H-4773.1	

## HOUSE BILL 3296

State of Washington 59th Legislature 2006 Regular Session

By Representatives Nixon and Roach

8

9

1112

13

1415

16

17

18

Read first time 02/02/2006. Referred to Committee on Local Government.

AN ACT Relating to establishment of procedures for creation of new counties or consolidation of existing counties; amending RCW 36.32.020 and 84.09.030; adding a new section to chapter 47.01 RCW; adding a new chapter to Title 36 RCW; creating a new section; repealing RCW 4.12.070, 36.09.010, 36.09.020, 36.09.035, 36.09.040, and 36.09.050; and prescribing penalties.

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

NEW SECTION. Sec. 1. The purpose of this act is to establish procedures for the orderly formation of new counties or consolidation of existing counties and to provide for an equitable apportionment of the debts, liabilities, and assets of the parent county or counties between the new county and the remaining portions or portion of each parent county.

(1) Article XI, section 3 of the state Constitution authorizes the formation of new counties and establishes certain conditions for and restrictions on those formations. The constitutional provision requires the legislature to adopt "a general law applicable to the whole state." In over one hundred years, the legislature has failed to

p. 1 HB 3296

provide a general statutory framework for the formation of new counties that applies to the whole state.

1 2

- (2) The purpose of this act is to establish procedures for the orderly formation of new counties, either by the division of an existing county or counties or through the consolidation of existing counties, that is consistent with the recent state supreme court decision in *Cedar County Committee v. Munro* (134 Wn.2d 377) and to provide for an equitable apportionment of the debts, liabilities, and assets of the parent county or counties between the new county and the remaining portion or portions of each parent county.
- 11 <u>NEW SECTION.</u> **Sec. 2.** The definitions in this section apply 12 throughout this chapter unless the context clearly requires otherwise.
  - (1) "Assets" means all: (a) Real estate and leasehold interests in real estate owned by the parent county; (b) tangible personal property owned or leased by the parent county; and (c) intangible personal property owned by the parent county including cash, securities, commercial paper, notes, accounts receivable, and contract rights. Assets are determined as of the first day of the interim period.
  - (2) "Interim period" means the period during which a new county government is established, the apportionment of debts, liabilities, and assets is implemented, and the transfer of all records from the parent county or counties to the new county is completed. The period begins on January 1st after the end of the regular session at which the new county is created by special legislation or the year in which an election for the formation of a new county is approved, and the period ends on December 31st of the same year.
  - (3) "New county" means the county that is created by striking territory from a parent county or counties under Article XI, section 3 of the state Constitution.
  - (4) "Parent county or counties" means the existing county or counties out of which territory is stricken to create a new county under Article XI, section 3 of the state Constitution.
- 33 (5) "Proponents" means up to five individuals who are registered 34 voters in the proposed new county who initiate the petition process to 35 create a new county under section 3 of this act.

NEW SECTION. Sec. 3. The proponent or proponents of a proposed new county shall, before the circulation of a petition in support of the formation of that new county, file with the secretary of state a statement designating the name of the proposed county and containing the legal description of the proposed county, together with an affidavit from each proponent that he or she is a registered voter within the territory of the proposed county. If there are two or more proponents, one of them must be designated as the principal proponent for the purpose of receiving notices and communications required by law.

- NEW SECTION. Sec. 4. (1) Upon receipt of the statement, legal description, and affidavit of sponsorship for a proposed new county, the secretary of state shall forward a copy of the legal description to the office of financial management.
  - (2) Within thirty days of receipt of this request from the secretary of state, the director of the office of financial management shall determine if the legal description is consistent and the territory described is a single, contiguous area. If the legal description is defective, the director shall notify the secretary of state and the principal proponent of the nature and extent of the defect. With the advice and assistance of the director, the proponents may amend the legal description and file a new statement under section 3 of this act.
  - (3) If the legal description is not defective, the director shall also determine the population of the proposed new county and the population of the remaining portion or portions of each parent county, using the most current data available. The director shall certify these populations to the secretary of state and the principal proponent of the new county within thirty days of receipt of the request from the secretary of state.
- NEW SECTION. Sec. 5. Petitions for the formation of a new county must be substantially in the following form:

33 WARNING

Every person who signs this petition with any other than his or her true name, knowingly signs more than one petition for the same new

p. 3 HB 3296

- 1 county, signs this petition when he or she is not a registered voter,
- 2 or makes any false statement on this petition may be punished by fine
- 3 or imprisonment or both.
- 4 PETITION FOR THE FORMATION OF . . . . . . . COUNTY
- 5 To the Honorable . . . . . . . Secretary of State of the State
- 6 of Washington:
- 7 We the undersigned citizens and legal voters of the state of
- 8 Washington, respectfully direct that this petition for the formation of
- 9 . . . . . . county, a full, true, and correct copy of the legal
- 10 description of which is printed on the reverse side of this petition,
- 11 be transmitted to the legislature of the state of Washington, at its
- 12 next ensuing regular session. We respectfully petition the legislature
- 13 to create this new county as provided by law. Each of us for himself
- 14 or herself declares that: I have personally signed this petition, I am
- 15 a legal voter of the state of Washington, my residence address is
- 16 correctly stated, and I have not knowingly signed any other petition
- 17 for the formation of this county.

18	Petitioner's	Print name	Residence address,	City	County
19	signature	for positive	street, and number,	or	
20		identification	if any	Town	
21	1				
22	2				
23	3				
24	4				

5

25

26

- 28 8
- 29 9
- 30 10
- 31 11
- 32 12
- 33 13
- 34 14
- 35 15

27

2829

30

31

20

A complete legal description of the proposed county must be printed on the reverse side of the petition sheet. A proposed county seat may be included on the front or the back of the petition. A map of the proposed new county may be printed on the front or the back of the petition.

NEW SECTION. Sec. 6. Petitions for the formation of a new county, 11 12 signed by the requisite number of registered voters in the proposed 13 county, may be submitted to the secretary of state at any time up to three years after the certification of the legal description and 14 populations under section 4 of this act. The standards for acceptance 15 16 or rejection of signature petitions for the formation of a new county are the same as for acts under RCW 29A.72.170, and any appeal of a 17 18 refusal by the secretary of state to file signature petitions will 19 proceed in the same manner as provided for acts under RCW 29A.72.180 and 29A.72.190. 20

NEW SECTION. Sec. 7. A petition for the creation of a new county circulated before the effective date of this act, filed under section 6 of this act with the secretary of state within two years of the effective date of this act, and differing in form from the information required by section 5 of this act is acceptable as to the requirements for form.

NEW SECTION. Sec. 8. A petition proposing the creation of a new county must be signed by at least fifty percent of the registered voters residing in the combined portions of each parent county from which territory is proposed to be stricken and included in the new county at the time the petition is filed under this section.

32 <u>NEW SECTION.</u> **Sec. 9.** (1) Every person who signs a petition

p. 5 HB 3296

requesting the creation of a new county with any other than his or her true name is guilty of a class C felony punishable under chapter 9A.20 RCW.

(2) Every person who: (a) Knowingly signs more than one petition for the same effort to create a new county; (b) signs a petition requesting the creation of a new county knowing that he or she is not a legal voter; or (c) makes a false statement as to his or her residence on any petition requesting the creation of a new county, is guilty of a gross misdemeanor punishable under chapter 9A.20 RCW.

NEW SECTION. Sec. 10. Within sixty days of the receipt of the petition under section 6 of this act, the secretary of state shall examine the signatures on the petition, compare them to the records in the statewide data base of registered voters provided under chapter 29A.08 RCW and any additional information provided by the parent county or counties that is necessary to determine whether a registered voter is within the boundaries of the proposed new county, and determine if the number of valid signatures of registered voters on the petition exceeds the number required under section 8 of this act. A variation between the signature on the petition and that on the registration record due to the substitution of initials or the use of common nicknames is permitted so long as the surname and handwriting are clearly the same.

NEW SECTION. Sec. 11. (1) The secretary of state shall certify to the proponents and to the legislature whether the proposed new county and the remaining parent county or counties will have the minimum populations required by the state Constitution and whether the petition has been signed by at least fifty percent of the registered voters in the combined portions of each parent county that is to be stricken to form the new county.

(2) The secretary of state shall also notify the presiding judge of the division of the state court of appeals that contains the greatest portion of the population of the new county that a petition for the formation of a new county has been transmitted to the legislature and shall transmit with the notice a copy of the legal description of the proposed county.

(3) The secretary of state shall also notify the director of the department of revenue that a petition for the formation of a new county has been transmitted to the legislature and shall transmit with the notice a copy of the legal description of the proposed county.

- (4) Any proponent or opponent of the new county, dissatisfied with the determination of the secretary of state under this section, may appeal that determination to the superior court of Thurston county. The review by the superior court will proceed in the same manner as for acts under RCW 29A.72.240.
- NEW SECTION. Sec. 12. (1) When the presiding judge of the applicable division of the state court of appeals is notified of the petition transmission under section 11(2) of this act, the presiding judge shall appoint a special master to gather facts, conduct hearings, review evidence, and make recommendations to the court regarding the division of assets and liabilities between the new county and the parent county or counties in accordance with sections 13 through 18 of this act, including any critical factors that would affect the projected long-term revenues of the proposed new county compared to counties of similar population and physical area. The principal proponent of the new county and the legislative authority of any parent county or counties from which territory is to be stricken are proper parties to this proceeding and may recommend individuals to serve as the special master.
- (2) If the petition for a new county proposes the consolidation of two or more existing counties where there is no remaining territory in any parent county or counties, the presiding judge may enter an order under section 17(1) of this act without appointing a special master.
- NEW SECTION. Sec. 13. (1) The special master may employ appraisers, accountants, actuaries, engineers, attorneys, or other experts, and consult with state and local agencies including boundary review boards established under chapter 36.93 RCW, to assemble and evaluate evidence and exercise all other powers granted to the court that are necessary for the efficient and just resolution of any issues.
- (2) The court of appeals may award payment of reasonable fees and costs to any special master and any experts that the special master is

p. 7 HB 3296

authorized to retain and may assess such fees and costs against the parent county and the new county in such proportions as it deems just.

- NEW SECTION. Sec. 14. Whenever a new county is created out of territory that was stricken from another county or counties, the new county is liable for an equitable proportion of the debts and liabilities of the parent county or counties and must receive an equitable proportion of the assets of the parent county or counties.
- NEW SECTION. Sec. 15. (1) In apportioning the debts and liabilities under section 14 of this act, the court shall not charge either county with any share of debts or liabilities then existing incurred in the purchase of county property, or in the purchase or construction of public buildings then in use or under construction, or roads or bridges then in use or under construction, that are located within the other county except where the repayment of the debt or liability is being made or is to be made from bonds originally authorized by a vote of the qualified electors in the other county.
- (2) The remaining debts and liabilities of the parent county must be apportioned so that the new county is assigned an amount of these debts and liabilities that is in the same proportion as the assessed valuation of the new county, that was part of that parent county, is to the total assessed valuation in the parent county before the creation of the new county. The assessed valuations must be those used for taxes imposed in the year before the election was held authorizing the creation of the new county. The debts and liabilities mentioned in this section may not include new tax obligations created by the parent county government after the submission of petitions for creation of the new county to the secretary of state.
- 28 (3) This section may not be construed to affect the rights of creditors.
- NEW SECTION. Sec. 16. (1) In apportioning the assets of the parent county or counties, each parent county retains ownership of real property it owns that remains in its boundaries after the creation of the new county. At the effective date of the creation of the new county, the new county acquires ownership of real property that was

owned by the parent county or counties that is located in the new county. No valuation of or compensation for real property is required.

1 2

3

45

6

7

9

10

11

12

13

14

15 16

17

18

19

- (2) All equipment owned by each parent county that is used in the construction or maintenance of roads or bridges must be apportioned based on total appraised value of the equipment between the new county and the parent county so that the new county receives a portion of this equipment that is in the same proportion as the number of miles of county roads in the new county, that were part of that parent county, is to the total number of miles of county roads in the parent county before the creation of the new county.
- (3) All other assets of each parent county, the apportionment of which is not otherwise provided for, must be apportioned between the parent county and the new county based on total appraised value of the assets so that the new county receives a portion of these assets that is in the same proportion as the assessed valuation of the new county, that was part of the parent county, is to the total assessed valuation of the parent county before the creation of the new county. The assessed valuations must be those used for taxes imposed in the year of the election authorizing creation of the new county.
- NEW SECTION. Sec. 17. (1) Within six months after receiving notice under section 11(2) of this act, the court of appeals shall enter an order apportioning all debts, liabilities, and assets of the parent county or counties between the parent counties and new county and providing for the method of transfer or payment, subject to the creation of the new county under section 19 of this act. The order of the court of appeals is final.
- 27 (2) RCW 2.06.040 applies to a proceeding under this section, except 28 that a decision rendered under this section does not have precedential 29 value and need not be published as an opinion of the court.
- NEW SECTION. Sec. 18. Within six months of the receipt of a notice under section 11 of this act, the director of the department of revenue, in conjunction with the department of community, trade, and economic development and the office of financial management, shall analyze and prepare a report on the impact of the creation of the new county on the revenues and expenditures of the parent county or counties.

p. 9 HB 3296

NEW SECTION. Sec. 19. (1) If all the requirements of Article XI, section 3 of the state Constitution for the creation of a new county have been met, the legislature may, during the first regular session after certification under section 11(1) of this act, enact special legislation creating that county.

- (2) If the legislature does not enact special legislation creating the county under subsection (1) of this section, the question of the creation of that county must be referred to a vote of the registered voters residing in the proposed new county at the next general election more than one hundred twenty days after the adjournment of the session at which the special legislation could have been enacted.
- NEW SECTION. Sec. 20. (1) If the legislature provides for the creation of a new county under section 19 of this act by special legislation, that special legislation must include:
  - (a) A legal description of the proposed new county;
- 16 (b) The initial annual salaries of the elected officers of the new 17 county;
  - (c) An initial county seat for the new county, if not specified in the county petition;
    - (d) Provision for the initial election of officers of the new county if those are different from sections 21 through 23 of this act;
- (e) Provision for a superior court and district court for the new county;
  - (f) Boundaries for three commissioner districts in the proposed new county subject to the criteria in RCW 29A.76.010; and
  - (g) Provision for any necessary financial resources for the new county during the interim period and until the receipt of regular taxes and other revenues. Such measures may be revised by the new county commission once in operation.
  - (2) All counties must consist of a single contiguous area of land and water. If the legislature determines that the boundaries of the proposed new county have become defective since the collection of petitions, it may modify the proposed boundaries only so far to resolve these issues. It shall consider the boundaries of existing and new communities and governmental units, but may not make substantive changes of greater than ten percent of the total area of the new

- 1 county. The legislature may not make changes in the boundaries that 2 would result in the creation of a new county that does not satisfy the
- 3 requirements of Article XI, section 3 of the state Constitution.
- NEW SECTION. Sec. 21. (1) If special legislation enacted under section 19(1) of this act does not provide otherwise or if the question of the formation of a new county is referred under section 19(2) of this act and if the new county includes part of the territory from one or more parent counties that question must be submitted to the voters of the new county in substantially the following form:
- "Shall the new county of (insert name of new county) be created and the assets and liabilities of (insert the name of the parent county or counties) be divided with this new county as provided in (cite the order of the court of appeals)? - yes or no?"
- 14 (2) If the new county consolidates all of the territory of two or 15 more parent counties, the question must be submitted to the voters of 16 the new county in substantially the following form:
- "Shall the new county of (insert name of new county) be created and shall it assume all of the assets and liabilities of (insert the name of the parent counties) as provided in (cite the order of the court of appeals)? - yes or no?"

22

2324

25

2627

28

29

30

31

3233

34

35

- NEW SECTION. Sec. 22. (1) If special legislation enacted under section 19(1) of this act does not provide otherwise or if the question of the formation of a new county is referred under section 19(2) of this act, a primary must be held under RCW 29A.04.311 for the nomination of candidates for the various county elected offices, and elections for those offices must be held in conjunction with the state general election in that year. Except as provided in this section, nominations and elections must be held as provided by the general election laws for partisan county offices.
- (2) Declarations of candidacy for the initial terms of office for the elected county offices in the new county must be filed with the county auditor of the parent county if the new county is to be created out of territory from only one county and with the secretary of state if the new county is to be formed out of territory from more than one parent county.

p. 11 HB 3296

(3) Candidates for the office of county commissioner shall file for one of three separate county commissioner positions. If county commissioner districts were created by the special legislation, the filing officer shall designate one position for each district, and the voters in each district shall nominate the candidates for county commissioner for that district.

- (4) If any parent county does not provide a local voters' pamphlet for the primary or the general election under RCW 29A.32.210 through 29A.32.280, the secretary of state shall provide a pamphlet for the jurisdiction of the proposed new county only.
- (5) If the local voters' pamphlet is produced by the secretary of state, the committees to draft statements for and against the measures will be appointed as provided for state measures under RCW 29A.32.060. The local voters' pamphlet must include the legal description and map of the proposed new county, a summary of the allocation of assets, debts, and liabilities adopted by the court of appeals, and the report by the department of revenue about the revenue and expenditure impact of the formation of the new county on the parent county or counties.
- (6) The county auditor or auditors shall conduct and canvass the election and certify the results to the secretary of state, who shall canvass and certify the results of the primary and the election.
- (7) The newly elected county officials shall assume office immediately upon the certification of the election with limited powers during the interim period as provided in this chapter and full powers after the expiration of the interim period.
- NEW SECTION. Sec. 23. If the legislature creates a new county under section 19(1) of this act or if a majority of the registered voters who reside within the boundaries of the proposed new county voting on the question vote in favor of creation of a new county under section 19(2) of this act, the new county is established, with an interim organization period commencing on January 1st of the year after the session at which the special legislation was enacted or the election at which the voters approved the formation of the new county. The interim period expires on December 31st of the year in which it started.

NEW SECTION. Sec. 24. (1) Except as provided in subsection (2) of this section, the terms of office for all of the initial county officials are from the date of the certification of their election until their successors are elected and qualified at the next general election that is two years before the year in which the governor is elected.

- (2) The commissioner or commissioners who receive the greatest number of votes for their respective positions at the general election provided for under section 22 of this act will receive the longer unexpired term or terms.
- (3) No regular or unexpired term elections may be held during the interim period. Vacancies in elected county offices will be filled by appointment.
- 14 (4) After the expiration of the first set of unexpired terms, the 15 terms of all officers will be four years and until their successors are 16 elected and qualified.

NEW SECTION. Sec. 25. If the new county is created, the new county shall reimburse the parent county or counties for its share of the primary and election costs under RCW 29A.04.410. If the new county is not created, the parent county or counties shall pay the cost of conducting the primary and the election to create a new county and elect county officers. For the purposes of this section, the proportionate share of the costs of producing and distributing the local voters' pamphlet under section 22 of this act are included in the cost of conducting the primary and election on the formation of the new county.

- NEW SECTION. Sec. 26. Except as provided in this section, the boundaries of any new county are independent from and do not affect the boundaries of any city, town, or special district of any kind.
  - (1) Unless the initial board of county commissioners provides otherwise, a single road district must exist in the new county composed of all the unincorporated area within the new county. Territory that is stricken from a parent county to create a new county must also be stricken from the road district or districts of the parent county effective as of the final day of the interim period.

p. 13 HB 3296

(2) An area in a new county that was included in a county rural library district must remain part of that county rural library district. The trustees of such a library district must be appointed by joint action of the members of the county legislative authorities of the parent county or counties and the new county, with the vote on each appointment distributed among the members of the county legislative authorities so that the combined total vote of all the members of a single county legislative authority is in direct proportion to the percentage of population within the library district residing in that county and each member of that county legislative authority receiving an equal portion of that vote.

(3) Effective on the first day after the interim period for the creation of a new county, a public transportation benefit area that includes territory located in both the remaining parent county and new county will have its boundaries reduced to eliminate any territory located in the new county.

NEW SECTION. Sec. 27. The superior court and district court for the new county shall obtain jurisdiction over all new matters filed on or after the interim period expires, over which those courts otherwise have jurisdiction under the state Constitution and state law. The superior court and district court of the parent county or counties shall retain jurisdiction of any matters pending before them or on appeal from them on December 31st at the close of the interim period unless all parties to the matter stipulate to a change of venue to the superior or district court of the new county.

All pleadings, process, documents, and files in the office of the county clerk and in the offices of officers of the superior or district court of a parent county pertaining to actions and proceedings transferred to the superior or district court of the new county must be certified and transferred to the county clerk or to officers of the superior or district court of the new county.

NEW SECTION. Sec. 28. Within ten months of the beginning of the interim period for a new county, all records, documents, and papers in the offices of county auditor, county assessor, county treasurer, and other county officers of a parent county, affecting the title or possession of real property in the new county, assessed valuation of

property located in the new county, registration of voters residing in 1 2 the new county, or other appropriate matters, must be certified by the appropriate parent county official and must be transferred to the 3 appropriate county officials and officers of the new county. 4 5 original records, documents, or papers are not transferred, certified copies must be provided. The appropriate county officials of the 6 7 parent county and the new county may agree to these transfers through electronic, mechanical, or other methods that adequately ensure the 8 9 accuracy of the transferred information. The new county shall pay all 10 reasonable costs incurred with regard to the transfer of records, documents, and papers. 11

NEW SECTION. Sec. 29. During the interim period for a new county, the initial county officials have the following powers:

1415

16

17

18 19

20

21

2223

24

25

26

2728

29

3031

3233

36

- (1) The initial board of county commissioners may adopt ordinances and adopt resolutions necessary to implement the general powers provided by this section. The initial board of county commissioners may also adopt ordinances on any matter within the authority of a noncharter county. The ordinances become effective on the expiration of the interim period.
- (2) The initial county officials, subject to state law governing counties in general, may purchase or lease land, buildings, equipment, and supplies; contract for services; and employ staff as necessary to implement the powers provided by this section and to assure the establishment of the necessary infrastructure and staffing for the full operation of county government on the expiration of the interim period.
- (3) The initial county officials may enter interlocal agreements with the parent county or counties to facilitate the establishment of the new county government and for services to be rendered following the interim period.
  - (4) The initial board of county commissioners may:
- (a) Cause tax anticipation or revenue anticipation notes or warrants or other short-term obligations to be issued as provided in chapter 39.50 RCW;
- 34 (b) Authorize the borrowing of money from state or federal agencies 35 to the same extent as is authorized for a nonhome-rule county;
  - (c) Submit ballot propositions to the voters of the new county

p. 15 HB 3296

authorizing a single-year excess levy to be imposed, as provided by RCW 84.52.052;

3

4

5

- (d) Submit ballot propositions to the voters of the new county authorizing both voter-approved general indebtedness and bond retirement excess levies, as provided by RCW 84.52.056 and 39.36.050;
- 6 (e) Impose property taxes as authorized for counties, to be 7 collected after the interim period; and
- 8 (f) Impose excise taxes as authorized for counties effective on 9 January 1st after the interim period, including, but not limited to, 10 sales and use taxes authorized in chapter 82.14 RCW and real estate 11 excise taxes authorized in chapter 82.46 RCW.
- NEW SECTION. Sec. 30. The initial county officers of a new county during the interim period are subject to all state laws limiting the authority of or imposing obligations on such offices as if the new county were fully established.
- NEW SECTION. Sec. 31. All ordinances, rules, and regulations of a parent county that are in effect at the beginning of the interim period for a new county and that are adopted by the parent county during the interim period of a new county have their full force and effect within the portion of the parent county that is stricken to form the new county until the end of the interim period, unless repealed by the parent county before that date.
- NEW SECTION. Sec. 32. During the interim period for a new county, the parent county or counties remain responsible for providing all county services previously provided by that parent county in the portion of the parent county that is stricken to form a new county at the current level of service, unless otherwise agreed to between the parent county and the initial officers of the new county.
- NEW SECTION. **sec. 33.** (1) The budget for the interim period for a new county must be adopted as provided in this section. The budget for the first budget cycle of the new county after the interim period must be adopted as provided in chapter 36.40 RCW.
- 33 (2) The initial board of county commissioners shall adopt a budget 34 for the interim period and make any subsequent amendments in

- consultation with the state auditor and the department of revenue. The 1 2 department of revenue shall provide to the initial officers of the new county, at the earliest date feasible after the election authorizing 3 formation of the new county, a report detailing the potential revenues 4 5 and expenses of the new county. The interim period budget may initially authorize expenditure of moneys by general category without 6 7 specific detail. The budget may be amended periodically during the 8 interim period to reflect actual revenues or expenditure requirements 9 as they become known.
- NEW SECTION. **Sec. 34.** During the interim period for a new county, the initial board of county commissioners may borrow money from the state treasurer in amounts and on terms deemed prudent and reasonable by the state treasurer.
- Any loan obtained under this section must be repaid within three years of the initial disbursement. The state treasurer may withhold moneys from the funds otherwise payable to the new county to assure repayment.
- NEW SECTION. Sec. 35. Each parent county shall continue imposing sales and use taxes throughout its entire boundaries until the end of the interim period. Before the end of the interim period, each parent county will continue receiving federal and state moneys allocated to it as if the new county did not exist. State moneys must be allocated to the new county on whatever basis these moneys are distributed commencing on the first day after the interim period.
  - NEW SECTION. Sec. 36. The rule of strict construction does not apply to this chapter. The authority granted to the initial county commissioners of a new county must be liberally interpreted to provide for a transition to a new county during the interim period so that, to the greatest extent possible, a new county will be able to fully function as a complete county government at the date the new county is officially created.

27

28

29

30

31

- NEW SECTION. Sec. 37. A new section is added to chapter 47.01 RCW to read as follows:
- 34 Beginning on January 1st following the interim period for a new

p. 17 HB 3296

- 1 county, the department of transportation shall adjust the allocations
- 2 of transportation moneys made to counties to include the new county on
- 3 the same bases as apply to previously existing counties.

**Sec. 38.** RCW 36.32.020 and 1982 c 226 s 4 are each amended to read 5 as follows:

The board of county commissioners of each county shall divide their county into three commissioner districts so that each district shall comprise as nearly as possible one-third of the population of the county((: PROVIDED, That)). The territory comprised in any voting precincts of such districts shall remain compact, and shall not be divided by the lines of ((said)) the districts.

However, the commissioners of any county composed entirely of islands and with a population of less than thirty-five thousand may divide their county into three commissioner districts without regard to population, except that if any single island is included in more than one district, the districts on such island shall comprise, as nearly as possible, equal populations.

The lines of the districts shall not be changed ((oftener)) more often than once in four years except for the initial districts in a new county created under section 19 of this act and only when a full board of commissioners is present. The districts shall be designated as districts numbered one, two and three.

Sec. 39. RCW 84.09.030 and 2004 c 129 s 19 are each amended to read as follows:

Except as follows, the boundaries of counties, cities and all other taxing districts, for purposes of property taxation and the levy of property taxes, shall be the established official boundaries of such districts existing on the first day of March of the year in which the property tax levy is made.

The official boundaries of a newly incorporated taxing district shall be established at a different date in the year in which the incorporation occurred as follows:

(1) Boundaries for a newly incorporated city shall be established on the last day of March of the year in which the initial property tax levy is made, and the boundaries of a road district, library district, or fire protection district or districts, that include any portion of

the area that was incorporated within its boundaries shall be altered as of this date to exclude this area, if the budget for the newly incorporated city is filed pursuant to RCW 84.52.020 and the levy request of the newly incorporated city is made pursuant to RCW 84.52.070. Whenever a proposed city incorporation is on the March special election ballot, the county auditor shall submit the legal description of the proposed city to the department of revenue on or before the first day of March;

- (2) Boundaries for a newly incorporated port district or regional fire protection service authority shall be established on the first day of October if the boundaries of the newly incorporated port district or regional fire protection service authority are coterminous with the boundaries of another taxing district or districts, as they existed on the first day of March of that year;
- (3) Boundaries of any other newly incorporated taxing district shall be established on the first day of June of the year in which the property tax levy is made if the taxing district has boundaries coterminous with the boundaries of another taxing district, as they existed on the first day of March of that year;
- (4) Boundaries for a newly incorporated water-sewer district shall be established on the fifteenth of June of the year in which the proposition under RCW 57.04.050 authorizing a water district excess levy is approved; and
- (5) Boundaries of a new county, the counties from which territory is stricken to create the new county, any road districts in the counties from which the territory is stricken, and road districts in the newly created county will be established on the first day of January of the interim period after the formation of that new county.

The boundaries of a taxing district shall be established on the first day of June if territory has been added to, or removed from, the taxing district after the first day of March of that year with boundaries coterminous with the boundaries of another taxing district as they existed on the first day of March of that year. However, the boundaries of a road district, library district, or fire protection district or districts, that include any portion of the area that was annexed to a city or town within its boundaries shall be altered as of this date to exclude this area. In any case where any instrument setting forth the official boundaries of any newly established taxing

p. 19 HB 3296

- 1 district, or setting forth any change in such boundaries, is required
- 2 by law to be filed in the office of the county auditor or other county
- 3 official, said instrument shall be filed in triplicate. The officer
- 4 with whom such instrument is filed shall transmit two copies to the
- 5 county assessor.
- 6 No property tax levy shall be made for any taxing district whose
- 7 boundaries are not established as of the dates provided in this
- 8 section.
- 9 <u>NEW SECTION.</u> **Sec. 40.** The following acts or parts of acts are 10 each repealed:
- 11 (1) RCW 4.12.070 (Change to newly created county) and 1891 c 33 s
- 12 2, Code 1881 s 53, 1877 p 12 s 54, 1869 p 14 s 54, & 1854 p 377 s 2;
- 13 (2) RCW 36.09.010 (Debts and property to be apportioned) and 1963
- 14 c 4 s 36.09.010;
- 15 (3) RCW 36.09.020 (Procedure to settle amount charged new county--
- 16 Basis of apportionment) and 1963 c 4 s 36.09.020;
- 17 (4) RCW 36.09.035 (Procedure to settle amount charged new county--
- 18 Disagreement between auditors--Determination by third person) and 1963
- 19 c 4 s 36.09.035;
- 20 (5) RCW 36.09.040 (Payment of indebtedness--Transfer of property)
- 21 and 1963 c 4 s 36.09.040; and
- 22 (6) RCW 36.09.050 (Collection of taxes levied--Apportionment) and
- 23 1963 c 4 s 36.09.050.
- 24 NEW SECTION. Sec. 41. Sections 2 through 36 of this act
- 25 constitute a new chapter in Title 36 RCW.
- NEW SECTION. Sec. 42. If any provision of this act or its
- 27 application to any person or circumstance is held invalid, the
- 28 remainder of the act or the application of the provision to other
- 29 persons or circumstances is not affected.

--- END ---