

CHAPTER 87.

[H. B. 238.]

DISSOLUTION OF CERTAIN MUNICIPAL CORPORATIONS.

AN ACT providing for dissolution of municipal corporations having a governing body, other than cities, towns, counties, and townships, including port, school, independent highway, water, fire protection and all other districts of similar organization and excepting therefrom public utility, local improvement, diking, drainage and irrigation districts; and providing procedure for their dissolution.

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

SECTION 1. The following words and terms shall, whenever used in this act, have the meaning set forth in this section: Definitions.

(a) The term "district" as used herein, shall include all municipal corporations having a governing body, other than cities, towns, counties, and townships, such as port, school, independent highway, water, fire protection, and all other districts of similar organization, but shall not include local improvement districts, diking, drainage and irrigation districts, nor public utility districts. District.

(b) The words "board of commissioners," as used herein, shall mean the governing authority of any district as defined in section (a) of this act. Board of commissioners.

SEC. 2. For the purpose of dissolution of a district, a petition for an order of dissolution signed by the majority of the Board of Commissioners, or other governing authority of such district shall be presented to the Superior Court of the county in which the Board of Commissioners is situated. Petition for dissolution.

SEC. 3. Upon the filing of such petition for an order of dissolution, the Superior Court shall enter an order setting the same for hearing at a date not less than thirty (30) days from the date of filing, and the Clerk of the Court of said county shall give Time for hearing.

Notice published.

notice of such hearing by publication in a newspaper of general circulation in the county in which the district is located once a week for three (3) successive weeks, and by posting in three (3) public places in the county in which the district is located at least twenty-one (21) days before said hearing.

Notice posted.

At least one (1) notice shall be posted in the district. The notices shall set forth the filing of the petition, its purpose and the date and place of the hearing thereon.

Order of court.

SEC. 4. After said hearing the court shall enter its order dissolving or refusing to dissolve said district. A finding that the best interests of all persons concerned will be served by the proposed dissolution shall be essential to an order of dissolution. If the Court find that such district is solvent, the Court shall order the sale of such assets, other than cash, by the Sheriff of the county in which the board is situated, in the manner provided by law for the sale of property on execution.

Findings.

Proceeds of sale credited to school district.

SEC. 5. The proceeds of the sale, together with moneys on hand in the treasury of the district, shall after payment of all costs and expenses, be paid to the treasurer of the same county and placed to the credit of the school district, or districts, in which such district is situated.

Finding of insolvency.

SEC. 6. Upon a finding of insolvency the Court shall then determine the indebtedness of the district, the creditors thereof and their claims. The Court shall then set a date and a place for a second hearing, which hearing shall be not less than sixty (60) days nor more than one hundred twenty (120) days from the hearing as provided in section 3 of this act.

Proceedings.

Purpose of hearing.

The purpose of such hearing shall be to determine ways and means of retiring the established indebtedness of the district and paying all costs and

expenses of proceedings hereunder. Such ways and means may include the levy of assessments against the property in the district as provided in section 8 of this act.

SEC. 7. The Clerk shall give notice of the second hearing by publication in a newspaper of general circulation in the county in which the district is located once a week for three (3) successive weeks, and by posting in three (3) public places in the county in which the district is located at least twenty-one (21) days before the hearing, and shall give such other notice to creditors and other interested parties as the Court may deem necessary or advisable. At least one (1) notice shall be posted in the district. The notices shall set forth the filing of the petition, its purpose, the finding of the Court on the petition, the date and place of the second hearing and the purpose of the hearing as stated in section 6 of this act.

Manner of notice.

SEC. 8. At the second hearing the court shall have authority to order the sale of any district property. If the proceeds of such sale together with any cash remaining on hand to the credit of the district are insufficient to retire such indebtedness together with all costs and expenses, the Court shall have authority to order the Board of Commissioners to levy assessments in the manner provided by law against the property in the district in amounts sufficient to retire said indebtedness and pay the costs and expenses. At such hearing any property owner within the district may appear and be heard for or against such levy.

Proceedings at insolvency hearing.

Court may order levy for debts.

SEC. 9. After the indebtedness of the district has been settled or paid, the Court shall determine whether the best interests of all persons concerned will be served by the proposed dissolution and shall make a finding thereon. The Court shall then enter

Final order.

its order dissolving or refusing to dissolve said district.

Cost of proceedings to be paid.

SEC. 10. In all proceedings brought under this act the Court shall make provision for the costs and expenses of proceedings hereunder and for the payment of the same.

Partial invalidity.

SEC. 11. If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to this end the provisions of this act are declared to be severable.

Intention of act.

SEC. 12. This act is intended to authorize the dissolution of all types of municipal corporations having governing bodies, other than those excepted from the application of this act, in cases where the occasion or reason for continued existence of such corporation has ceased, or where the best interests of all persons concerned would be served by such dissolution, and shall be liberally construed to effect such intent.

To be liberally construed.

Passed the House March 11, 1941.

Passed the Senate March 10, 1941.

Approved by the Governor March 19, 1941.