
SENATE BILL 5581

State of Washington

58th Legislature

2003 Regular Session

By Senators Haugen, Mulliken, Schmidt and Kastama

Read first time 01/31/2003. Referred to Committee on Land Use & Planning.

1 AN ACT Relating to assumption of water-sewer district functions by
2 an association; and adding a new section to chapter 57.04 RCW.

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

4 NEW SECTION. **Sec. 1.** A new section is added to chapter 57.04 RCW
5 to read as follows:

6 (1)(a) If the board of commissioners of a water-sewer district find
7 it more conducive to the public health, safety, welfare, or convenience
8 that water-sewer services be provided by a cooperative or mutual
9 association or corporation organized under Title 24 RCW or chapter
10 23.86 RCW, the board may adopt a resolution calling for
11 disincorporation of the district and the transfer to such association
12 or corporation of all the property constituting its system of sewerage,
13 system of water, or combined water and sewerage system, together with
14 any of its other real or personal property used or useful in connection
15 with the operation, maintenance, repair, or replacement of that system,
16 and the association or corporation may acquire such property on such
17 terms as may be mutually agreed upon by the association or corporation
18 and the board of commissioners. Such resolution shall contain the

1 written agreement setting forth the terms and conditions of the
2 transfer and shall be filed with the county.

3 (b) In consideration of a transfer of property by a district to an
4 association or corporation in a manner provided in this section, the
5 association or corporation must assume and agree to pay or provide for
6 the payment of all of the indebtedness of a district including the
7 payment and retirement of outstanding general obligation and revenue
8 bonds issued by a district. The association or corporation may cause
9 service and other charges to be collected from such property or owners
10 or occupants thereof and enforce such collection.

11 The association or corporation and the district must execute a
12 written agreement setting forth the terms and conditions upon which
13 they have agreed and finding the transfer and acquisition of property
14 pursuant to such agreement to be in the public interest and conducive
15 to the public health, safety, welfare, or convenience. Such written
16 agreement may include provisions, by way of description and not by way
17 of limitation, for the rights, powers, duties, and obligations of such
18 association or corporation and district with regard to the use and
19 ownership of property, the providing of services, the maintenance and
20 operation of facilities, the disposition of liabilities and
21 indebtedness, the performance of contractual obligations, and any other
22 matters relating to the proposed transfer of property. The agreement
23 may provide for a period of time during which the district may continue
24 to exercise certain rights, privileges, powers, and functions
25 authorized to it by law. Such agreement must be presented to the
26 registered voters of the district as part of the resolution to transfer
27 and disincorporate the district. Upon passage of the resolution, the
28 president of the board of commissioners of the district and the person
29 or persons vested with the management of the affairs of the association
30 shall sign and formalize the agreement.

31 (2)(a) Upon the filing with the county in which the district is
32 located of the resolution calling for the disincorporation of the
33 district and transfer of functions to an association or corporation,
34 the county legislative authority shall hold a public hearing to
35 determine whether or not the best interests of all persons concerned
36 will be served by the proposed disincorporation of the district and
37 transfer of functions to an association or corporation.

1 (b) If the county legislative authority finds that the best
2 interests of all persons concerned will be served by disincorporating
3 the district and transferring functions to an association or
4 corporation, it shall order an election under subsection (4) of this
5 section, specify the manner in which it is to be accomplished, and
6 supervise the liquidation of any assets and the satisfaction of any
7 outstanding indebtedness.

8 (3) After all transfers to the association or corporation have been
9 made as required by the written agreement, and the district has been
10 disincorporated, any remaining property shall be sold or liquidated and
11 the proceeds of the sale, together with money on hand in the treasury
12 of the district, shall, after payment of all costs and expenses and all
13 outstanding indebtedness, be placed to the credit of the school
14 district, or districts, in which such district is situated.

15 (4) Upon entry of the findings of the hearing by the county that
16 the proposed disincorporation and transfer of assets will be conducive
17 to the public health, welfare, and convenience and will benefit the
18 land therein, the county legislative authority shall present a
19 resolution to the county auditor calling for a special election to be
20 held at a date specified under RCW 29.13.020, that occurs forty-five or
21 more days after the resolution is presented, at which a ballot
22 proposition authorizing the transfer of assets and disincorporation of
23 the district shall be submitted to voters for their approval or
24 rejection. The commissioners shall cause to be published a notice of
25 the election for four successive weeks in a newspaper of general
26 circulation in the district, which notice shall state the hours during
27 which the polls will be open and the object of the election, and the
28 notice shall also be posted ten days in ten public places in the
29 district. The transfer of assets shall be executed as provided in the
30 written agreement and the district shall be disincorporated if the
31 ballot proposition is approved by a majority of the voters voting on
32 the proposition.

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