SEC. 5. In the event a special district is disincorporated and the proceeds of the sale of any of its assets, together with moneys on hand in the treasury of the special district are insufficient to retire any outstanding indebtedness together with all costs and expenses of liquidation, the board of county commissioners shall levy assessments in the manner provided by law against the property in the special district in amounts sufficient to retire said indebtedness and pay such costs and expenses.

Passed the Senate March 7, 1963.
Passed the House March 12, 1963.
Approved by the Governor March 21, 1963.
necessary to carry out their provisions and thereafter all proceedings relating to local improvements shall be conducted in accordance with this and the following chapters relating to municipal local improvements and the ordinance or ordinances of such city or town.

Cities or towns may form local improvement districts composed entirely or in part of unincorporated territory adjacent to such city or town's corporate limits in the manner provided in this chapter.

SEC. 2. Section 12, chapter 144, Laws of 1957 and RCW 35.43.180 are each amended to read as follows:

The jurisdiction of the legislative authority of a city or town to proceed with any local improvement initiated by resolution shall be divested by a protest filed with the city or town council within thirty days from the date of passage of the ordinance ordering the improvement, signed by the owners of the property within the proposed local improvement district subject to sixty percent or more of the total cost of the improvement including federally-owned or other nonassessable property as shown and determined by the preliminary estimates and assessment roll of the proposed improvement district or, if all or part of the local improvement district lies outside of the city or town, such jurisdiction shall be divested by a protest filed in the same manner and signed by the owners of property which is within the proposed local improvement district but outside the boundaries of the city or town and which is subject to sixty percent or more of that part of the total cost of the improvement allocable to property within the proposed local improvement district but outside the boundaries of the city or town, including federally-owned or other nonassessable property: Provided, That such restraint by protest shall not apply to any local improvement by sanitary sewers where the health officer of any city or town shall file with the legislative authority thereof a report showing
the necessity for such improvement and such legislative body finds and recites in the ordinance or resolution authorizing the improvement that such improvement is necessary for the protection of the public health and safety and such ordinance or resolution is passed by unanimous vote of all members present.

Sec. 3. There is added to chapter 35.43 RCW a new section to read as follows:

Whenever the formation of a local improvement district which lies entirely or in part outside of a city or town's corporate limits is initiated by petition the legislative authority of the city or town may by a majority vote deny the petition and refuse to form the local improvement district.

Passed the Senate March 6, 1963.
Passed the House March 12, 1963.
Approved by the Governor March 21, 1963.

CHAPTER 57.
[ S. B. 220. ]

CITIES AND TOWNS—INCORPORATION.

AN ACT relating to incorporation of certain cities; amending section 1, chapter 7, Laws of 1890 and RCW 35.02.010; amending section 7, chapter 173, Laws of 1957 and RCW 35.02.070; amending section 2, chapter 345, Laws of 1955 and RCW 35.04.020; and amending section 6, chapter 345, Laws of 1955 and RCW 35.04.060.

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

SECTION 1. Section 1, chapter 7, Laws of 1890 and RCW 35.02.010 are each amended to read as follows:

Any portion of a county containing not less than three hundred inhabitants lying outside the limits of an incorporated city or town may become incor-