

CERTIFICATION OF ENROLLMENT

**ENGROSSED HOUSE BILL 2068**

Chapter 27, Laws of 2013

63rd Legislature  
2013 2nd Special Session

ANNEXATION--UNINCORPORATED TERRITORY

EFFECTIVE DATE: 07/28/13

Passed by the House June 28, 2013  
Yeas 74 Nays 15

FRANK CHOPP

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**Speaker of the House of Representatives**

Passed by the Senate June 27, 2013  
Yeas 46 Nays 2

BRAD OWEN

\_\_\_\_\_  
**President of the Senate**

Approved July 3, 2013, 2:19 p.m.

JAY INSLEE

\_\_\_\_\_  
**Governor of the State of Washington**

CERTIFICATE

I, Barbara Baker, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **ENGROSSED HOUSE BILL 2068** as passed by the House of Representatives and the Senate on the dates hereon set forth.

BARBARA BAKER

\_\_\_\_\_  
**Chief Clerk**

FILED

July 3, 2013

**Secretary of State  
State of Washington**

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ENGROSSED HOUSE BILL 2068

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AS AMENDED BY THE SENATE

Passed Legislature - 2013 2nd Special Session

State of Washington                      63rd Legislature                      2013 2nd Special Session

By Representative Takko

Read first time 06/03/13.

1            AN ACT Relating to the annexation of unincorporated territory;  
2 amending RCW 35A.14.295, 35A.14.480, and 35.13.238; providing an  
3 effective date; and declaring an emergency.

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

5            **Sec. 1.** RCW 35A.14.295 and 2013 c 333 s 1 are each amended to read  
6 as follows:

7            (1) The legislative body of a code city may resolve to annex  
8 territory to the city if there is within the city, unincorporated  
9 territory:

10            (a) Containing less than one hundred seventy-five acres and having  
11 all of the boundaries of such area contiguous to the code city; or

12            (b) Of any size containing residential property owners and having  
13 at least eighty percent of the boundaries of such area contiguous to  
14 the city(~~, and is~~). Territory annexed under this subsection (1)(b)  
15 must be within the same county and within the same urban growth area  
16 designated under RCW 36.70A.110, and the city (~~is planning~~) must plan  
17 under chapter 36.70A RCW.

18            (2) The resolution shall describe the boundaries of the area to be  
19 annexed, state the number of voters residing therein as nearly as may

1 be, and set a date for a public hearing on such resolution for  
2 annexation. Notice of the hearing shall be given by publication of the  
3 resolution at least once a week for two weeks prior to the date of the  
4 hearing, in one or more newspapers of general circulation within the  
5 code city and one or more newspapers of general circulation within the  
6 area to be annexed.

7 (3) For purposes of subsection (1)(b) of this section, territory  
8 bounded by a river, lake, or other body of water is considered  
9 contiguous to a city that is also bounded by the same river, lake, or  
10 other body of water.

11 **Sec. 2.** RCW 35A.14.480 and 2009 c 60 s 9 are each amended to read  
12 as follows:

13 (1)(a) An annexation by a code city proposing to annex territory  
14 served by one or more fire protection districts may be accomplished by  
15 ordinance after entering into an interlocal agreement as provided in  
16 chapter 39.34 RCW with the county and the fire protection district or  
17 districts that have jurisdiction over the territory proposed for  
18 annexation.

19 (b) A code city proposing to annex territory shall initiate the  
20 interlocal agreement process by sending notice to the fire protection  
21 district representative and county representative stating the code  
22 city's interest to enter into an interlocal agreement negotiation  
23 process. The parties have forty-five days to respond in the  
24 affirmative or negative. A negative response must state the reasons  
25 the parties do not wish to participate in an interlocal agreement  
26 negotiation. A failure to respond within the forty-five day period is  
27 deemed an affirmative response and the interlocal agreement negotiation  
28 process may proceed. The interlocal agreement process may not proceed  
29 if any negative responses are received within the forty-five day  
30 period.

31 (c) The interlocal agreement must describe the boundaries of the  
32 territory proposed for annexation and must be consistent with the  
33 boundaries identified in an ordinance describing the boundaries of the  
34 territory proposed for annexation and setting a date for a public  
35 hearing on the ordinance. If the boundaries of the territory proposed  
36 for annexation are agreed to by all parties, a notice of intention must  
37 be filed with the boundary review board created under RCW 36.93.030.

1 However, the jurisdiction of the board may not be invoked as described  
2 in RCW 36.93.100 for annexations that are the subject of such  
3 agreement.

4 (2) An interlocal annexation agreement under this section must  
5 include the following:

6 (a) A statement of the goals of the agreement. Goals must include,  
7 but are not limited to:

8 (i) The transfer of revenues and assets between the fire protection  
9 district and the code city;

10 (ii) A consideration and discussion of the impact to the level of  
11 service of annexation on the unincorporated area, and an agreement that  
12 the impact on the ability of fire protection and emergency medical  
13 services within the incorporated area must not be negatively impacted  
14 at least through the budget cycle in which the annexation occurs;

15 (iii) A discussion with fire protection districts regarding the  
16 division of assets and its impact to citizens inside and outside the  
17 newly annexed area;

18 (iv) Community involvement, including an agreed upon schedule of  
19 public meetings in the area or areas proposed for annexation;

20 (v) Revenue sharing, if any;

21 (vi) Debt distribution;

22 (vii) Capital facilities obligations of the code city, county, and  
23 fire protection districts;

24 (viii) An overall schedule or plan on the timing of any annexations  
25 covered under this agreement; and

26 (ix) A description of which of the annexing code cities'  
27 development regulations will apply and be enforced in the area.

28 (b) The subject areas and policies and procedures the parties agree  
29 to undertake in annexations. Subject areas may include, but are not  
30 limited to:

31 (i) Roads and traffic impact mitigation;

32 (ii) Surface and storm water management;

33 (iii) Coordination and timing of comprehensive plan and development  
34 regulation updates;

35 (iv) Outstanding bonds and special or improvement district  
36 assessments;

37 (v) Annexation procedures;

1 (vi) Distribution of debt and revenue sharing for annexation  
2 proposals, code enforcement, and inspection services;

3 (vii) Financial and administrative services; and

4 (viii) Consultation with other service providers, including water-  
5 sewer districts, if applicable.

6 (c) A term of at least five years, which may be extended by mutual  
7 agreement of the code city, the county, and the fire protection  
8 district.

9 (3) If the fire protection district, annexing code city, and county  
10 reach an agreement on the enumerated goals, (~~(the annexation ordinance~~  
11 ~~may proceed and is not subject to referendum.)~~) or if only the annexing  
12 code city and county reach an agreement on the enumerated goals, the  
13 code city (~~(and county)~~) may (~~(proceed with)~~) adopt an annexation  
14 (~~(under the interlocal agreement)~~) ordinance, but the annexation  
15 ordinance provided for in this section is subject to referendum for  
16 forty-five days after its passage, provided that no referendum shall be  
17 allowed for an annexation under this section if the fire protection  
18 district, annexing code city, and the county reach agreement on an  
19 annexation for which a code city has initiated the interlocal agreement  
20 process by sending notice to the fire protection district  
21 representative and county representative prior to July 28, 2013. Upon  
22 the filing of a timely and sufficient referendum petition with the  
23 legislative body of the code city, signed by qualified electors in a  
24 number not less than ten percent of the votes cast in the last general  
25 state election in the area to be annexed, the question of annexation  
26 must be submitted to the voters of the area in a general election if  
27 one is to be held within ninety days or at a special election called  
28 for that purpose according to RCW 29A.04.330. Notice of the election  
29 must be given as provided in RCW 35A.14.070, and the election must be  
30 conducted as provided in the general election laws under Title 29A RCW.  
31 The annexation must be deemed approved by the voters unless a majority  
32 of the votes cast on the proposition are in opposition to the  
33 annexation.

34 After the expiration of the forty-fifth day from, but excluding,  
35 the date of passage of the annexation ordinance, if a timely and  
36 sufficient referendum petition has not been filed, the area annexed  
37 becomes a part of the code city upon the date fixed in the ordinance of  
38 annexation.

1       **Sec. 3.** RCW 35.13.238 and 2009 c 60 s 7 are each amended to read  
2 as follows:

3       (1)(a) An annexation by a city or town that is proposing to annex  
4 territory served by one or more fire protection districts may be  
5 accomplished by ordinance after entering into an interlocal agreement  
6 as provided in chapter 39.34 RCW with the county and the fire  
7 protection district or districts that have jurisdiction over the  
8 territory proposed for annexation.

9       (b) A city or town proposing to annex territory shall initiate the  
10 interlocal agreement process by sending notice to the fire protection  
11 district representative and county representative stating the city's or  
12 town's interest to enter into an interlocal agreement negotiation  
13 process. The parties have forty-five days to respond in the  
14 affirmative or negative. A negative response must state the reasons  
15 the parties do not wish to participate in an interlocal agreement  
16 negotiation. A failure to respond within the forty-five day period is  
17 deemed an affirmative response and the interlocal agreement negotiation  
18 process may proceed. The interlocal agreement process may not proceed  
19 if any negative responses are received within the forty-five day  
20 period.

21       (c) The interlocal agreement must describe the boundaries of the  
22 territory proposed for annexation and must be consistent with the  
23 boundaries identified in an ordinance describing the boundaries of the  
24 territory proposed for annexation and setting a date for a public  
25 hearing on the ordinance. If the boundaries of the territory proposed  
26 for annexation are agreed to by all parties, a notice of intention must  
27 be filed with the boundary review board created under RCW 36.93.030.  
28 However, the jurisdiction of the board may not be invoked as described  
29 in RCW 36.93.100 for annexations that are the subject of such  
30 agreement.

31       (2) An interlocal annexation agreement under this section must  
32 include the following:

33       (a) A statement of the goals of the agreement. Goals must include,  
34 but are not limited to:

35       (i) The transfer of revenues and assets between the fire protection  
36 districts and the city or town;

37       (ii) A consideration and discussion of the impact to the level of  
38 service of annexation on the unincorporated area, and an agreement that

1 the impact on the ability of fire protection and emergency medical  
2 services within the incorporated area must not be negatively impacted  
3 at least through the budget cycle in which the annexation occurs;

4 (iii) A discussion with fire protection districts regarding the  
5 division of assets and its impact to citizens inside and outside the  
6 newly annexed area;

7 (iv) Community involvement, including an agreed upon schedule of  
8 public meetings in the area or areas proposed for annexation;

9 (v) Revenue sharing, if any;

10 (vi) Debt distribution;

11 (vii) Capital facilities obligations of the city, county, and fire  
12 protection districts;

13 (viii) An overall schedule or plan on the timing of any annexations  
14 covered under this agreement; and

15 (ix) A description of which of the annexing cities' development  
16 regulations will apply and be enforced in the area.

17 (b) The subject areas and policies and procedures the parties agree  
18 to undertake in annexations. Subject areas may include, but are not  
19 limited to:

20 (i) Roads and traffic impact mitigation;

21 (ii) Surface and storm water management;

22 (iii) Coordination and timing of comprehensive plan and development  
23 regulation updates;

24 (iv) Outstanding bonds and special or improvement district  
25 assessments;

26 (v) Annexation procedures;

27 (vi) Distribution of debt and revenue sharing for annexation  
28 proposals, code enforcement, and inspection services;

29 (vii) Financial and administrative services; and

30 (viii) Consultation with other service providers, including water-  
31 sewer districts, if applicable.

32 (c) A term of at least five years, which may be extended by mutual  
33 agreement of the city or town, the county, and the fire protection  
34 district.

35 (3) If the fire protection district, annexing city or town, and  
36 county reach an agreement on the enumerated goals, (~~the annexation  
37 ordinance may proceed and is not subject to referendum.~~) or if only  
38 the annexing city or town and county reach an agreement on the

1 enumerated goals, the city or town (~~and county~~) may (~~proceed with~~)  
2 adopt an annexation (~~under the interlocal agreement~~) ordinance, but  
3 the annexation ordinance provided for in this section is subject to  
4 referendum for forty-five days after its passage, provided that no  
5 referendum shall be allowed for an annexation under this section if the  
6 fire protection district, annexing city or town, and the county reach  
7 agreement on an annexation for which a city or town has initiated the  
8 interlocal agreement process by sending notice to the fire protection  
9 district representative and county representative prior to July 28,  
10 2013. Upon the filing of a timely and sufficient referendum petition  
11 with the legislative body of the city or town, signed by qualified  
12 electors in a number not less than ten percent of the votes cast in the  
13 last general state election in the area to be annexed, the question of  
14 annexation must be submitted to the voters of the area in a general  
15 election if one is to be held within ninety days or at a special  
16 election called for that purpose according to RCW 29A.04.330. Notice  
17 of the election must be given as provided in RCW 35.13.080, and the  
18 election must be conducted as provided in the general election laws  
19 under Title 29A RCW. The annexation must be deemed approved by the  
20 voters unless a majority of the votes cast on the proposition are in  
21 opposition to the annexation.

22 After the expiration of the forty-fifth day from, but excluding,  
23 the date of passage of the annexation ordinance, if a timely and  
24 sufficient referendum petition has not been filed, the area annexed  
25 becomes a part of the city or town upon the date fixed in the ordinance  
26 of annexation.

27 (4) If any portion of a fire protection district is proposed for  
28 annexation to or incorporation into a city or town, both the fire  
29 protection district and the city or town shall jointly inform the  
30 employees of the fire protection district about hires, separations,  
31 terminations, and any other changes in employment that are a direct  
32 consequence of annexation or incorporation at the earliest reasonable  
33 opportunity.

34 (5) The needed employees shall be taken in order of seniority and  
35 the remaining employees who transfer as provided in this section and  
36 RCW 35.10.360 and 35.10.370 shall head the list for employment in the  
37 civil service system in order of their seniority, to the end that they  
38 shall be the first to be reemployed in the city or town fire department

1 when appropriate positions become available. Employees who are not  
2 immediately hired by the city or town shall be placed on a reemployment  
3 list for a period not to exceed thirty-six months unless a longer  
4 period is authorized by an agreement reached between the collective  
5 bargaining representatives of the employees of the annexing and annexed  
6 fire agencies and the annexing and annexed fire agencies.

7 (6)(a) Upon transfer, an employee is entitled to the employee  
8 rights, benefits, and privileges to which he or she would have been  
9 entitled as an employee of the fire protection district, including  
10 rights to:

11 (i) Compensation at least equal to the level of compensation at the  
12 time of transfer, unless the employee's rank and duties have been  
13 reduced as a result of the transfer. If the transferring employee is  
14 placed in a position with reduced rank and duties, the employee's  
15 compensation may be adjusted, but the adjustment may not result in a  
16 decrease of greater than fifty percent of the difference between the  
17 employee's compensation before the transfer and the compensation level  
18 for the position that the employee is transferred to;

19 (ii) Retirement, vacation, sick leave, and any other accrued  
20 benefit;

21 (iii) Promotion and service time accrual; and

22 (iv) The length or terms of probationary periods, including no  
23 requirement for an additional probationary period if one had been  
24 completed before the transfer date.

25 (b) (a) of this subsection does not apply if upon transfer an  
26 agreement for different terms of transfer is reached between the  
27 collective bargaining representatives of the transferring employees and  
28 the participating fire protection jurisdictions.

29 (7) If upon transfer, the transferring employee receives the  
30 rights, benefits, and privileges established under subsection (6)(a)(i)  
31 through (iv) of this section, those rights, benefits, and privileges  
32 are subject to collective bargaining at the end of the current  
33 bargaining period for the jurisdiction to which the employee has  
34 transferred.

35 (8) Such bargaining must take into account the years of service the  
36 transferring employee accumulated before the transfer and must be  
37 treated as if those years of service occurred in the jurisdiction to  
38 which the employee has transferred.

1        NEW\_SECTION.    **Sec. 4.**    This act is necessary for the immediate  
2    preservation of the public peace, health, or safety, or support of the  
3    state government and its existing public institutions, and takes effect  
4    July 28, 2013.

      Passed by the House June 28, 2013.

      Passed by the Senate June 27, 2013.

      Approved by the Governor July 3, 2013.

      Filed in Office of Secretary of State July 3, 2013.