

situated, in the same manner as though the property were in private ownership: PROVIDED FURTHER, That the provisions of chapter 82.29A RCW, and RCW 84.36.451 and 84.40.175 shall not apply to property within a district listed on any federal or state register of historical sites and which is controlled by a public corporation, commission, or authority created pursuant to RCW 35.21.730 or 35.21-.660, which was in existence prior to January 1, 1976, and the exemption set forth in this proviso shall be allowed in accordance with the following schedule:

<u>Year</u>	<u>Percentage Exemption of Tax Otherwise Due</u>
<u>1977 to 1981</u>	<u>100 percent</u>
<u>1982 to 1985</u>	<u>66 2/3 percent</u>
<u>1986 to 1989</u>	<u>33 1/3 percent</u>

and shall expire on December 31, 1989.

NEW SECTION. Sec. 2. This 1977 amendatory act is necessary for the immediate preservation of the public peace, health, and safety, the support of the state government and its existing public institutions, and shall take effect July 1, 1977.

Passed the House March 31, 1977.

Passed the Senate May 12, 1977.

Approved by the Governor May 18, 1977.

Filed in Office of Secretary of State May 18, 1977.

## CHAPTER 36

[House Bill No. 878]

### PUBLIC UTILITY DISTRICTS—CLASSIFICATION AND RECLASSIFICATION

AN ACT Relating to public utility districts; amending section 2, chapter 265, Laws of 1959 and RCW 54.40.010; amending section 3, chapter 265, Laws of 1959 and RCW 54.40.020; amending section 4, chapter 265, Laws of 1959 and RCW 54.40.030; amending section 5, chapter 265, Laws of 1959 and RCW 54.40.040; amending section 6, chapter 265, Laws of 1959 and RCW 54.40.050; amending section 7, chapter 265, Laws of 1959 and RCW 54.40.060; amending section 8, chapter 265, Laws of 1959 and RCW 54.40.070; and amending section 4, chapter 1, Laws of 1931 as last amended by section 2, chapter 53, Laws of 1977 and RCW 54.12.010.

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

Section 1. Section 2, chapter 265, Laws of 1959 and RCW 54.40.010 are each amended to read as follows:

A five commissioner public utility district (~~((of the first class))~~) is a district which shall have a license from the federal power commission to construct a hydroelectric project of an estimated cost of more than (~~((three hundred and twenty-five))~~) two hundred and fifty million dollars, including interest during construction, and which shall have received the approval of the voters of the district to become a (~~((first class))~~) five commissioner district as provided herein. All other public utility districts shall be known as three commissioner districts.

Sec. 2. Section 3, chapter 265, Laws of 1959 and RCW 54.40.020 are each amended to read as follows:

Every public utility district which on the effective date of this ~~((chapter))~~ amendatory act shall be in existence and have such a license shall be qualified to become a ~~((first class))~~ five commissioner district upon approval of the voters of said district, and every public utility district which on the effective date of this amendatory act shall have become a first class district as previously provided by chapter 265, Laws of 1959 shall be a five commissioner district.

Sec. 3. Section 4, chapter 265, Laws of 1959 and RCW 54.40.030 are each amended to read as follows:

Within five days after a public utility district shall receive a license from the federal power commission to construct a hydroelectric project of an estimated cost of more than ~~((three hundred and twenty-five))~~ two hundred and fifty million dollars, including interest during construction, or, in the case of a district which on the effective date of this ~~((chapter))~~ amendatory act is in existence and has such a license within five days of the effective date of this amendatory act the district shall forward a true copy of said license ~~((accompanied by a true copy of the application for such license, both))~~, certified by the secretary of the district, to the county auditor of the county wherein said district is located.

Sec. 4. Section 5, chapter 265, Laws of 1959 and RCW 54.40.040 are each amended to read as follows:

A public utility district ~~((having a license which entitles it to become a first class district))~~ shall be ~~((so))~~ classified as a five commissioner district only by approval of the qualified voters of the district. Such approval shall be by an election upon petition as hereinafter provided. In submitting the question to the voters for their approval or rejection, the proposition shall be expressed on the ballot in substantially the following terms:

Shall Public Utility District No. . . . . be reclassified a ~~((First Class))~~ Five Commissioner District for the purpose of increasing the number of commissioners to five . . . . . YES   
NO

~~((Shall Public Utility District No. . . . . be reclassified a First Class District for the purpose of increasing the number of commissioners to five . . . . . NO ))~~

Should a majority of the voters voting on the question approve the proposition, the district shall be declared a ~~((first class))~~ five commissioner district upon the completion of the canvass of the election returns.

Sec. 5. Section 6, chapter 265, Laws of 1959 and RCW 54.40.050 are each amended to read as follows:

The question of reclassification of a public utility district as a ~~((first class))~~ five commissioner public utility district shall be submitted to the voters only upon filing a petition with the county auditor of the county in which said district is located, identifying the district by number and praying that an election be held to determine whether it shall become a ~~((first class))~~ five commissioner district. The petition must be signed by a number of qualified voters of the district equal to at least ten percent of the number of voters in the district who voted at the last general election. In addition to the signature of the voter, the petition must indicate each

signer's residence address and further indicate whether he is registered in a precinct in an unincorporated area or a precinct in an incorporated area and if the latter, give the name of the city or town wherein he is registered. Said petition shall be presented to the county auditor for verification of the validity of the signatures. Within thirty days after receipt of the petition, the county auditor, in conjunction with the city clerks of the incorporated areas in which any signer is registered, shall determine the sufficiency of the petition. If the petition is found insufficient, the person who filed the same shall be notified by mail and he shall have an additional fifteen days from the date of mailing such notice within which to submit additional signatures, and the county auditor shall have an additional thirty days after the submission of such additional signatures to determine the validity of the entire petition. No signature may be withdrawn after the petition has been filed. If the petition, including these additional signatures if any, is found sufficient, the county auditor shall certify such fact to the public utility district and if the commissioners of the public utility district have theretofore certified to the county auditor the eligibility of the district for reclassification as provided in this chapter, the county auditor shall submit to the voters of the district the question of whether the district shall become a ~~((first class))~~ five commissioner district. Such election shall be held on a date fixed by the county auditor which date shall be ~~((not more than one hundred twenty days))~~ held at the next general election after the date on which he certified the sufficiency of the petition. Notice of any election on the question shall be given in the manner prescribed for notice of an election on the formation of a public utility district.

Sec. 6. Section 7, chapter 265, Laws of 1959 and RCW 54.40.060 are each amended to read as follows:

If the reclassification to a ~~((first class))~~ five commissioner district is approved by the voters, the ~~((board of county commissioners))~~ public utility district commission within ten days after the results of said election are certified shall divide the public utility district into two districts of as nearly equal population and area as possible, and shall designate such districts as At Large District A and At Large District B.

Sec. 7. Section 8, chapter 265, Laws of 1959 and RCW 54.40.070 are each amended to read as follows:

Within thirty days after the ~~((county commissioners))~~ public utility district commission shall divide the district into two at large districts, the ~~((commissioners of such public utility district))~~ county legislative authority shall ~~((appoint one commissioner from each at large district, one to serve until the next general biennial election and one to serve until the next succeeding biennial general election. At the time of said appointments, the commissioners shall designate which new appointee shall hold the longer term))~~ call a special election, to be held at the next scheduled special election called pursuant to RCW 29.13.010, or not more than ninety days after such call, at which time the initial commissioners to such at large districts shall be elected, the person receiving the largest number of votes to serve for four years, and the person receiving the next largest number of votes to serve an initial term of two years.

Sec. 8. Section 4, chapter 1, Laws of 1931 as last amended by section 2, chapter 53, Laws of 1977 and RCW 54.12.010 are each amended to read as follows:

Within ten days after such election, the election board of the county shall canvass the returns, and if at such election a majority of the voters voting upon such proposition shall vote in favor of the formation of such district, the election board shall so declare in its canvass of the returns of such election, and such public utility district shall then be and become a municipal corporation of the state of Washington, and the name of such public utility district shall be Public Utility District No. . . . . of . . . . . County. The powers of the public utility district shall be exercised through a commission consisting of three members in three commissioner districts (~~((of the second class))~~), and five members in five commissioner districts (~~((of the first class))~~). When the public utility district is coextensive with the limits of such county, then, at the first election of commissioners and until any change shall have been made in the boundaries of public utility district commissioner districts, one public utility district commissioner shall be chosen from each of the three county commissioner districts of the county in which the public utility district is located. When the public utility district comprises only a portion of the county, with boundaries established in accordance with chapter 54.08 RCW, three public utility district commissioner districts, numbered consecutively, having approximately equal population and boundaries, following ward and precinct lines, as far as practicable, shall be described in the petition for the formation of the public utility district, which shall be subject to appropriate change by the county commissioners if and when they change the boundaries of the proposed public utility district, and one commissioner shall be elected from each of said public utility district commissioner districts. In all five commissioner districts (~~((of the first class))~~) an additional commissioner at large shall be chosen from each of the two at large districts. No person shall be eligible to be elected to the office of public utility district commissioner for a particular district commissioner district unless he is a registered voter of the public utility district commissioner district or at large district from which he is elected.

Except as otherwise provided, the term of office of each public utility district commissioner other than the commissioners at large shall be six years, and the term of each commissioner at large shall be four years. Each term shall be computed from the first day of December following the commissioner's election. One commissioner at large and one commissioner from a commissioner district shall be elected at each general election held in an even-numbered year for the term of four years and six years respectively. All candidates shall be voted upon by the entire public utility district.

When a public utility district is formed, three public utility district commissioners shall be elected at the same election at which the proposition is submitted to the voters as to whether such public utility district shall be formed. The commissioner residing in commissioner district number one shall hold office for the term of six years; the commissioner residing in commissioner district number two shall hold office for the term of four years; and the commissioner residing in commissioner district number three shall hold office for the term of two years. The commissioners first to be elected as above provided shall hold office from the first day of the month

following the commissioners' election. Each term shall be computed from the first day of December following the commissioners' election.

All public utility district commissioners shall hold office until their successors shall have been elected and have qualified. A filing for nomination for public utility district commissioner shall be accompanied by a petition signed by one hundred registered voters of the public utility district, which shall be certified by the county auditor to contain the required number of registered voters, and shall otherwise be filed in accord with the requirements of RCW 29.21.060. At the time of filing such nominating petition, the person so nominated shall execute and file a declaration of candidacy subject to the provisions of RCW 29.21.060, as now or hereafter amended. The petition and each page of the petition shall state whether the nomination is for a commissioner from a particular commissioner district or for a commissioner at large and shall state the districts; otherwise it shall be void. A vacancy in the office of public utility district commissioner shall occur by death, resignation, removal, conviction of a felony, nonattendance at meetings of the public utility district commission for a period of sixty days unless excused by the public utility district commission, by any statutory disqualification, or by any permanent disability preventing the proper discharge of his duty. In the event of a vacancy in said office, such vacancy shall be filled at the next general election held in an even-numbered year, the vacancy in the interim to be filled by appointment by the remaining commissioners. If more than one vacancy exists at the same time in a three commissioner district (~~((of the second class))~~), or more than two in a five commissioner district (~~((of the first class))~~), a special election shall be called by the county election board upon the request of the remainder, or, that failing, by the county election board, such election to be held not more than forty days after the occurring of such vacancies.

A majority of the persons holding the office of public utility district commissioner at any time shall constitute a quorum of the commission for the transaction of business, and the concurrence of a majority of the persons holding such office at the time shall be necessary and shall be sufficient for the passage of any resolution, but no business shall be transacted, except in usual and ordinary course, unless there are in office at least a majority of the full number of commissioners fixed by law.

The boundaries of the public utility district commissioners' district may be changed only by the public utility district commission, and shall be examined every ten years to determine substantial equality of population, but said boundaries shall not be changed oftener than once in four years, and only when all members of the commission are present. The proposed change of the boundaries of the public utility district commissioners' district must be made by resolution and after public hearing. Notice of the time of a public hearing thereon shall be published for two weeks prior thereto. Upon a referendum petition signed by ten percent of the qualified voters of the public utility district being filed with the county auditor, the board of county commissioners shall submit such proposed change of boundaries to the voters of the public utility district for their approval or rejection. Such petition must be filed within ninety days after the adoption of resolution of the proposed action.

The validity of said petition shall be governed by the provisions of chapter 54.08 RCW.

Passed the House April 28, 1977.

Passed the Senate May 12, 1977.

Approved by the Governor May 18, 1977.

Filed in Office of Secretary of State May 18, 1977.

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## CHAPTER 37

[House Bill No. 816]

### STATE HIGHWAY PROPERTY—SALE TO TENANTS

AN ACT Relating to the acquisition and disposition of state highway property; and amending section 1, chapter 177, Laws of 1973 1st ex. sess. and RCW 47.12.280.

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

Section 1. Section 1, chapter 177, Laws of 1973 1st ex. sess. and RCW 47.12-.280 are each amended to read as follows:

Any real property (including lands, improvements thereon, and any interests or estates) held by the department of highways other than that acquired under RCW 47.12.020 may be sold in accordance with the following procedure:

(1) Determination that the real property is unnecessary for the purposes of the department of highways;

(2) Determination of the fair market value of the real property;

(3) Offering of the residentially improved property for sale by negotiation and sale to a tenant of the department of highways who has resided thereon for not less than six months and who is not delinquent in paying rent to the state;

(4) Offering of the real property for sale by auction if the property is not sold under subsection (3) of this section after notice to the general public of the proposed auction sale in the following manner: By notice of the proposed sale published in a display advertisement of no less than two column by two inch or one column by four inch size in any daily or weekly legal newspaper of general circulation published in the county in which the real property to be sold is situated. This advertisement shall appear in the legal notices section and the real estate classified section. This publication shall appear for a period of not less than four weeks prior to the proposed sale and the notice shall particularly describe the property to be sold and the time and place of the proposed sale: PROVIDED, That if there is no legal newspaper published in this county, then such notice shall be published in the legal newspaper published in this state nearest to the place of sale.

~~((4))~~ (5) Offering of the real property for sale by advertisement and negotiation if the real property was offered, but not sold at auction.

No real property shall be sold for less than the fair market value at the time of the auction if sold at auction or the fair market value at the date of the agreement to sell if sold by advertisement and negotiation. Any offer to purchase real property may be rejected at any time prior to written acceptance of the offer by the department of highways and approval of the terms of the transaction by the highway commission.