

CHAPTER 231.

[H. B. 246.]

CITIES AND TOWNS—ANNEXATION OF WATER, SEWER,
AND FIRE DISTRICTS.

AN ACT relating to annexation of territory by cities and towns; amending section 22, chapter 282, Laws of 1961 and RCW 35.13.243; amending section 23, chapter 282, Laws of 1961 and RCW 35.13.246; and adding new sections to chapter 282, Laws of 1961 and to chapter 35.13 RCW.

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

SECTION 1. Section 22, chapter 282, Laws of 1961 and RCW 35.13.243 are each amended to read as follows:

RCW 35.13.243 amended.

If a portion of a water or sewer district equal to at least sixty percent of the area or sixty percent of the assessed valuation of the real property included within the district is annexed to or lies within a city or town, the city or town may:

Cities—
Annexation of
water, sewer
and fire
districts.
Disposition of
properties—
Outstanding
indebtedness.

(1) Adopt an ordinance assuming the full and complete management and control of the entire district, whereupon the provisions of RCW 35.13.220 shall be operative as to such annexation; or

(2) Adopt an ordinance assuming jurisdiction of the district's responsibilities, property, facilities and equipment within the area annexed: *Provided*, That if the annexed area contains any property, facilities or equipment which, on the date of annexation, were serving any portion of the district not annexed, the city or town shall assume full ownership, management and control of such property, facilities and equipment subject to any one of the following conditions acceptable to the district and city or town concerned:

Proviso.

(a) The city or town shall, for the economic life of such property, facilities and equipment, make such property, facilities and equipment available for

Cities—
Annexation of
water, sewer
and fire
districts.
Disposition of
properties—
Outstanding
indebtedness.

use by the district to the same extent such property, facilities and equipment served the unannexed portion of the district on the date of annexation; or

(b) The city or town shall pay to the district that proportion of the equity of the district in such property, facilities and equipment equal to the proportion the assessed valuation of all property subject to taxation situated within the area of the district not annexed bears to the total assessed valuation of all property subject to taxation situated within the district prior to annexation. For the purpose of this paragraph, assessed valuation shall be the valuation of the property as last determined by the county assessor. In determining the equity of the district for purposes of this paragraph due consideration shall be given to depreciation of the economic life of the property, facilities and equipment due to age and condition, and to replacement costs for comparable property, facilities and equipment to serve that portion of the district not annexed; or

(c) The city or town shall, for the economic life of such property, facilities and equipment, provide for continuity of service to the unannexed portion of the district served by such property, facilities and equipment on the date of annexation.

A city or town acquiring property, facilities and equipment under the provisions of subdivision (2) of this section shall acquire such property subject to the debts and obligations of the district for which such property, facilities and equipment would have been liable if no annexation had been made; and, in such cases, the annexed property, and the owners and occupants thereof, shall continue liable for payments of its and their proportionate share of any unpaid indebtedness, bonded or otherwise, with the right on the part of the district officials to make tax levies and collect charges on such property or owners

or occupants, and to enforce such collections as if the annexation had not been made.

SEC. 2. Section 23, chapter 282, Laws of 1961 and RCW 35.13.246 are each amended to read as follows:

If the portion of a water or sewer district annexed to a city or town is less than sixty percent of the area of the district and less than sixty percent of the assessed valuation of the real property within the district, the provisions of RCW 35.13.243, except subdivision (1), as now or hereafter amended, shall apply.

SEC. 3. There is added to chapter 282, Laws of 1961 and to chapter 35.13 RCW a new section to read as follows:

If a portion of a fire protection district including at least sixty percent of the assessed valuation of the real property of the district is annexed to or incorporated into a city or town, ownership of all of the assets of the district shall be vested in the city or town, upon payment in cash, properties or contracts for fire protection services to the district within one year, of a percentage of the value of said assets equal to the percentage of the value of the real property in entire district remaining outside the incorporated or annexed area.

SEC. 4. There is added to chapter 282, Laws of 1961 and to chapter 35.13 RCW a new section to read as follows:

If a portion of a fire protection district including less than sixty percent of the assessed value of the real property of the district is annexed to or incorporated into a city or town, the ownership of all assets of the district shall remain in the district and the district shall pay to the city or town within one year or within such period of time as the district continues to collect taxes in such incorporated or annexed areas, in cash, properties or contracts for

Cities—
Annexation of
fire protection
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Obligations.

fire protection services, a percentage of the value of said assets equal to the percentage of the value of the real property in the entire district lying within the area so incorporated or annexed: *Provided*, That if less than five percent of the area of the district is affected, no payment shall be made to the city or town. The fire protection district shall provide fire protection to the incorporated or annexed area for such period as the district continues to collect taxes levied in such annexed or incorporated area.

New section.

SEC. 5. There is added to chapter 282, Laws of 1961 and to chapter 35.13 RCW a new section to read as follows:

Indebtedness
remains
obligation of
taxable
property.

When any portion of a fire protection district is annexed by or incorporated into a city or town, any outstanding indebtedness, bonded or otherwise, shall remain an obligation of the taxable property annexed or incorporated as if the annexation or incorporation had not occurred.

Passed the House March 13, 1963.

Passed the Senate March 12, 1963.

Approved by the Governor March 26, 1963.