

"Since retirement systems other than those of the teachers have been allowed to invest in the Highway warrants above described, the Highway Commission will be able to achieve the principal purpose of Senate Bill No. 288, and by vetoing section 8 of Senate Bill No. 288 the Teachers' Retirement System will benefit from the provisions contained in Senate Bill No. 314.

"For the reasons indicated, section 8 of Senate Bill No. 288 is vetoed, and the remainder of the bill is approved."

ALBERT D. ROSELLINI,  
Governor.

## CHAPTER 282.

[ S. B. 16. ]

### CITIES AND TOWNS—ANNEXATION OF TERRITORY.

AN ACT relating to cities and towns; amending section 2, chapter 245, Laws of 1907 as amended by section 6, chapter 248, Laws of 1951 and RCW 35.13.020 through 35.13.050; amending section 3, chapter 245, Laws of 1907 and RCW 35.13.060 and 35.13.080; amending section 4, chapter 245, Laws of 1907 and RCW 35.13.070 and 35.13.090; amending section 2, chapter 239, Laws of 1957 and RCW 35.13.100; amending section 3, chapter 128, Laws of 1945 and RCW 35.13.130; amending section 6, chapter 239, Laws of 1957 and RCW 35.13.160; amending section 1, chapter 248, Laws of 1951 as amended by section 1, chapter 119, Laws of 1957 and RCW 35.13.220; amending section 4, chapter 248, Laws of 1951 as amended by section 1, chapter 27, Laws of 1951 second extraordinary session, and RCW 35.13.250; adding seven new sections to chapter 35.13 RCW; and repealing sections 2 and 3, chapter 248, Laws of 1951 and RCW 35.13.230 and 35.13.240.

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

SECTION 1. There is added to chapter 35.13 RCW New section.  
a new section to read as follows:

In addition to the method prescribed by section 7 of this amendatory act for the commencement of annexation proceedings, the legislative body of any city or town may, whenever it shall determine by resolution that the best interests and general welfare of such city or town would be served by the annexation of unincorporated territory contiguous to such city or town, file a certified copy of the resolution with the board of county commissioners of the

Annexation of unincorporated areas by cities or towns. Initiation by resolution of city or town.

county in which said territory is located. The resolution of the city or town initiating such election shall describe the boundaries of the area to be annexed, as nearly as may be state the number of voters residing therein, pray for the calling of an election to be held among the qualified voters therein upon the question of annexation, and provide that said city or town will pay the cost of the annexation election. The resolution may require that there also be submitted to the electorate of the territory sought to be annexed a proposition that all property within the area annexed shall, upon annexation, be assessed and taxed at the same rate and on the same basis as the property of such annexing city or town is assessed and taxed to pay for any then outstanding indebtedness of the city or town to which said area is annexed, contracted prior to, or existing at, the date of annexation.

New section.

SEC. 2. There is added to chapter 35.13 RCW a new section to read as follows:

Review board.  
 Members—  
 Convened.

Within ten days after the filing of a city's or town's annexation resolution with the board of county commissioners, or within ten days after filing with the county commissioners a petition calling for an election on annexation, as provided in section 7 of this amendatory act, or within ten days after approval by the legislative body of a city or town a petition of property owners calling for annexation, as provided in section 17 of this amendatory act, the mayor of the city or town concerned shall convene a review board composed of the following persons:

- (1) The mayor of the city initiating the annexation resolution, or an alternate designated by him;
- (2) The chairman of the board of county commissioners of the county wherein the property to be annexed is situated, or an alternate designated by him;

(3) The director of the state department of commerce and economic development, or an alternate designated by him.

(4) The chairman or chairmen of the board of school directors of any or all school districts situated in whole or in part of the area to be annexed.

An additional member to be designated by a majority of the members above designated, who shall be a resident of and a property owner in the area proposed to be annexed, shall be added to the original membership and the full board thereafter convened upon call of the mayor.

SEC. 3. Whenever a petition is filed by either of the methods provided in sections 7 and 19 of this amendatory act, or a resolution is adopted by the city council, as provided in section 1 of this amendatory act, and the area proposed for annexation is less than ten acres and less than two hundred thousand dollars in assessed valuation, the mayor of the city or town to which the area is proposed to be annexed and the chairman of the board of county commissioners and county superintendent of schools can agree by majority that a review proceeding, as provided herein, is not necessary for the protection of the interest of the various parties, in which case such review procedures shall be dispensed with.

Review proceedings may be dispensed with, when.

SEC. 4. There is added to chapter 35.13 RCW a new section to read as follows:

New section.

The review board shall by majority action, within three months, determine whether the property proposed to be annexed is of such character that such annexation would be in the public interest and for the public welfare, and in the best interest of the city, county, and other political subdivisions affected. The governing officials of the city, county, and other political subdivisions of the state shall assist the review board insofar as their offices can, and all relevant information and records shall be furnished

Review board determination.

Factors influ-  
encing deter-  
mination.

by such offices to the review board. In making their determination the review board shall be guided, but not limited, by their findings with respect to the following factors:

(1) The immediate and prospective populations of the area to be annexed;

(2) The assessed valuation of the area to be annexed, and its relationship to population;

(3) The history of and prospects for construction of improvements in the area to be annexed;

(4) The needs and possibilities for geographical expansion of the city;

(5) The present and anticipated need for governmental services in the area proposed to be annexed, including but not limited to water supply, sewage and garbage disposal, zoning, streets and alleys, curbs, sidewalks, police and fire protection, playgrounds, parks, and other municipal services, and transportation and drainage;

(6) The relative capabilities of the city, county, and other political subdivisions to provide governmental services when the need arises;

(7) The existence of school districts and special districts within the area proposed to be annexed, and the impact of annexation upon such districts;

(8) The elimination of isolated unincorporated areas existing without adequate economical governmental services;

(9) The immediate and potential revenues that would be derived by the city as a result of annexation, and their relation to the cost of providing service to the area.

Determination  
findings filed.

Whether the review board determines for or against annexation, its reasons therefor, along with its findings on the specified factors and other material considerations shall:

(1) In the case of a petition signed by property owners calling for an annexation without election, be

filed with the legislative body of the city or town concerned;

(2) In the case of a petition signed by registered voters calling for an election on annexation, be filed with the board of county commissioners;

(3) In the case of a resolution of a city or town initiating annexation proceedings, be filed with the board of county commissioners.

Such findings need not include specific data on every point listed, but shall indicate that all factors were considered.

SEC. 5. There is added to chapter 35.13 RCW a new section to read as follows:

Upon receipt by the board of county commissioners of a determination by a majority of the review board favoring annexation of the proposed area, the board of county commissioners shall fix a date on which an annexation election shall be held, which date will be not less than thirty days nor more than sixty days thereafter.

New section.  
Annexation election date fixed.

SEC. 6. Section 2, chapter 245, Laws of 1907, as amended by section 6, chapter 248, Laws of 1951 (heretofore divided and codified as RCW 35.13.020, 35.13.030, 35.13.040 and 35.13.050) is divided and amended as set forth in sections 7 through 10 of this amendatory act.

SEC. 7. (RCW 35.13.020) A petition for an election to vote upon the annexation of a portion of a county to a contiguous city or town signed by qualified voters resident in the area equal in number to twenty percent of the votes cast at the last election may be filed in the office of the board of county commissioners: *Provided*, That any such petition shall first be filed with the legislative body of the city or town to which the annexation is proposed, and such legislative body shall, by resolution entered within sixty days from the date of presentation, notify the petitioners, either by mail or by publica-

RCW 35.13.020 amended.  
Election method—Petition for election—Signers—Filing and approval—Costs of election.

tion in the same manner notice of hearing is required by section 9 of this amendatory act to be published, of its approval or rejection of the proposed action. In approving the proposed action, the legislative body may require that there also be submitted to the electorate of the territory to be annexed, a proposition that all property within the area to be annexed shall, upon annexation be assessed and taxed at the same rate and on the same basis as the property of such annexing city or town is assessed and taxed to pay for any then outstanding indebtedness of the city or town to which said area is annexed, contracted prior to, or existing at, the date of annexation. The approval of the legislative body shall be a condition precedent to the filing of such petition with the board of county commissioners as hereinafter provided. The costs of conducting such election shall be a charge against the city or town concerned.

RCW 35.13.030  
amended.  
Election  
method—  
Petition for  
election—  
Contents.

SEC. 8. (RCW 35.13.030) A petition filed with the county commissioners to call an annexation election shall particularly describe the boundaries of the area proposed to be annexed, state the number of voters residing therein as nearly as may be, state the provisions, if any there be, relating to assumption of debt by the owners of property of the area proposed to be annexed, and shall pray for the calling of an election to be held among the qualified voters therein upon the question of annexation.

RCW 35.13.040  
amended.  
Election  
method—  
Hearing—  
Notice.

SEC. 9. (RCW 35.13.040) Upon the filing of approval by the review board of a petition to call an annexation election, the board of county commissioners at its next meeting shall fix a date for hearing thereon to be held not less than two weeks nor more than four weeks thereafter, of which hearing the petitioners must give notice by publication for at least two weeks prior thereto in some newspaper printed and published in the city or town to which

the area is proposed to be annexed. Upon the day fixed, the board shall hear the petition, and if it complies with the requirements of law and has been approved by the review board, shall grant it. The hearing may be continued from time to time for an aggregate period not exceeding two weeks.

SEC. 10. (RCW 35.13.050) After the filing with the board of county commissioners of a petition or resolution to call an annexation election, pending the hearing thereon, and pending the election to be called thereunder, the board of county commissioners shall not consider any other petition or resolution involving any portion of the territory embraced therein: *Provided*, That the petition or resolution may be withdrawn or a new petition or resolution embracing other or different boundaries substituted therefor by a majority of the signers thereof, or in the case of a resolution, by the legislative body of the city or town, and the same proceeding shall be taken as in the case of an original petition or resolution.

RCW 35.13.050  
amended.  
Election  
method—  
Petition for  
election—  
Others cover-  
ing same area  
barred.

SEC. 11. Section 3, chapter 245, Laws of 1907 (heretofore divided and codified as RCW 35.13.060 and 35.13.080) is divided and amended as set forth in sections 12 and 13 of this amendatory act.

SEC. 12. (RCW 35.13.060) Upon granting the petition, the board of county commissioners shall fix a date for the annexation election, which must be not less than thirty nor more than sixty days thereafter.

RCW 35.13.060  
enacted  
without  
amendment.

SEC. 13. (RCW 35.13.080) Notice of an annexation election shall particularly describe the boundaries of the area proposed to be annexed, state the objects of the election as prayed in the petition or as stated in the resolution and require the voters to cast ballots which shall contain the words "For annexation" and "Against annexation" or words

RCW 35.13.080  
amended.  
Election  
method—  
Notice of  
election.

equivalent thereto, and which in case the assumption of indebtedness is proposed, shall contain as a separate proposition, the words "For assumption of indebtedness" and "Against assumption of indebtedness" or words equivalent thereto. The notice shall be posted for at least two weeks prior to the date of election in four public places within the area proposed to be annexed and published for at least two weeks prior to the date of election in a newspaper printed and published within the limits of the territory proposed to be annexed, or, if there is no such newspaper, in a newspaper printed and published in the city or town to which the area is proposed to be annexed, or if there is no newspaper published in the city or town, in a newspaper of general circulation in the area published and printed in the county.

SEC. 14. Section 4, chapter 245, Laws of 1907, (heretofore divided and codified as RCW 35.13.070 and 35.13.090) is divided and amended as set forth in sections 15 and 16 of this amendatory act.

RCW 35.13.070  
amended.  
Election  
method—  
Election,  
conduct of.

SEC. 15. (RCW 35.13.070) An annexation election shall be held in accordance with the general election laws of the state, and only registered voters who have resided in the area proposed to be annexed for ninety days immediately preceding the election shall be allowed to vote therein.

RCW 35.13.090  
amended.  
Election  
method—  
Canvass—  
Certification.

SEC. 16. (RCW 35.13.090) On the Monday next succeeding the annexation election, the board of county commissioners shall proceed to canvass the returns thereof.

The proposition for or against annexation shall be deemed approved if a majority of the votes cast on that proposition are cast in favor of annexation. If a proposition for or against assumption of indebtedness was submitted to the electorate, it shall be deemed approved if a majority of at least three-fifths of the electors of the territory proposed to be annexed voting on such proposition vote in favor

thereof, and the number of persons voting on such proposition constitutes not less than forty percent of the total number of votes cast in such territory at the last preceding general election. If either or both propositions were approved by the electors, the board shall enter a finding to that effect on its minutes, a certified copy of which shall be forthwith transmitted to and filed with the clerk of the city or town to which annexation is proposed, together with a certified abstract of the vote showing the whole number who voted at the election, the number of votes cast for annexation and the number cast against annexation, and if a proposition for assumption of indebtedness was submitted to the electorate, the abstract shall include the number of votes cast for assumption of indebtedness and the number of votes cast against assumption of indebtedness, together with a statement of the total number of votes cast in such territory at the last preceding general election.

SEC. 17. Section 2, chapter 239, Laws of 1957 and RCW 35.13.100 are each amended to read as follows:

RCW 35.13.100  
amended.

Upon filing of the certified copy of the finding of the board of county commissioners, the clerk shall transmit it to the legislative body of the city or town at the next regular meeting or as soon thereafter as practicable. If only a proposition relating to annexation was submitted to the voters and such proposition was approved, the legislative body shall adopt an ordinance providing for the annexation. If propositions for annexation and assumption of indebtedness were both submitted, and both were approved, the legislative body shall adopt an ordinance providing for the annexation including the assumption of indebtedness. If both propositions were submitted and only the annexation proposition was approved, the legislative body may, if it deems

Election  
method—  
Ordinance  
providing for  
annexation,  
assumption of  
indebtedness.

it wise or expedient, adopt an ordinance providing for the annexation.

New section.

SEC. 18. There is added to chapter 35.13 RCW a new section to read as follows:

Petition method—Initiating parties to consult city or town—Petition to indicate city or town action.

Proceedings for the annexation of territory pursuant to section 19 of this amendatory act, RCW 35.13.140, 35.13.150, section 20 of this amendatory act and RCW 35.13.170 shall be commenced as provided in this section. Prior to the circulation of a petition for annexation, the initiating party or parties who shall be the owners of not less than ten percent in value, according to the assessed valuation for general taxation of the property for which annexation is petitioned, shall notify the legislative body of the city or town of their intention to commence annexation proceedings. The legislative body shall set a date, not later than sixty days after the filing of the request, for a meeting with the initiating parties to determine whether the city or town will accept the proposed annexation, and whether it shall require the assumption of existing city or town indebtedness by the area to be annexed. If the legislative body requires the assumption of indebtedness, it shall record this action in its minutes and the petition for annexation shall be so drawn as to clearly indicate this fact. There shall be no appeal from the decision of the legislative body.

RCW 35.13.130 amended.

SEC. 19. Section 3, chapter 128, Laws of 1945 and RCW 35.13.130 are each amended to read as follows:

Petition method—Petition—Signers—Content.

A petition for annexation of an area contiguous to a city or town may be made in writing addressed to and filed with the legislative body of the municipality to which annexation is desired. It must be signed by the owners of not less than seventy-five percent in value, according to the assessed valuation for general taxation of the property for which annexation is petitioned, shall set forth a description of the property according to government legal sub-

divisions or legal plats and shall be accompanied by a plat which outlines the boundaries of the property sought to be annexed. If the legislative body has required the assumption of city or town indebtedness by the area annexed, this fact, together with a quotation of the minute entry of such requirement shall be set forth in the petition.

SEC. 20. Section 6, chapter 239, Laws of 1957 and RCW 35.13.160 are each amended to read as follows:

Upon the date fixed in the ordinance of annexation the area annexed shall become part of the city or town. All property within the territory hereafter annexed shall, if the annexation petition so provided, be assessed and taxed at the same rate and on the same basis as the property of such annexing city or town is assessed and taxed to pay for any then outstanding indebtedness of the city or town to which said area is annexed, contracted prior to, or existing at, the date of annexation.

RCW 35.13.160 amended.

Petition method—Effective date of annexation.

SEC. 21. Section 1, chapter 248, Laws of 1951 as amended by section 1, chapter 119, Laws of 1957, and RCW 35.13.220 are each amended to read as follows:

Whenever any territory which includes all the territory of a water, sewer or fire protection district, hereinafter referred to as "the district," has been heretofore or is hereafter annexed to a city or town, all real and personal property, franchises, rights, assets, taxes levied but not collected for the district for other than indebtedness, water or sewer lines, facilities, or equipment of the district shall become the property of a city or town to which annexation is made and such city shall, in addition to its other powers, have the same power to manage, control, maintain and operate such facilities and to fix and collect charges to customers as the commissioners of the district had prior to annexation, subject, however, to any outstanding indebtedness, bonded

RCW 35.13.220 amended.

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

or otherwise, of the district or local improvement district or utility local improvement district thereof, which indebtedness a city or town may by resolution of its governing body elect to assume and pay at the times and in the manner said indebtedness is due and payable. Such election to assume said indebtedness may be made either upon the effective date of such annexation or at any time thereafter during the period such indebtedness remains outstanding. Until such election is made, the property annexed and the owners and occupants thereof shall continue liable for its and their proportion of the unpaid indebtedness and the district, or local improvement district or utility local improvement district, and its officers shall continue to function for the sole purpose of certifying the amount of property tax or assessments to be collected and paid on such indebtedness in the same manner and by the same means as if the annexation had not been made.

If a city or town elects to assume outstanding indebtedness, and property taxes or assessments have been levied for such purpose but not collected for the district or local improvement district or utility local improvement district thereof prior to the date of such election by the city or town, the same shall when collected belong and be paid to the annexing city and be used by such city or town so far as necessary for payment as and when due of the indebtedness of the district or local improvement district or utility local improvement district existing and unpaid on the date such city or town elects to assume such indebtedness. If a city or town takes over any funds which have been collected for paying any bonded or other indebtedness of the district the same shall be used for the purpose for which collected and for no other purpose.

New section.

SEC. 22. There is added to chapter 35.13 RCW a new section to read as follows:

If a portion of the 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 a city or town, the city or town may:

Annexation of part of water, sewer and fire districts—Disposition of properties—Outstanding indebtedness—Optional action.

(1) Adopt an ordinance assuming the full and complete management and control of the entire district, whereupon the provisions of section 21 of this amendatory act 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:

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

ation 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.

New section.

SEC. 23. There is added to chapter 35.13 RCW a new section to read as follows:

Annexation of part of water, sewer and fire districts— Action not optional, when.

If the portion of the 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 section 22 of this amendatory act, except subdivision (1), as now or hereafter amended, shall apply.

RCW 35.13.250 amended.

SEC. 24. Section 4, chapter 248, Laws of 1951 as amended by section 1, chapter 27, Laws of 1951 second extraordinary session and RCW 35.13.250 are each amended to read as follows:

Notwithstanding any of the provisions of this chapter to the contrary, as now or hereafter amended, the city may, through its legislative authority authorize a contract with the district, with respect to rights, duties and obligations of the city and the district as to ownership of property, services, assets, liabilities and debts and any other questions arising out of the annexation, which contract may also make provisions for services by the district and use of its facilities or real estate within the city, and which contract may also provide that for such time as the contract may provide such district may continue to exercise all rights, privileges, powers and functions of such district provided by law as if there had been no annexation, including but not by way of limitation the right to levy and collect special assessments, adopt and carry out the provisions of a comprehensive plan, or amendments thereto, for a system of improvements, and issue and sell revenue and general obligation bonds.

Annexation of water, sewer and fire districts—Contracts regarding rights and obligations.

SEC. 25. Sections 2 and 3, chapter 248, Laws of 1951 and RCW 35.13.230 and 35.13.240 are each repealed. Repeal.

Passed the Senate March 8, 1961.

Passed the House March 6, 1961.

Approved by the Governor March 21, 1961.