## HOUSE BILL 1801

State of Washington 58th Legislature 2003 Regular Session

By Representatives Moeller, Clements and Wood

Read first time 02/10/2003. Referred to Committee on Local Government.

AN ACT Relating to annexation by cities and towns based on utility service; amending RCW 35.13.180, 35A.14.300, and 64.06.020; creating new sections; and declaring an emergency.

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

5 NEW SECTION. Sec. 1. (1) The legislature finds that the inability of cities and towns to continue to utilize the petition method of 6 7 35.13.125 through annexation established by RCW 35.13.160 and 8 35A.14.120 through 35A.14.150 poses a threat to the public peace, health, and safety, and to the support of the state government and its 9 10 existing public institutions. This threat results from, without 11 limitation, the absence of a statutory means for municipal annexation 12 of property that is unoccupied, or that is occupied only by persons ineligible to vote in city or town elections; the inability of cities 13 and towns to complete annexations that are necessary for orderly 14 15 implementation of plans, regulations, and ordinances relating to growth management; and the uncertainty regarding enforceability of agreements 16 for municipal water and sewer service provided by cities and towns to 17 customers outside municipal boundaries. The legislature further finds 18 19 that this threat results from the decision of the Washington state

supreme court in Grant County Fire Protection District No. 5 v. City of Moses Lake, 145 Wn.2d 702 (2002), holding that the petition method of annexation authorized by RCW 35.13.125 through 35.13.160 and 35A.14.120 through 35A.14.150 is unconstitutional.

5 (2) The legislature intends this act to provide for a limited 6 method of annexation by cities and towns based on utility service or 7 utility agreements with property owners.

8 **Sec. 2.** RCW 35.13.180 and 1994 c 81 s 11 are each amended to read 9 as follows:

10 (1) City and town ((councils of second class cities and towns)) 11 legislative bodies may by a majority vote annex new unincorporated 12 territory outside the city or town limits, whether contiguous or 13 noncontiguous for park, cemetery, or other municipal purposes when such 14 territory is owned by the city or town or all of the owners of the real 15 property in the territory give their written consent to the annexation. 16 (2) City and town legislative bodies may by a majority vote annex

17 <u>new unincorporated contiguous territory outside the city or town limits</u> 18 <u>where the city or town provides, or by agreement with property owners</u> 19 <u>has committed to provide, retail sewer or retail water service to at</u> 20 <u>least seventy-five percent of the territory proposed for annexation.</u>

21 (3) Territory annexed pursuant to subsection (2) of this section 22 must be within the urban growth areas established pursuant to RCW 23 36.70A.110, or, for jurisdictions not planning under RCW 36.70A.040, 24 otherwise qualified for annexation.

(4) Prior to a city or town legislative body voting on an 25 26 annexation pursuant to subsection (2) of this section, the legislative body shall fix a date for a public hearing thereon and cause notice of 27 the hearing to be published in one issue of a newspaper of general 28 circulation in the city or town. The notice shall also contain a legal 29 description of the territory proposed for annexation, shall be posted 30 in three public places within the territory proposed for annexation, 31 and shall specify the time and place of the hearing and invite 32 interested persons to appear and voice approval or disapproval of the 33 34 annexation.

(5) Following the hearing, the city or town legislative body shall
 determine by ordinance whether annexation shall be made. Subject to
 <u>RCW 35.02.170</u>, the legislative body may annex all or any portion of the

proposed area but may not include in the annexation any territory not described in the notice. Upon passage of the ordinance a certified copy shall be filed with the board of county commissioners of the county in which the annexed territory is located.

5 **Sec. 3.** RCW 35A.14.300 and 1981 c 332 s 7 are each amended to read 6 as follows:

7 (1) Legislative bodies of code cities may by a majority vote annex 8 territory outside the limits of such city whether contiguous or 9 noncontiguous for any municipal purpose when such territory is owned by 10 the city.

11 (2) Legislative bodies of code cities may by a majority vote annex 12 contiguous territory outside the limits of such city where the city 13 provides, or by agreement with property owners has committed to 14 provide, retail sewer or retail water service to at least seventy-five 15 percent of the territory proposed for annexation.

16 (3) Territory annexed pursuant to subsection (2) of this section 17 must be within the urban growth areas established pursuant to RCW 18 36.70A.110, or, for jurisdictions not planning under RCW 36.70A.040, 19 otherwise qualified for annexation.

20 (4) Prior to a city legislative body voting on an annexation pursuant to subsection (2) of this section, the legislative body shall 21 fix a date for a public hearing thereon and cause notice of the hearing 22 23 to be published in one or more issues of a newspaper of general circulation in the city. The notice shall also contain a legal 24 25 description of the territory proposed for annexation, shall be posted 26 in three public places within the territory proposed for annexation, and shall specify the time and place of the hearing and invite 27 interested persons to appear and voice approval or disapproval of the 28 29 annexation.

30 (5) Following the hearing, if the city legislative body determines 31 to effect the annexation, they shall do so by ordinance. Subject to 32 RCW 35A.14.410, the ordinance may annex all or any portion of the 33 proposed area but may not include in the annexation any territory not 34 described in the notice. Upon passage of the annexation ordinance a 35 certified copy shall be filed with the board of county commissioners of 36 the county in which the annexed territory is located. <u>NEW SECTION.</u> Sec. 4. The method of annexation provided for in
 sections 2 and 3 of this act shall be an alternative to existing
 methods, not superseding any other.

4 **Sec. 5.** RCW 64.06.020 and 1996 c 301 s 2 are each amended to read 5 as follows:

6 (1) In a transaction for the sale of residential real property, the 7 seller shall, unless the buyer has expressly waived the right to 8 receive the disclosure statement, or unless the transfer is exempt 9 under RCW 64.06.010, deliver to the buyer a completed real property 10 transfer disclosure statement in the following format and that 11 contains, at a minimum, the following information:

12 INSTRUCTIONS TO THE SELLER

Please complete the following form. Do not leave any spaces blank. 13 Ιf 14 the question clearly does not apply to the property write "NA". If the 15 answer is "yes" to any \* items, please explain on attached sheets. Please refer to the line number(s) of the question(s) when you provide 16 17 your explanation(s). For your protection you must date and sign each page of this disclosure statement and each attachment. Delivery of the 18 19 disclosure statement must occur not later than five business days, unless otherwise agreed, after mutual acceptance of a written contract 20 21 to purchase between a buyer and a seller.

22

## NOTICE TO THE BUYER

DISCLOSURES CONTAINED IN THIS FORM ARE PROVIDED BY THE SELLER ON THE 26 BASIS OF SELLER'S ACTUAL KNOWLEDGE OF THE PROPERTY AT THE TIME THIS 27 DISCLOSURE FORM IS COMPLETED BY THE SELLER. YOU HAVE THREE BUSINESS 28 29 DAYS, UNLESS OTHERWISE AGREED, FROM THE SELLER'S DELIVERY OF THIS 30 SELLER'S DISCLOSURE STATEMENT TO RESCIND YOUR AGREEMENT BY DELIVERING YOUR SEPARATE SIGNED WRITTEN STATEMENT OF RESCISSION TO THE SELLER, 31 UNLESS YOU WAIVE THIS RIGHT AT OR PRIOR TO ENTERING INTO A SALE 32 AGREEMENT. THE FOLLOWING ARE DISCLOSURES MADE BY THE SELLER AND ARE 33 34 NOT THE REPRESENTATIONS OF ANY REAL ESTATE LICENSEE OR OTHER PARTY. 35 THIS INFORMATION IS FOR DISCLOSURE ONLY AND IS NOT INTENDED TO BE A 36 PART OF ANY WRITTEN AGREEMENT BETWEEN THE BUYER AND THE SELLER.

p. 4

FOR A MORE COMPREHENSIVE EXAMINATION OF THE SPECIFIC CONDITION OF THIS 1 2 PROPERTY YOU ARE ADVISED TO OBTAIN AND PAY FOR THE SERVICES OF A QUALIFIED SPECIALIST TO INSPECT THE PROPERTY ON YOUR BEHALF, FOR 3 EXAMPLE, ARCHITECTS, ENGINEERS, LAND SURVEYORS, PLUMBERS, ELECTRICIANS, 4 ROOFERS, BUILDING INSPECTORS, OR PEST AND DRY ROT INSPECTORS. THE 5 PROSPECTIVE BUYER AND THE OWNER MAY WISH TO OBTAIN PROFESSIONAL ADVICE 6 7 OR INSPECTIONS OF THE PROPERTY AND TO PROVIDE FOR APPROPRIATE 8 PROVISIONS IN A CONTRACT BETWEEN THEM WITH RESPECT TO ANY ADVICE, INSPECTION, DEFECTS OR WARRANTIES. 9

10

Seller . . . is/ . . . is not occupying the property.

11	I. SELLER'S DISCLOSURES:					
12	*If "Yes" attach a copy or explain. If necessary use an attached sheet.					
13				1. TITLE		
14	[ ] Yes	[ ] No	[] Don't know	A. Do you have legal authority to		
15				sell the property?		
16	[ ] Yes	[ ] No	[] Don't know	*B. Is title to the property subject		
17				to any of the following?		
18				(1) First right of refusal		
19				(2) Option		
20				(3) Lease or rental agreement		
21				(4) Life estate?		
22	[ ] Yes	[ ] No	[] Don't know	*C. Arethereanyencroachments,		
23				boundaryagreements, or boundary		
24				disputes?		
25	[ ] Yes	[ ] No	[] Don't know	*D. Are there any rights of way,		
26				easements, or access limitations		
27				that may affect the owner's use of		
28				the property?		
29	[ ] Yes	[ ] No	[] Don't know	*E. Are there any written		
30				agreements for joint maintenance		
31				of an easement or right of way?		
32	[ ] Yes	[ ] No	[] Don't know	*F. Is there any study, survey		
33				project, or notice that would		
34				adversely affect the property?		
35	[ ] Yes	[ ] No	[] Don't know	*G. Are there any pending or		
36				existing assessments against the		
37				property?		

1	[ ] Yes	[ ] No	[] Don't know	*H. Are there any zoning
2				violations,nonconforminguses,or
3				any unusual restrictions on the
4				subject property that would affect
5				futureconstructionorremodeling?
6	[ ] Yes	[ ] No	[] Don't know	*I. Is there a boundary survey for
7				the property?
8	[ ] Yes	[ ] No	[] Don't know	*J. Are there any covenants,
9				conditions, or restrictions which
10				affect the property?
11	[] Yes	[] <u>No</u>	[] Don't know	*K. Are there any utility service
12				or annexation agreements that
13				affect the property?
14				2. WATER
15				A. Household Water
16				(1) The source of the water is
17				[] Public [] Community
18				[] Private [] Shared
19				(2)Watersourceinformation:
20	[ ] Yes	[ ] No	[] Don't know	*a. Are there any written
21				agreements for shared
22				water source?
23	[ ] Yes	[ ] No	[] Don't know	*b. Is there an easement
24				(recorded or unrecorded)
25				for access to and/or
26				maintenance of the water
27				source?
28	[ ] Yes	[ ] No	[] Don't know	*c. Are any known
29				problems or repairs
30				needed?
31	[ ] Yes	[ ] No	[] Don't know	*d. Does the source
32				provide an adequate year
33				round supply of potable
34				water?
35	[ ] Yes	[ ] No	[] Don't know	*(3) Are there any water
36				treatment systems for the
37				property?[]Leased[]Owned
38				B. Irrigation
39	[ ] Yes	[ ] No	[] Don't know	(1) Are there any water rights
40				for the property?
41	[ ] Yes	[ ] No	[] Don't know	*(2) If they exist, to your
42				knowledge, have the water
43				rights been used during the
44				last five-year period?

1	[ ] Yes	[ ] No	[] Don't know	*(3) If so, is the certificate
2				available?
3				C. Outdoor Sprinkler System
4	[ ] Yes	[ ] No	[] Don't know	(1) Is there an outdoor
5				sprinkler system for the
6				property?
7	[ ] Yes	[ ] No	[] Don't know	*(2) Are there any defects in
8				the outdoor sprinkler system?
9				3. SEWER/SEPTIC SYSTEM
10				A. The property is served by: []
11				Public sewer main, [] Septic tank
12				system [] Other disposal system
13				(describe)
14				
15	[ ] Yes	[ ] No	[] Don't know	B. If the property is served by a
16				public or community sewer main,
17				is the house connected to the
18				main?
19				C. Is the property currently
20				subjecttoasewercapacitycharge?
21				D. If the property is connected to
22				a septic system:
23	[ ] Yes	[] No	[] Don't know	(1) Was a permit issued for its
24				construction, and was it
25				approved by the city or county
26				following its construction?
27				(2) When was it last pumped:
28				, 19
29	[ ] Yes	[ ] No	[] Don't know	*(3) Are there any defects in
30				the operation of the septic
31				system?
32			[] Don't know	(4) When was it last
33				inspected?
34				, 19
35				By Whom:
36			[] Don't know	(5) How many bedrooms was
37				the system approved for?
38				bedrooms
39	[ ] Yes	[ ] No	[] Don't know	*E. Do all plumbing fixtures,
40				including laundry drain, go to the
41				septic/sewer system? If no,
42				explain:
43	[ ] Yes	[ ] No	[] Don't know	*F. Areyouawareofanychanges
44				or repairs to the septic system?

1	[ ] Yes	[ ] No	[ ] Don	't know	G. Is the sep	otic tank system,
2					including the	e drainfield, located
3					entirely with	in the boundaries of
4					the property	?
5					4. STRUCT	TURAL
6	[ ] Yes	[ ] No	[] Don	't know	*A. Has the	roof leaked?
7	[ ] Yes	[ ] No	[ ] Don	't know	If yes, has it	been repaired?
8	[ ] Yes	[ ] No	[ ] Don	't know	*B. Have th	ere been any
9					conversions,	additions, or
10					remodeling?	
11	[ ] Yes	[ ] No	[ ] Don	't know	*1. If ye	es, were all building
12					permits of	obtained?
13	[ ] Yes	[ ] No	[] Don	't know	*2. If ye	es, were all final
14					inspectio	ons obtained?
15	[ ] Yes	[ ] No	[ ] Don	't know	C. Do you k	now the age of the
16					house? If ye	es, year of original
17					construction	:
18						
19	[ ] Yes	[ ] No	[] Don	't know	*D. Do you	know of any settling,
20					slippage, or	sliding of either the
21					house or othe	
22						provements located
23					on the prope	rty? If yes, explain:
24						
25	[ ] Yes	[ ] No	[ ] Don	't know		know of any defects
26						wing: (Pleasecheck
27					applicable ite	ems)
28		Foundation	IS	□ Deck	S	□ Exterior Walls
29		□ Chimneys □ Inte			ior Walls	□ Fire Alarm
30		□ Doors □ Win		□ Winc	lows	Patio
31		Ceilings     Slab		□ Slab	Floors	Driveways
32		□ Pools □ Hot 7			Гub	🗆 Sauna
33		□ Sidewalks □ Out		🗆 Outb	uildings	□ Fireplaces
34		Garage Flo	ors	□ Walk	ways	
35		Other		□ Woo	d Stoves	
36	[ ] Yes	[ ] No	[]Don	't know	*F. Was	a pest or dry rot,
37			. j = 01			or "whole house"
38						one? When and by
39					•	s the inspection
40					completed?	

1	[ ] Yes	[ ] No	[] Don't know	*G. Since assuming ownership,
2				has your property had a problem
3				with wood destroying organisms
4				and/or have there been any
5				problems with pest control,
6 7				infestations, or vermin?
/				5. SYSTEMS AND FIXTURES
8				Ifthefollowingsystemsorfixtures
9				are included with the transfer, do
10				they have any existing defects:
11	[ ] Yes	[ ] No	[] Don't know	*A. Electrical system,
12				including wiring, switches,
13				outlets, and service
14	[ ] Yes	[ ] No	[] Don't know	*B. Plumbing system,
15				including pipes, faucets,
16	r 1 37			fixtures, and toilets
17	[ ] Yes	[]No	[] Don't know	*C. Hot water tank
18	[ ] Yes	[ ] No	[] Don't know	*D. Garbage disposal
19	[ ] Yes	[ ] No	[] Don't know	*E. Appliances
20	[ ] Yes	[ ] No	[] Don't know	*F. Sump pump
21	[ ] Yes	[ ] No	[] Don't know	*G. Heating and cooling
22				systems
23	[ ] Yes	[ ] No	[] Don't know	*H. Security system
24				[] Owned [] Leased
25				*I. Other
26				6. COMMON INTEREST
27	[ ] Yes	[ ] No	[] Don't know	A. Is there a Home Owners'
28				Association? NameAssociation
29				
30	[ ] Yes	[ ] No	[] Don't know	B. Are there regular periodic
31				assessments:
32				\$ per [ ] Month [ ] Year
33				[] Other
34	[ ] Yes	[ ] No	[] Don't know	*C. Arethereanypendingspecial
35				assessments?
36	[ ] Yes	[ ] No	[] Don't know	*D. Are there any shared
37				"common areas" or any joint
38				maintenancagreements(facilities
39				suchaswalls, fences, landscaping,
40				pools, tennis courts, walkways, or
41				otherareasco-ownedinundivided
42				interest with others)?
43				7. GENERAL

1	[ ] Yes	[ ] No	[] Don't know	*A. Is there any settling, soil,
2				standing water, or drainage
3				problems on the property?
4	[ ] Yes	[ ] No	[] Don't know	*B. Does the property contain fill
5				material?
6	[ ] Yes	[ ] No	[] Don't know	*C. Is there any material damage
7				to the property or any of the
8				structure from fire, wind, floods,
9				beach movements, earthquake,
10				expansive soils, or landslides?
11	[ ] Yes	[ ] No	[] Don't know	D. Is the property in a designated
12				flood plain?
13	[ ] Yes	[ ] No	[] Don't know	*E. Are there any substances,
14				materials, or products that may be
15				an environmental hazard such as,
16				but not limited to, asbestos,
17				formaldehyde, radon gas, lead-
18				based paint, fuel or chemical
19				storage tanks, and contaminated
20				soil or water on the subject
21				property?
22	[ ] Yes	[ ] No	[] Don't know	*F. Are there any tanks or
23				underground storage tanks (e.g.,
24				chemical, fuel, etc.) on the
25				property?
26	[ ] Yes	[ ] No	[] Don't know	*G. Has the property ever been
27				used as an illegal drug
28				manufacturing site?
29				8. FULL DISCLOSURE BY
30				SELLERS
31				A. Other conditions or defects:
32	[] Yes	[ ] No	[] Don't know	*Are there any other material
33	[] 105	[]10		defectsaffectingthispropertyorits
33				value that a prospective buyer
34 35				should know about?
36				B. Verification:

1	The foregoing answers and
2	attached explanations (if any) are
3	complete and correct to the best of
4	my/our knowledge and I/we have
5	received a copy hereof. I/we
б	authorize all of my/our real estate
7	licensees, if any, to deliver a copy
8	of this disclosure statement to
9	other real estate licensees and all
10	prospectivebuyersoftheproperty.
11	DATE SELLER SELLER
12	II. BUYER'S ACKNOWLEDGMENT
13	A. Asbuyer(s),I/weacknowledgethedutytopaydiligent
14	attention to any material defects which are known to
15	me/us or can be known to me/us by utilizing diligent
16	attention and observation.
17	B. Each buyer acknowledges and understands that the
18	disclosures set forth in this statement and in any
19	amendments to this statement are made only by the
20	seller.
21	C. Buyer (which term includes all persons signing the
22	"buyer's acceptance" portion of this disclosure
23	statement below) hereby acknowledges receipt of a
24	copy of this disclosure statement (including
25	attachments, if any) bearing seller's signature.

26 DISCLOSURES CONTAINED IN THIS FORM ARE PROVIDED BY THE SELLER ON THE 27 BASIS OF SELLER'S ACTUAL KNOWLEDGE OF THE PROPERTY AT THE TIME OF 28 DISCLOSURE. YOU, THE BUYER, HAVE THREE BUSINESS DAYS, UNLESS OTHERWISE 29 AGREED, FROM THE SELLER'S DELIVERY OF THIS SELLER'S DISCLOSURE 30 STATEMENT TO RESCIND YOUR AGREEMENT BY DELIVERING YOUR SEPARATE SIGNED 31 WRITTEN STATEMENT OF RESCISSION TO THE SELLER UNLESS YOU WAIVE THIS 32 RIGHT OF RESCISSION.

BUYER HEREBY ACKNOWLEDGES RECEIPT OF A COPY OF THIS REAL PROPERTY
 TRANSFER DISCLOSURE STATEMENT AND ACKNOWLEDGES THAT THE DISCLOSURES
 MADE HEREIN ARE THOSE OF THE SELLER ONLY, AND NOT OF ANY REAL ESTATE
 LICENSEE OR OTHER PARTY.

37 DATE . . . . . . BUYER . . . . . . . . BUYER . . . . . . . .

38 (2) The real property transfer disclosure statement shall be for
39 disclosure only, and shall not be considered part of any written
40 agreement between the buyer and seller of residential real property.
41 The real property transfer disclosure statement shall be only a

disclosure made by the seller, and not any real estate licensee involved in the transaction, and shall not be construed as a warranty of any kind by the seller or any real estate licensee involved in the transaction.

5 <u>NEW SECTION.</u> Sec. 6. If any provision of this act or its 6 application to any person or circumstance is held invalid, the 7 remainder of the act or the application of the provision to other 8 persons or circumstances is not affected.

9 <u>NEW SECTION.</u> Sec. 7. This act is necessary for the immediate 10 preservation of the public peace, health, or safety, or support of the 11 state government and its existing public institutions, and takes effect 12 immediately.

--- END ---