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ENGROSSED SUBSTITUTE SENATE BILL 5836

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State of Washington

60th Legislature

2007 Regular Session

By Senate Committee on Government Operations Elections (originally sponsored by Senators Fairley, Roach, Kline and Pridemore)

READ FIRST TIME 02/28/07.

1 AN ACT Relating to the determination of boundaries for taxing  
2 districts; amending RCW 35.13.270, 35A.14.801, and 84.09.030; and  
3 adding a new section to chapter 35.13 RCW.

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

5 **Sec. 1.** RCW 35.13.270 and 2001 c 299 s 2 are each amended to read  
6 as follows:

7 (1) Whenever any territory is annexed to a city or town which is  
8 part of a road district of the county and road district taxes have been  
9 levied but not collected on any property within the annexed territory,  
10 the same shall when collected by the county treasurer be paid to the  
11 city or town and by the city or town placed in the city or town street  
12 fund; except that road district taxes that are delinquent before the  
13 date of annexation shall be paid to the county and placed in the county  
14 road fund. ((This section shall))

15 (2) When territory that is part of a fire district is annexed to a  
16 city or town, the following apply:

17 (a) Fire district taxes on annexed property that were levied, but  
18 not collected, and were not delinquent at the time of the annexation  
19 shall, when collected, be paid to the annexing city or town at times

1 required by the county, but no less frequently than by July 10th for  
2 collections through June 30th and January 10th for collections through  
3 December 31st following the annexation; and

4 (b) Fire district taxes on annexed property that were levied, but  
5 not collected, and were delinquent at the time of the annexation and  
6 the pro rata share of the current year levy budgeted for general  
7 obligation debt, when collected, shall be paid to the fire district.

8 (3) When territory that is part of a library district is annexed to  
9 a city or town, the following apply:

10 (a) Library district taxes on annexed property that were levied,  
11 but not collected, and were not delinquent at the time of the  
12 annexation shall, when collected, be paid to the annexing city or town  
13 at times required by the county, but no less frequently than by July  
14 10th for collections through June 30th and January 10th for collections  
15 through December 31st following the annexation; and

16 (b) Library district taxes on annexed property that were levied,  
17 but not collected, and were delinquent at the time of the annexation  
18 and the pro rata share of the current year levy budgeted for general  
19 obligation debt, when collected, shall be paid to the library district.

20 (4) Subsections (1) through (3) of this section do not apply to any  
21 special assessments due in behalf of such property.

22 (5) If a city or town annexes property within a fire district or  
23 library district while any general obligation bond secured by the  
24 taxing authority of the district is outstanding, the bonded  
25 indebtedness of the fire district or library district remains an  
26 obligation of the taxable property annexed as if the annexation had not  
27 occurred.

28 (6) The city or town is required to provide notification, by  
29 certified mail, that includes a list of annexed parcel numbers, to the  
30 county treasurer and assessor, and to the fire district and library  
31 district, as appropriate, at least thirty days before the effective  
32 date of the annexation. The county treasurer is only required to remit  
33 to the city or town those road taxes, fire district taxes, and library  
34 district taxes collected thirty days or more after receipt of the  
35 notification.

36 (7)(a) In counties that do not have a boundary review board, the  
37 city or town shall provide notification to the fire district or library

1 district of the jurisdiction's resolution approving the annexation.

2 The notification required under this subsection must:

3 (i) Be made by certified mail within seven days of the resolution  
4 approving the annexation; and

5 (ii) Include a description of the annexed area.

6 (b) In counties that have a boundary review board, the city or town  
7 shall provide notification of the proposed annexation to the fire  
8 district or library district simultaneously when notice of the proposed  
9 annexation is provided by the jurisdiction to the boundary review board  
10 under RCW 36.93.090.

11 (8) The provisions of this section regarding (a) the transfer of  
12 fire and library district property taxes and (b) city and town  
13 notifications to fire and library districts do not apply if the city or  
14 town has been annexed to and is within the fire or library district  
15 when the city or town approves a resolution to annex unincorporated  
16 county territory.

17 NEW SECTION. Sec. 2. A new section is added to chapter 35.13 RCW  
18 to read as follows:

19 Any first class city located in a county with a population of less  
20 than eighty thousand that is seeking to annex territory using the  
21 method of annexation provided for in RCW 35.13.130 through 35.13.160,  
22 or 35.13.410 through 35.13.450, must receive consent from the county  
23 legislative authority prior to enactment of an ordinance annexing the  
24 property. The county legislative authority cannot alter or change the  
25 boundaries established and defined in the petition for annexation.

26 **Sec. 3.** RCW 35A.14.801 and 2001 c 299 s 3 are each amended to read  
27 as follows:

28 (1) Whenever any territory is annexed to a code city which is part  
29 of a road district of the county and road district taxes have been  
30 levied but not collected on any property within the annexed territory,  
31 the same shall when collected by the county treasurer be paid to the  
32 code city and by the city placed in the city street fund; except that  
33 road district taxes that are delinquent before the date of annexation  
34 shall be paid to the county and placed in the county road fund. ((This  
35 section shall))

1       (2) When territory that is part of a fire district is annexed to a  
2 code city, the following apply:

3       (a) Fire district taxes on annexed property that were levied, but  
4 not collected, and were not delinquent at the time of the annexation  
5 shall, when collected, be paid to the annexing code city at times  
6 required by the county, but no less frequently than by July 10th for  
7 collections through June 30th and January 10th for collections through  
8 December 31st following the annexation; and

9       (b) Fire district taxes on annexed property that were levied, but  
10 not collected, and were delinquent at the time of the annexation and  
11 the pro rata share of the current year levy budgeted for general  
12 obligation debt, when collected, shall be paid to the fire district.

13       (3) When territory that is part of a library district is annexed to  
14 a code city, the following apply:

15       (a) Library district taxes on annexed property that were levied,  
16 but not collected, and were not delinquent at the time of the  
17 annexation shall, when collected, be paid to the annexing code city at  
18 times required by the county, but no less frequently than by July 10th  
19 for collections through June 30th and January 10th for collections  
20 through December 31st following the annexation; and

21       (b) Library district taxes on annexed property that were levied,  
22 but not collected, and were delinquent at the time of the annexation  
23 and the pro rata share of the current year levy budgeted for general  
24 obligation debt, when collected, shall be paid to the library district.

25       (4) Subsections (1) through (3) of this section do not apply to any  
26 special assessments due in behalf of such property.

27       (5) If a code city annexes property within a fire district or  
28 library district while any general obligation bond secured by the  
29 taxing authority of the district is outstanding, the bonded  
30 indebtedness of the fire district or library district remains an  
31 obligation of the taxable property annexed as if the annexation had not  
32 occurred.

33       (6) The code city is required to provide notification, by certified  
34 mail, that includes a list of annexed parcel numbers, to the county  
35 treasurer and assessor, and to the fire district and library district,  
36 as appropriate, at least thirty days before the effective date of the  
37 annexation. The county treasurer is only required to remit to the code

1 city those road taxes, fire district taxes, and library district taxes  
2 collected thirty or more days after receipt of the notification.

3 (7)(a) In counties that do not have a boundary review board, the  
4 code city shall provide notification to the fire district or library  
5 district of the jurisdiction's resolution approving the annexation.  
6 The notification required under this subsection must:

7 (i) Be made by certified mail within seven days of the resolution  
8 approving the annexation; and

9 (ii) Include a description of the annexed area.

10 (b) In counties that have a boundary review board, the code city  
11 shall provide notification of the proposed annexation to the fire  
12 district or library district simultaneously when notice of the proposed  
13 annexation is provided by the jurisdiction to the boundary review board  
14 under RCW 36.93.090.

15 (8) The provisions of this section regarding (a) the transfer of  
16 fire and library district property taxes and (b) code city  
17 notifications to fire and library districts do not apply if the code  
18 city has been annexed to and is within the fire or library district  
19 when the code city approves a resolution to annex unincorporated county  
20 territory.

21 **Sec. 4.** RCW 84.09.030 and 2004 c 129 s 19 are each amended to read  
22 as follows:

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

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

31 (1) Boundaries for a newly incorporated city shall be established  
32 on the last day of March of the year in which the initial property tax  
33 levy is made, and the boundaries of a road district, library district,  
34 or fire protection district or districts, that include any portion of  
35 the area that was incorporated within its boundaries shall be altered  
36 as of this date to exclude this area, if the budget for the newly  
37 incorporated city is filed pursuant to RCW 84.52.020 and the levy

1 request of the newly incorporated city is made pursuant to RCW  
2 84.52.070. Whenever a proposed city incorporation is on the March  
3 special election ballot, the county auditor shall submit the legal  
4 description of the proposed city to the department of revenue on or  
5 before the first day of March;

6 (2) Boundaries for a newly incorporated port district or regional  
7 fire protection service authority shall be established on the first day  
8 of October if the boundaries of the newly incorporated port district or  
9 regional fire protection service authority are coterminous with the  
10 boundaries of another taxing district or districts, as they existed on  
11 the first day of March of that year;

12 (3) Boundaries of any other newly incorporated taxing district  
13 shall be established on the first day of June of the year in which the  
14 property tax levy is made if the taxing district has boundaries  
15 coterminous with the boundaries of another taxing district, as they  
16 existed on the first day of March of that year;

17 (4) Boundaries for a newly incorporated water-sewer district shall  
18 be established on the fifteenth of June of the year in which the  
19 proposition under RCW 57.04.050 authorizing a water district excess  
20 levy is approved.

21 The boundaries of a taxing district shall be established on the  
22 first day of June if territory has been added to, or removed from, the  
23 taxing district after the first day of March of that year with  
24 boundaries coterminous with the boundaries of another taxing district  
25 as they existed on the first day of March of that year. However, the  
26 boundaries of a road district, library district, or fire protection  
27 district or districts, that include any portion of the area that was  
28 annexed to a city or town within its boundaries shall be altered as of  
29 this date to exclude this area. In any case where any instrument  
30 setting forth the official boundaries of any newly established taxing  
31 district, or setting forth any change in such boundaries, is required  
32 by law to be filed in the office of the county auditor or other county  
33 official, said instrument shall be filed in triplicate. The officer  
34 with whom such instrument is filed shall transmit two copies to the  
35 county assessor.

36 No property tax levy shall be made for any taxing district whose

1 boundaries are not established as of the dates provided in this  
2 section.

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