 11.** RCW 36.35.150 and 1997 c 244 s 2 are each amended to read
18 as follows:

19 The county legislative authority may dispose of tax foreclosed
20 property by private negotiation, without a call for bids, for not less
21 than the principal amount of the unpaid taxes in any of the following
22 cases: (1) When the sale is to any governmental agency and for public
23 purposes; (2) when the county legislative authority determines that it
24 is not practical to build on the property due to the physical
25 characteristics of the property or legal restrictions on construction
26 activities on the property; (3) when the property has an assessed value
27 of less than five hundred dollars and the property is sold to an
28 adjoining landowner; or (4) when no acceptable bids were received at
29 the attempted public auction of the property, if the sale is made
30 within (~~six~~) twelve months from the date of the attempted public
31 auction.

32 **Sec. 12.** RCW 36.96.040 and 1979 ex.s. c 5 s 4 are each amended to
33 read as follows:

34 After such hearings, the county legislative authority shall make
35 written findings whether each of the special purpose districts that was
36 a subject of the hearings meets each of the criteria of being
37 "inactive." Whenever a special purpose district other than a public

1 utility district has been found to meet a criterion of being inactive,
2 or a public utility district has been found to meet both criteria of
3 being inactive, the county legislative authority shall adopt an
4 ordinance dissolving the special purpose district if it also makes
5 additional written findings detailing why it is in the public interest
6 that the special purpose district be dissolved, and shall provide a
7 copy of the ordinance to the county treasurer. Except for the purpose
8 of winding up its affairs as provided by this chapter, a special
9 purpose district that is so dissolved shall cease to exist and the
10 authority and obligation to carry out the purposes for which it was
11 created shall cease thirty-one days after adoption of the dissolution
12 ordinance.

13 **Sec. 13.** RCW 36.96.070 and 1979 ex.s. c 5 s 7 are each amended to
14 read as follows:

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

1 liabilities of the dissolved special purpose district as a result of
2 the transfer.

3 **Sec. 14.** RCW 39.44.200 and 1990 c 220 s 1 are each amended to read
4 as follows:

5 Unless the context clearly requires otherwise, the definitions in
6 this section apply throughout RCW 39.44.200 through 39.44.240.

7 (1) "Bond" means "bond" as defined in RCW 39.46.020, but also
8 includes any other indebtedness that may be issued by any local
9 government to fund private activities or purposes where the
10 indebtedness is of a nonrecourse nature payable from private sources,
11 including debt issued under chapter 39.50 RCW.

12 (2) "Local government" means "local government" as defined in RCW
13 39.46.020.

14 (3) "Type of bond" includes: (a) General obligation bonds,
15 including councilmanic and voter-approved bonds; (b) revenue bonds; (c)
16 local improvement district bonds; (d) special assessment bonds such as
17 those issued by irrigation districts and diking districts; and (e)
18 other classes of bonds.

19 (4) "State" means "state" as defined in RCW 39.46.020 but also
20 includes any commissions or other entities of the state.

21 **Sec. 15.** RCW 39.46.020 and 1995 c 38 s 6 are each amended to read
22 as follows:

23 Unless the context clearly requires otherwise, the definitions in
24 this section apply throughout this chapter.

25 (1) "Bond" means any agreement which may or may not be represented
26 by a physical instrument, including notes, warrants, or certificates of
27 indebtedness, that evidences an indebtedness of the state or a local
28 government or a fund thereof, where the state or local government
29 agrees to pay a specified amount of money, with or without interest, at
30 a designated time or times to either registered owners or bearers,
31 including debt issued under chapter 39.50 RCW.

32 (2) "Local government" means any county, city, town, special
33 purpose district, political subdivision, municipal corporation, or
34 quasi municipal corporation, including any public corporation created
35 by such an entity.

36 (3) "Obligation" means an agreement that evidences an indebtedness
37 of the state or a local government, other than a bond, and includes,

1 but is not limited to, conditional sales contracts, lease obligations,
2 and promissory notes.

3 (4) "State" includes the state, agencies of the state, and public
4 corporations created by the state or agencies of the state.

5 (5) "Treasurer" means the state treasurer, county treasurer, city
6 treasurer, or treasurer of any other municipal corporation.

7 **Sec. 16.** RCW 39.50.010 and 1999 c 153 s 54 are each amended to
8 read as follows:

9 As used in this chapter, the following terms have the meanings
10 indicated unless the context clearly requires otherwise.

11 (1) "Governing body" means the legislative authority of a municipal
12 corporation by whatever name designated;

13 (2) "Local improvement district" includes local improvement
14 districts, utility local improvement districts, road improvement
15 districts, and other improvement districts that a municipal corporation
16 is authorized by law to establish;

17 (3) "Municipal corporation" means any city, town, county, water-
18 sewer district, school district, port district, public utility
19 district, metropolitan municipal corporation, public transportation
20 benefit area, park and recreation district, irrigation district, fire
21 protection district or any other municipal or quasi municipal
22 corporation described as such by statute, or regional transit
23 authority, except joint operating agencies under chapter 43.52 RCW;

24 (4) "Ordinance" means an ordinance of a city or town or resolution
25 or other instrument by which the governing body of the municipal
26 corporation exercising any power under this chapter takes formal action
27 and adopts legislative provisions and matters of some permanency; and

28 (5) "Short-term obligations" are warrants, notes, capital leases,
29 or other evidences of indebtedness, except bonds.

30 **Sec. 17.** RCW 39.50.030 and 1995 c 38 s 9 are each amended to read
31 as follows:

32 (1) The issuance of short-term obligations shall be authorized by
33 ordinance of the governing body which ordinance shall fix the maximum
34 amount of the obligations to be issued or, if applicable, the maximum
35 amount which may be outstanding at any time, the maximum term and
36 interest rate or rates to be borne thereby, the manner of sale, maximum
37 price, form including bearer or registered as provided in RCW

1 39.46.030, terms, conditions, and the covenants thereof. For those
2 municipalities and taxing and assessment districts for which the county
3 treasurer is not the designated treasurer by law, the ordinance may
4 provide for designation and employment of a paying agent for the short-
5 term obligations and may authorize a designated representative of the
6 municipal corporation, ((or if the county, the county treasurer to act
7 on its behalf and)) subject to the terms of the ordinance in selling
8 and delivering short-term obligations authorized and fixing the dates,
9 price, interest rates, and other details as may be specified in the
10 ordinance. For the county and those taxing and assessment districts
11 for which the county treasurer is the designated treasurer by law or
12 other appointment, the county treasurer shall be notified thirty days
13 in advance of borrowing under this chapter and will be the designated
14 paying agent to act on its behalf for all payments of principal,
15 interest, and penalties for that obligation, subject to the terms of
16 the ordinance in selling and delivering short-term obligations
17 authorized and fixing the dates, price, interest rates, and other
18 details as may be specified in the ordinance. Short-term obligations
19 issued under this section shall bear such fixed or variable rate or
20 rates of interest as the governing body considers to be in the best
21 interests of the municipal corporation. Variable rates of interest may
22 be fixed in relationship to such standard or index as the governing
23 body designates.

24 The governing body may make contracts for the future sale of short-
25 term obligations pursuant to which the purchasers are committed to
26 purchase the short-term obligations from time to time on the terms and
27 conditions stated in the contract, and may pay such consideration as it
28 considers proper for the commitments. Short-term obligations issued in
29 anticipation of the receipt of taxes shall be paid within six months
30 from the end of the fiscal year in which they are issued. For the
31 purpose of this subsection, short-term obligations issued in
32 anticipation of the sale of general obligation bonds shall not be
33 considered to be obligations issued in anticipation of the receipt of
34 taxes.

35 (2) Notwithstanding subsection (1) of this section, such short-term
36 obligations may be issued and sold in accordance with chapter 39.46
37 RCW.

1 **Sec. 18.** RCW 84.38.140 and 1984 c 220 s 27 are each amended to
2 read as follows:

3 (1) The ~~((county treasurer))~~ department shall collect all the
4 amounts deferred together with interest under this chapter~~((7))~~.
5 However, in the event that the department is unable to collect an
6 amount deferred together with interest, that amount deferred together
7 with interest shall be collected by the county treasurer in the manner
8 provided for in chapter 84.56 RCW. For purposes of collection of
9 deferred taxes, the provisions of chapters 84.56, 84.60, and 84.64 RCW
10 shall be applicable.

11 (2) When any deferred special assessment and/or real property taxes
12 together with interest are collected the moneys shall be ~~((credited to~~
13 ~~a special account in the county treasury. The county treasurer shall~~
14 ~~remit the amount of deferred special assessment and/or real property~~
15 ~~taxes together with interest to the department within thirty days from~~
16 ~~the date of collection.~~

17 ~~((3) The department shall deposit the deferred taxes))~~ deposited in
18 the state general fund.

19 **Sec. 19.** RCW 84.56.250 and 1961 c 15 s 84.56.250 are each amended
20 to read as follows:

21 If any county treasurer ~~((shall wilfully))~~ willfully refuses or
22 neglects to collect any taxes assessed upon personal property, where
23 the same is collectible, or to file the delinquent list and affidavit,
24 as herein provided, ~~((he))~~ the treasurer shall be held, in his or her
25 next settlement with the ~~((auditor))~~ county legislative authority,
26 liable for the whole amount of such taxes uncollected, and the same
27 shall be deducted from his or her salary and applied to the several
28 funds for which they were levied.

29 **Sec. 20.** RCW 85.38.220 and 1986 c 278 s 10 are each amended to
30 read as follows:

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

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

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

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

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

33 **Sec. 21.** RCW 85.38.225 and 1991 c 28 s 2 are each amended to read
34 as follows:

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

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

3 (1) The county storm drainage and surface water management utility
4 shall assume responsibility for payment or settlement of outstanding
5 debts of the dissolved drainage district or drainage improvement
6 district, and shall notify the county treasurer at such time of the
7 assumption of responsibility.

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

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

Passed the Senate April 17, 2001.

Passed the House April 12, 2001.

Approved by the Governor May 14, 2001.

Filed in Office of Secretary of State May 14, 2001.