An Act relating to annexation to cities and towns of territory which includes all of a water, sewer, or fire protection district; providing for adjusting existing property rights, assets and liabilities between the city and town and such districts; and amending section 1, chapter 248, Laws of 1951 and RCW 35.13.220.

Be it enacted by the Legislature of the State of Washington:

SECTION 1. Section 1, chapter 248, Laws of 1951 and RCW 35.13.220 are each amended to read as follows:

Whenever any territory which includes all the territory of a water, sewer or fire protection district, hereinafter referred to as "the district," has been heretofore or is hereafter annexed to a city or town, all real and personal property, franchises, rights, assets, taxes levied but not collected for the district for other than indebtedness, water or sewer lines, facilities, or equipment of the district shall become the property of a city or town to which annexation is made, with full power to manage, control, maintain and operate such facilities and to fix and collect charges to customers, subject, however, to any outstanding indebtedness, bonded or otherwise, of the district, which indebtedness a city or town may by resolution of its governing body elect to assume and pay at the times and in the manner said indebtedness is due and payable. Such election to assume said indebtedness may be made either upon the effective date of such annexation or at any time thereafter during the period such indebtedness remains outstanding. Until such election is made, the property annexed and the owners and occupants thereof shall continue liable for its and their propor-
Cities and towns. Unincorporated areas—Annexation.
Annexation of water, sewer, and fire districts—Disposition of properties—Outstanding indebtedness.

Annexation of the unpaid indebtedness and the district and its officers shall continue to function for the sole purpose of certifying the amount of property tax to be collected and paid on such indebtedness in the same manner and by the same means as if the annexation had not been made.

If a city or town elects to assume outstanding indebtedness, and property taxes have been levied for such purpose but not collected for the district prior to the date of such election by the city or town, the same shall when collected belong and be paid to the annexing city and be used by such city or town so far as necessary for payment as and when due of the indebtedness of the district existing and unpaid on the date such city or town elects to assume such indebtedness. If a city or town takes over any funds which have been collected for paying any bonded or other indebtedness of the district the same shall be used for the purpose for which collected and for no other purpose.

Passed the Senate March 5, 1957.
Passed the House March 10, 1957.
Approved by the Governor March 19, 1957.