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**HOUSE BILL 1197**

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**State of Washington 64th Legislature 2015 Regular Session**

**By** Representatives Takko and Kochmar

AN ACT Relating to water-sewer districts; amending RCW 57.08.016, 57.16.062, and 57.16.090; and adding a new section to chapter 57.20 RCW.

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

**Sec.**  RCW 57.08.016 and 2011 c 90 s 1 are each amended to read as follows:

(1) ((~~There shall be no private sale of~~))Real property ((~~where the~~))with an estimated value ((~~exceeds the sum~~)) of five thousand dollars or more may be sold by public sale only. Estimated value shall be determined by the board of commissioners ((~~and~~)), based upon a written appraisal report by a state-licensed or state-certified real estate appraiser ((~~and broker advice as it considers appropriate~~)), as described and governed by chapter 18.140 RCW, or a written broker's price opinion, as defined in RCW 18.140.010 and described in RCW 18.140.020. The appraisal report or broker's price opinion must have been prepared less than six months prior to the date of sale. Subject to the provisions of subsection (2) of this section, no real property of the district shall be sold for less than ninety percent of the value thereof. ((~~Where the estimated value of the real property exceeds five thousand dollars, value shall be established by a written broker price opinion made not more than six months prior to the date of sale by three disinterested real estate brokers licensed under the laws of the state or by one professionally designated real estate appraiser as defined in chapter 18.140 RCW. A~~))The broker price opinion ((~~shall be signed by~~))or the ((~~broker and an~~)) appraisal report must be ((~~signed by the appraiser and~~)) filed with the secretary of the board of commissioners of the district, who shall keep it at the office of the district open to public inspection. ((~~Any~~))In addition to the requirements of RCW 57.08.015, the notice of intention to sell such real property ((~~of the district~~)) shall recite the estimated value ((~~or, if an appraisal has been made, the appraised value thereof~~))and refer to the appraisal report or the broker's price opinion, as applicable.

(2) If no purchasers can be obtained for the real property at ninety percent or more of its estimated ((~~or appraised~~)) value ((~~after~~))within one hundred twenty days of ((~~offering the property for sale~~))publication of the initial notice of intention to sell, the board of commissioners of the district may adopt a resolution stating that the district has been unable to sell the property at the ninety percent ((~~amount~~))or more of the estimated value. The district then may sell the property at the highest price it can obtain at public auction. A notice of intention to sell at public auction shall be published once a week for two consecutive weeks in a newspaper of general circulation in the district. The notice shall describe the real property, state the time and place at which it will be offered for sale ((~~and~~))at public auction, state the minimum opening bid, if any, state the terms and conditions of sale((~~, and shall call for bids, fix the conditions thereof~~)), and reserve the right to reject any and all bids for good cause.

**Sec.**  RCW 57.16.062 and 1996 c 230 s 605 are each amended to read as follows:

Whether an improvement district is initiated by petition or resolution, the board shall conduct a public hearing at the time and place designated in the notice to property owners. At this hearing the board shall hear objections from any person affected by the formation of the improvement district and may make such changes in the boundaries of the improvement district or such modifications in the plans for the proposed improvement as shall be deemed necessary. The board may not change the boundaries of the improvement district to include property not previously included in it without first passing a new resolution of intention and giving a new notice to property owners in the manner and form and within the time provided in this chapter for the original notice.

After the hearing and the expiration of the ten-day period for filing protests, the commissioners shall have jurisdiction to overrule protests and proceed with any such improvement district initiated by petition or resolution. The jurisdiction of the commissioners to proceed with any improvement district initiated by resolution shall be divested by protests filed with the secretary of the board within ten days after the public hearing, signed by the owners, according to the records of the applicable county auditor, of at least forty percent of the area of land within the proposed improvement district.

If the commissioners find that the improvement district should be formed, they shall by resolution form the improvement district and order the improvement. After execution of the resolution forming the improvement district, the secretary of the board of commissioners shall publish, in a legal publication that serves the area subject to the improvement district, a notice setting forth that a resolution has been passed forming the improvement district and that a lawsuit challenging the jurisdiction or authority of the district to proceed with the improvement and creating the improvement district must be filed, and notice to the district served, within thirty days of the publication of the notice. ((~~The notice shall set forth the nature of the appeal. Property owners bringing the appeal shall follow the procedures set forth under RCW 57.16.090.~~)) Whenever a resolution forming an improvement district has been adopted, the ((~~formation is conclusive in all things upon all parties, and cannot be contested or questioned in any manner in any proceeding whatsoever by any person not commencing a lawsuit in the manner and within the time provided in this section, except for lawsuits made under RCW 57.16.090~~))action and decision of the commissioners as to all matters passed upon by it in relation to any petition or resolution is final and conclusive. A lawsuit challenging the jurisdiction or authority of the district to proceed with the improvement and create the local improvement district or challenging the validity of or any proceedings relating to the improvement may not be maintained unless the lawsuit is served and filed no later than thirty days after the publication of the notice of the execution of the resolution ordering the improvement and creating the improvement district.

Following ((~~an appeal,~~))the expiration of the time within which a lawsuit challenging the formation of the improvement district must be filed, or if ((~~it~~))the lawsuit is unsuccessful ((~~or if no appeal is made under RCW 57.16.090~~)), the commissioners may proceed with creating the improvement district, provide the improvement and provide the general funds of the district to be applied thereto, adopt detailed plans of the improvement district and declare the estimated cost thereof, acquire all necessary land therefor, pay all damages caused thereby, and commence in the name of the district such eminent domain proceedings as may be necessary to entitle the district to proceed with the improvements. The board shall thereupon proceed with the work and file with the county treasurer of the county in which the real property is located its roll levying special assessments in the amount to be paid by special assessment against the property situated within the improvement district in proportion to the special benefits to be derived by the property therein from the improvements.

**Sec.**  RCW 57.16.090 and 1996 c 230 s 609 are each amended to read as follows:

The decision of the district board of commissioners upon any objections made within the time and in the manner herein prescribed may be reviewed by the superior court upon an appeal thereto taken in the following manner. ((~~The appeal shall be made by filing written notice of appeal with the secretary of the board of commissioners and with the clerk of the superior court in the county in which the real property is situated within ten days after publication of a notice that the resolution confirming such assessment roll has been adopted, and such notice of appeal shall describe the property and set forth the objections of such appellant to such assessment. Within ten days from the filing of such notice of appeal with the clerk of the superior court, the appellant shall file with the clerk of the court a transcript consisting of the assessment roll and the appellant's objections thereto, together with the resolution confirming the assessment roll and the record of the district commissioners with reference to the assessment. The transcript, upon payment of the necessary fees therefor, shall be furnished by the secretary of the board of commissioners and shall be certified by the secretary to contain full, true, and correct copies of all matters and proceedings required to be included in such transcript. Such fees shall be the same as the fees payable to the county clerk for the preparation and certification of transcripts on appeal to the supreme court or the court of appeals in civil actions. At the time of the filing of the notice of appeal with the clerk of the superior court, the appellant shall file a sufficient bond in the penal sum of two hundred dollars, with at least two sureties, to be approved by the judge of the court, conditioned to prosecute such appeal without delay, and if unsuccessful to pay all costs to which the district is put by reason of such appeal. The court may order the appellant, upon application therefor, to execute and file such additional bond or bonds as the necessity of the case may require. Within three days after such transcript is filed in the superior court, the appellant shall give written notice to the secretary of the district that such transcript is filed. The notice shall state a time, not less than three days from the service thereof, when the appellant will call up the cause for hearing. The superior court shall, at such time or at such further time as may be fixed by order of the court, hear and determine such appeal without a jury. The appeal shall have preference over all civil causes pending in the court, except eminent domain proceedings and actions of forcible entry and detainer. The judgment of the court shall confirm, unless the court shall find from the evidence that such assessment is either founded upon a fundamentally wrong basis or a decision of the board of commissioners thereon was arbitrary or capricious, or both, in which event the judgment of the court shall correct, modify, or annul the assessment insofar as it affects the property of the appellant. A certified copy of the decision of the court shall be filed with the officer who shall have custody of the assessment roll, who shall modify and correct the assessment roll in accordance with such decision. Appellate review of the judgment of the superior court may be sought as in other civil cases. However, the appeal must be sought within fifteen days after the date of the entry of the judgment of such superior court. A certified copy of the order of the supreme court or the court of appeals upon such appeal shall be filed with the officer having custody of the assessment roll, who shall thereupon modify and correct the assessment roll in accordance with the decision.~~))A person aggrieved by an assessment must perfect an appeal to the superior court of the county in which the district is situated within ten days after the approval and in the manner provided for appeals from assessments levied by cities of the first class. If the appeal is taken, RCW 35.44.220 through 35.44.270 govern the procedure.

NEW SECTION. **Sec.**  A new section is added to chapter 57.20 RCW to read as follows:

(1) The board of commissioners of a district that had an annual operating budget of five million dollars or more in each of the preceding three years may by resolution adopt a policy to issue its own warrants for payment of claims or other obligations of the district. The board of commissioners, after auditing all payrolls and bills, may authorize the issuing of one general certificate to the county treasurer, to be signed by the president of the board of commissioners, authorizing the county treasurer to pay all the warrants specified by date, number, name, and amount, and the accounting funds on which the warrants are drawn. The district may then issue the warrants specified in the general certificate.

(2) The board of commissioners of a district that had an annual operating budget of greater than two hundred fifty thousand dollars and under five million dollars in each of the preceding three years may upon agreement between the county treasurer and the district commission, with approval of the district commission by resolution, adopt a policy to issue its own warrants for payment of claims or other obligations of the district. The board of commissioners, after auditing all payrolls and bills, may authorize the issuing of one general certificate to the county treasurer, to be signed by the president of the board of commissioners, authorizing the county treasurer to pay all the warrants specified by date, number, name, and amount, and the accounting funds on which the warrants are drawn. The district may then issue the warrants specified in the general certificate.

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