

notice of a special election for the issue of bonds. The notice shall state that a petition has been filed with the ~~((board or boards of county commissioners))~~ legislative authority of the county or counties within which the irrigation districts lies by the board of supervisors of the drainage improvement district, joint drainage improvement district, or consolidated drainage improvement district or by the board of commissioners of a sewer district requesting that the drainage improvement district, joint drainage improvement district, ~~((or))~~ consolidated drainage improvement district, or sewer district be merged with the irrigation district or irrigation districts, the names of the petitioners and the prayer thereof, and it shall notify all persons interested in the irrigation district to appear at the office of the board at the time named in the notice, and show cause in writing why the proposed merger should not take place. The time to show cause shall be the regular meeting of the board of directors of the irrigation district next after the expiration of the time for the publication of the notice.

NEW SECTION. Sec. 3. There is added to Title 56 RCW a new section to read as follows:

The procedure and provisions of RCW 85.08.830 through 85.08.890, which are applicable to drainage improvement districts, joint drainage improvement districts, or consolidated drainage improvement districts which desire to merge into an irrigation district, shall also apply to sewer districts organized, or reorganized, under this title which desire to merge into irrigation districts.

The authority granted by this section shall be cumulative and in addition to any other power or authority granted by law to any sewer district.

Passed the House June 3, 1977.

Passed the Senate June 1, 1977.

Approved by the Governor June 10, 1977.

Filed in Office of Secretary of State June 10, 1977.

CHAPTER 209

[Substitute House Bill No. 741]

PROPERTY TAXES—EXEMPTIONS

AN ACT Relating to revenue and taxation; amending section 8, chapter 40, Laws of 1973 2nd ex. sess. and RCW 84.36.810; amending section 11, chapter 40, Laws of 1973 2nd ex. sess. as last amended by section 2, chapter 127, Laws of 1975-'76 2nd ex. sess. and RCW 84.36.825; and adding a new section to chapter 84.36 RCW.

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

Section 1. Section 8, chapter 40, Laws of 1973 2nd ex. sess. and RCW 84.36-.810 are each amended to read as follows:

(1) Upon cessation of a use under which an exemption has been granted pursuant to RCW 84.36.030, 84.36.040, ~~((84.36.050))~~ and 84.36.060, the county treasurer shall collect all taxes which would have been paid had the property not been exempt during the seven years preceding, or the life of such exemption, if such be less, together with the interest at the same rate and computed in the same way as that upon delinquent property taxes ~~((:PROVIDED, That))~~.

(2) Upon cessation of a use under which an exemption has been granted pursuant to RCW 84.36.050 to a school or college, the county treasurer shall collect

all taxes which would have been paid had the property not been exempt during the three years preceding, or the life of such exemption, if such be less, together with the interest at the same rate and computed in the same way as that upon delinquent property taxes, plus a tax, at the same rate as the property tax rate for that year, on the amount of profit from the sale of property (the difference between the sales price and the purchase price plus improvements): PROVIDED, That where the school or college has operated for more than ten years, no penalty shall be assessed.

(3) If the cessation of use under subsections (1) or (2) of this section involves a portion of the total property exemptions the provisions of ~~((this section))~~ those subsections shall apply only to that portion: PROVIDED FURTHER, That such additional tax shall not be imposed if the cessation of use resulted solely from:

~~((1))~~ (a) Transfer to an organization, association, or corporation for a use which also qualifies and is granted exemption under the provisions of chapter 84.36 RCW;

~~((2))~~ (b) A taking through the exercise of the power of eminent domain, or sale or transfer to an entity having the power of eminent domain in anticipation of the exercise of such power;

~~((3))~~ (c) Official action by an agency of the state of Washington or by the county or city within which the property is located which disallows the present use of such property;

~~((4))~~ (d) A natural disaster such as a flood, windstorm, earthquake, or other such calamity rather than by virtue of the act of the organization, association, or corporation changing the use of such property;

~~((5))~~ (e) Relocation of the activity and use of another location or site except for undeveloped properties of camp facilities exempted under RCW 84.36.030.

Sec. 2. Section 11, chapter 40, Laws of 1973 2nd ex. sess. as last amended by section 2, chapter 127, Laws of 1975-'76 2nd ex. sess. and RCW 84.36.825 are each amended to read as follows:

An application fee of thirty-five dollars for each initial and renewal application shall be required and shall be deposited within the general fund: PROVIDED, That the department of revenue may waive the application fee related to the property of any church or cemetery applying for exemption under the provisions of RCW 84.36.020 whose gross receipts related to the use of such property for exempt purposes did not exceed two thousand five hundred dollars during the calendar year preceding the application year. Applications made for assessment year 1974, if approved, shall be considered initial applications whether or not an exemption has previously been approved. A late filing penalty of ten dollars per month for each month an application is past due shall be required and shall be deposited in the general fund.

NEW SECTION. Sec. 3. There is added to chapter 84.36 RCW a new section to read as follows:

An exempt property owner shall notify the department of revenue of any change of use prior to each assessment year. Any other person believing that a change in the use of exempt property has occurred shall report same to the county assessor, who shall examine the property and if the use is not in compliance with

chapter 84.36 RCW he shall report the information to the department with a recommendation that the exempt status be canceled. The final determination shall be made by the department.

Passed the House June 3, 1977.

Passed the Senate May 27, 1977.

Approved by the Governor June 10, 1977.

Filed in Office of Secretary of State June 10, 1977.

CHAPTER 210

[Engrossed Senate Bill No. 2160]

SCHOOL DISTRICTS AND EDUCATIONAL SERVICE DISTRICTS—TERM CONTRACTS

AN ACT Relating to and authorizing certain contracts by school districts and educational service districts; creating new sections; and adding new sections to chapter 223, Laws of 1969 ex. sess. and to chapter 28A.58 and chapter 28A.21 RCW.

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

NEW SECTION. Section 1. There is added to chapter 223, Laws of 1969 ex. sess. and to chapter 28A.58 RCW a new section to read as follows:

The board of directors of any school district may enter into contracts for their respective districts for periods not exceeding five years in duration with public and private persons, organizations, and entities for the following purposes:

- (1) To rent or lease building space, portable buildings, security systems, computers and other equipment; and
- (2) To have maintained and repaired security systems, computers and other equipment.

The budget of each school district shall identify that portion of each contractual liability incurred pursuant to this section extending beyond the fiscal year by amount, duration, and nature of the contracted service and/or item in accordance with rules and regulations of the superintendent of public instruction adopted pursuant to RCW 28A.65.465 and 28A.21.135, as now or hereafter amended.

The provisions of this section shall not have any effect on the length of contracts for school district employees specified by RCW 28A.58.100 and 28A.67.070, as now or hereafter amended.

NEW SECTION. Sec. 2. There is added to chapter 223, Laws of 1969 ex. sess. and to chapter 28A.21 RCW a new section to read as follows:

The board of any educational service district may enter into contracts for their respective districts for periods not exceeding five years in duration with public and private persons, organizations, and entities for the following purposes:

- (1) To rent or lease building space, portable buildings, security systems, computers and other equipment; and
- (2) To have maintained and repaired security systems, computers and other equipment.

The budget of each educational service district shall identify that portion of each contractual liability incurred pursuant to this section extending beyond the fiscal year by amount, duration, and nature of the contracted service and/or item in accordance with rules and regulations of the superintendent of public instruction