

CHAPTER 5

[Substitute House Bill No. 77]

DISSOLUTION OF INACTIVE SPECIAL PURPOSE DISTRICTS

AN ACT Relating to the dissolution of inactive special purpose districts existing within the state of Washington; amending section 9, chapter 189, Laws of 1967 as last amended by section 1, chapter 127, Laws of 1971 ex. sess. and RCW 36.93.090; amending section 15, chapter 189, Laws of 1967 as last amended by section 10, chapter 220, Laws of 1975 1st ex. sess. and RCW 36.93.150; and adding a new chapter to Title 36 RCW.

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

NEW SECTION. Section 1. As used in this chapter, unless the context requires otherwise:

(1) "Special purpose district" means every municipal and quasi-municipal corporation other than counties, cities, and towns. Such special purpose districts shall include, but are not limited to, water districts, fire protection districts, port districts, public utility districts, county park and recreation service areas, flood control zone districts, diking districts, drainage improvement districts, and solid waste collection districts, but shall not include industrial development districts created by port districts, and shall not include local improvement districts, utility local improvement districts, and road improvement districts;

(2) "Governing authority" means the commission, council, or other body which directs the affairs of a special purpose district;

(3) "Inactive" means that a special purpose district, other than a public utility district, is characterized by either of the following criteria:

(a) Has not carried out any of the special purposes or functions for which it was formed within the preceding consecutive five-year period; or

(b) No election has been held for the purpose of electing a member of the governing body within the preceding consecutive seven-year period or, in those instances where members of the governing body are appointed and not elected, where no member of the governing body has been appointed within the preceding seven-year period.

A public utility district is inactive when it is characterized by both criteria (a) and (b) of this subsection.

NEW SECTION. Sec. 2. On or before June 1st of 1980, and on or before June 1st of every year thereafter, each county auditor shall search available records and notify the county legislative authority if any special purpose districts located wholly or partially within the county appear to be inactive. Each county auditor shall also provide in the notifications made in 1982 and thereafter a list of all special purpose districts located wholly or partially within the county which, for three consecutive years before the notification, have failed to file statements with the county auditor as required in section 9 of this act. If the territory of any special purpose district

is located within more than one county, the legislative authorities of all other counties within whose boundaries such a special purpose district lies shall also be notified by the county auditor. However, the authority to dissolve such a special purpose district as provided by this chapter shall rest solely with the legislative authority of the county which contains the greatest geographic portion of such special purpose district.

NEW SECTION. Sec. 3. (1) Upon receipt of notice from the county auditor as provided in section 2 of this act, the county legislative authority within whose boundaries all or the greatest portion of such special purpose district lies shall hold one or more public hearings on or before September 1st of the same year to determine whether or not such special purpose district or districts meet either of the criteria for being "inactive" as provided in section 1 of this act: PROVIDED, That if such a special purpose district is a public utility district, the county legislative authority shall determine whether or not the public utility district meets both criteria of being "inactive" as provided in section 1 of this act. In addition, at any time a county legislative authority may hold hearings on the dissolution of any special purpose district that appears to meet the criteria of being "inactive" and dissolve such a district pursuant to the proceedings provided for in sections 3 through 8 of this act.

(2) Notice of such public hearings shall be given by publication at least once each week for not less than three successive weeks in a newspaper that is in general circulation within the boundaries of the special purpose district or districts. Notice of such hearings shall also be mailed to each member of the governing authority of such special purpose districts, if such members are known, and to all persons known to have claims against any of the special purpose districts. Notice of such public hearings shall be posted in at least three conspicuous places within the boundaries of each special purpose district that is a subject of such hearings. Whenever a county legislative authority that is conducting such a public hearing on the dissolution of one or more of a particular kind of special purpose district is aware of the existence of an association of such special purpose districts, it shall also mail notice of the hearing to the association. In addition, whenever a special purpose district that lies in more than one county is a subject of such a public hearing, notice shall also be mailed to the legislative authorities of all other counties within whose boundaries the special purpose district lies. All notices shall state the purpose, time, and place of such hearings, and that all interested persons may appear and be heard.

NEW SECTION. Sec. 4. After such hearings, the county legislative authority shall make written findings whether each of the special purpose districts that was a subject of the hearings meets each of the criteria of being "inactive." Whenever a special purpose district other than a public utility district has been found to meet a criterion of being inactive, or a public utility district has been found to meet both criteria of being inactive, the

county legislative authority shall adopt an ordinance dissolving the special purpose district if it also makes additional written findings detailing why it is in the public interest that the special purpose district be dissolved. Except for the purpose of winding up its affairs as provided by this chapter, a special purpose district that is so dissolved shall cease to exist thirty-one days after adoption of the dissolution ordinance.

NEW SECTION. Sec. 5. The action of the county legislative authority dissolving a special purpose district pursuant to section 4 of this act shall be final and conclusive unless within thirty days of the adoption of the ordinance an interested party makes application to a court of competent jurisdiction for a writ of prohibition or writ of mandamus. At the hearing upon such a writ, the applicant shall have the full burden of demonstrating that the particular special purpose district, other than a public utility district, does not meet either of the criteria of being inactive or that it is not in the public interest that the special purpose district be dissolved: **PROVIDED,** That where the particular special purpose district subject to the dissolution proceedings is a public utility district, the applicant shall have the full burden of demonstrating that the public utility district either does not meet both the criteria of being inactive or that it is not in the public interest to dissolve the public utility district.

NEW SECTION. Sec. 6. For the sole and exclusive purpose of winding up the affairs of a dissolved special purpose district, the county legislative authority, acting as a board of trustees, shall have the same powers and duties as the governing authority of the dissolved special purpose district including the following:

- (1) To exchange, sell, or otherwise dispose of all property, real and personal, of the dissolved special purpose district; and
- (2) To settle all obligations of such special purpose district. Such powers and duties shall commence upon the effective date of dissolution and shall continue thereafter until such time as the affairs of the dissolved special purpose district have been completely wound up.

NEW SECTION. Sec. 7. Any moneys or funds of the dissolved special purpose district and any moneys or funds received by the board of trustees from the sale or other disposition of any property of the dissolved special purpose district shall be used, to the extent necessary, for the payment or settlement of any outstanding obligations of the dissolved special purpose district. Any remaining moneys or funds shall be used to pay the county legislative authority for all costs and expenses incurred in the dissolution and liquidation of the dissolved special purpose district. Thereafter, any remaining moneys, funds, or property shall become that of the county in which the dissolved special purpose district was located: **PROVIDED,** That if the territory of the dissolved special purpose district was located within more than one county, the remaining moneys, funds, and personal property

shall be apportioned and distributed to each county in the proportion that the geographical area of the dissolved special purpose district within the county bears to the total geographical area of the dissolved special purpose district, and any remaining real property or improvements to real property shall be transferred to the county within whose boundaries it lies.

NEW SECTION. Sec. 8. If the proceeds from the sale of any property of the special district together with any moneys or funds of the special purpose district are insufficient to satisfy the outstanding obligations of the special purpose district, the county legislative authority, acting as a board of trustees, shall exercise any and all powers conferred upon it to satisfy such outstanding obligations: PROVIDED, That in no case shall the board of trustees be obligated to satisfy such outstanding obligations from county moneys, funds, or other sources of revenue unless it would have been so obligated before initiation of the dissolution proceedings under this chapter.

NEW SECTION. Sec. 9. (1) Every special purpose district shall file a statement with the auditor of each county in which it lies on or before December 31st of every year, beginning in the year 1979. The initial statement filed by each special purpose district shall contain the following information:

(a) The name of the special purpose district and a general description of its location and geographical area within the county and within any other county;

(b) The statutes under which the special purpose district operates;

(c) The name, address, telephone number, and remaining term of office of each member of its governing authority; and

(d) The functions that the special purpose district is then presently performing and the purposes for which it was created.

Subsequent annual statements need only identify the special purpose district and any of the above detailed information that has changed in the last year.

(2) Each county auditor, on or before January 31, 1980, and on or before January 31st each year thereafter, shall forward to the state auditor a summation of the information contained in the statements required to be filed in subsection (1) of this section together with information of each special purpose district located wholly or partially within the county that has been dissolved during the preceding year.

NEW SECTION. Sec. 10. The provisions of this chapter to dissolve inactive special purpose districts shall not be exclusive, and shall be in addition to any other method or methods provided by law to dissolve a special purpose district.

NEW SECTION. Sec. 11. The enactment of this act shall not have the effect of terminating, or in any way modifying, any liability, civil or criminal, which shall already be in existence at the date this act becomes effective.

Sec. 12. Section 9, chapter 189, Laws of 1967 as last amended by section 1, chapter 127, Laws of 1971 ex. sess. and RCW 36.93.090 are each amended to read as follows:

Whenever any of the following described actions are proposed in a county in which a board has been established, the initiators of the action shall file a notice of intention with the board, which may review any such proposed actions pertaining to:

(1) The creation, dissolution, incorporation, disincorporation, consolidation, or change in the boundary of any city, town, or special purpose district, except that a board may not review the dissolution or disincorporation of a special purpose district which was dissolved or disincorporated pursuant to the provisions of sections 1 through 11 of this 1979 act; or

(2) The assumption by any city or town of all or part of the assets, facilities, or indebtedness of a special purpose district which lies partially within such city or town; or

(3) The establishment of or change in the boundaries of a mutual water and sewer system or separate sewer system by a water district pursuant to RCW 57.08.065; or

(4) The extension of permanent water or sewer service outside of its existing corporate boundaries by a city, town, or special purpose district.

Sec. 13. Section 15, chapter 189, Laws of 1967 as last amended by section 10, chapter 220, Laws of 1975 1st ex. sess. and RCW 36.93.150 are each amended to read as follows:

The board, upon review of any proposed action, shall take such of the following actions as it deems necessary to best carry out the intent of this chapter:

(1) Approval of the proposal as submitted;

(2) Subject to RCW 35.02.170, modification of the proposal by adjusting boundaries to add or delete territory: **PROVIDED**, That any proposal for annexation by the board shall be subject to RCW 35.21.010 and shall not add additional territory, the amount of which is greater than that included in the original proposal;

(3) Determination of a division of assets and liabilities between two or more governmental units where relevant;

(4) Determination whether, or the extent to which, functions of a special purpose district are to be assumed by an incorporated city or town, metropolitan municipal corporation, or another existing special purpose district; or

(5) Disapproval of the proposal except that the board shall not have jurisdiction to disapprove the dissolution or disincorporation of a special purpose district which is not providing services but shall have jurisdiction over the determination of a division of the assets and liabilities of a dissolved or disincorporated special purpose district: **PROVIDED**, That a board shall not have jurisdiction over the division of assets and liabilities of a special

purpose district that is dissolved or disincorporated pursuant to sections 1 through 11 of this 1979 act.

Unless the board shall disapprove a proposal, it shall be presented under the appropriate statute for approval of a public body and, if required, a vote of the people. A proposal that has been modified shall be presented under the appropriate statute for approval of a public body and if required, a vote of the people. If a proposal after modification does not contain enough signatures of persons within the modified area, as are required by law, then the initiating party, parties or governmental unit has thirty days after the modification decision to secure enough signatures to satisfy the legal requirement. If the signatures cannot be secured then the proposal may be submitted to a vote of the people, as required by law.

When the board, after due proceedings held, disapproves a proposed action, such proposed action shall be unavailable, the proposing agency shall be without power to initiate the same or substantially the same as determined by the board, and any succeeding acts intended to or tending to effectuate that action shall be void, but such action may be reinitiated after a period of twelve months from date of disapproval and shall again be subject to the same consideration.

NEW SECTION. Sec. 14. Sections 1 through 11 of this act shall constitute a new chapter in Title 36 RCW.

NEW SECTION. Sec. 15. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

Passed the House March 21, 1979.

Passed the Senate April 6, 1979.

Approved by the Governor April 13, 1979.

Filed in Office of Secretary of State April 13, 1979.

CHAPTER 6

[Substitute House Bill No. 97]

FARM MOTOR VEHICLES—FREIGHT CARRIER EXEMPTIONS

AN ACT Relating to motor freight carriers; and amending section 81.80.040, chapter 14, Laws of 1961 as amended by section 7, chapter 59, Laws of 1963 and RCW 81.80.040.

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

Section 1. Section 81.80.040, chapter 14, Laws of 1961 as amended by section 7, chapter 59, Laws of 1963 and RCW 81.80.040 are each amended to read as follows:

The provisions of this chapter, except where specifically otherwise provided, and except the provisions providing for licenses, shall not apply to: