

## CHAPTER 313

[Engrossed Senate Bill No. 3591]

## COUNTIES—LOCAL, UTILITY, AND ROAD IMPROVEMENT DISTRICTS

AN ACT Relating to counties; amending section 35.43.110, chapter 7, Laws of 1965 and RCW 35.43.110; amending section 2, chapter 72, Laws of 1967 and RCW 36.94.020; amending section 20, chapter 72, Laws of 1967 and RCW 36.94.200; amending section 22, chapter 72, Laws of 1967 as last amended by section 5, chapter 188, Laws of 1975 1st ex. sess. and RCW 36.94.220; amending section 23, chapter 72, Laws of 1967 as amended by section 10, chapter 96, Laws of 1971 ex. sess. and RCW 36.94.230; amending section 24, chapter 72, Laws of 1967 as amended by section 11, chapter 96, Laws of 1971 ex. sess. and RCW 36.94.240; amending section 27, chapter 72, Laws of 1967 and RCW 36.94.270; amending section 35.91.020, chapter 7, Laws of 1965 as amended by section 1, chapter 113, Laws of 1967 and RCW 35.91.020; amending section 2, chapter 142, Laws of 1965 as amended by section 2, chapter 8, Laws of 1969 ex. sess. and RCW 36.67.520; amending section 3, chapter 142, Laws of 1965 as last amended by section 50, chapter 56, Laws of 1970 ex. sess. and RCW 36.67.530; amending section 1, chapter 72, Laws of 1967 as last amended by section 6, chapter 30, Laws of 1979 ex. sess. and RCW 36.94.010; amending section 3, chapter 72, Laws of 1967 and RCW 36.94.030; amending section 5, chapter 72, Laws of 1967 as amended by section 2, chapter 96, Laws of 1971 ex. sess. and RCW 36.94.050; amending section 25, chapter 72, Laws of 1967 and RCW 36.94.250; amending section 26, chapter 72, Laws of 1967 and RCW 36.94.260; amending section 9, chapter 30, Laws of 1970 ex. sess. and RCW 36.89.100; adding new sections to chapter 36.94 RCW; adding a new section to chapter 36.88 RCW; adding a new section to chapter 36.89 RCW; and declaring an emergency.

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

Section 1. Section 2, chapter 72, Laws of 1967 and RCW 36.94.020 are each amended to read as follows:

The construction, operation, and maintenance of a system of sewerage and/or water is a county purpose. Subject to the provisions of this chapter, every county has the power, individually or in conjunction with another county or counties to adopt, provide for, accept, establish, condemn, purchase, construct, add to, and maintain a system or systems of sanitary and storm sewers, including outfalls, interceptors, plans, and facilities necessary for sewerage treatment and disposal, and/or system or systems of water supply within all or a portion of the county: PROVIDED, That counties shall not have power to condemn sewerage and/or water systems of any municipal corporation or private utility.

Such county or counties shall have the authority to control, regulate, and manage such system or systems and to provide funds therefor by general obligation bonds, revenue bonds, local improvement district bonds, utility local improvement district or local improvement district assessments, and in any other lawful fiscal manner.

Sec. 2. Section 20, chapter 72, Laws of 1967 and RCW 36.94.200 are each amended to read as follows:

The (~~board of county commissioners~~) legislative authority of any county is hereby authorized for the purpose of carrying out the lawful powers granted by this chapter to contract indebtedness and to issue general

obligation bonds pursuant to and in the manner provided for general county bonds in chapter 36.67 RCW and other applicable statutes; and to issue revenue bonds pursuant to and in the manner provided for revenue bonds in chapter 36.67 RCW and other applicable statutes. The county legislative authority may also issue local improvement district bonds in the manner provided for cities and towns.

Sec. 3. Section 22, chapter 72, Laws of 1967 as last amended by section 5, chapter 188, Laws of 1975 1st ex. sess. and RCW 36.94.220 are each amended to read as follows:

(1) A county shall have the power to establish utility local improvement districts and local improvement districts within the area of a sewerage and/or water general plan and to levy special assessments under a mode of annual installments extending over a period not exceeding twenty years on all property specially benefited by any local improvement on the basis of the special benefits to pay in whole or in part the damages or costs of any improvements ordered in such county.

(2) Utility local improvement districts and local improvement districts may include territory within a city or town only with the written consent of the city or town, but if the local district is formed before such area is included within the city or town, no such consent shall be necessary. Utility local improvement districts and local improvement districts used to provide sewerage disposal systems may include territory within a sewer district or within a water district providing sewerage disposal systems only with the written consent of the sewer district or such a water district, but if the local district is formed before such area is included within the sewer district or such a water district, no consent is necessary. Utility local improvement districts and local improvement districts used to provide water systems may include territory within a water district or within a sewer district providing water systems only with the written consent of the water district or such a sewer district, but if the local district is formed before such area is included within the water district or such a sewer district, no consent is necessary.

(3) The levying, collection, and enforcement of all public assessments hereby authorized shall be in the manner now and hereafter provided by law for the levying, collection, and enforcement of local improvement assessments by cities (~~(of the first class)~~) and towns, insofar as the same shall not be inconsistent with the provisions of this chapter. In addition, the county shall file the preliminary assessment roll at the time and in the manner prescribed in RCW 35.50.005. The duties devolving upon the city treasurer under such laws are imposed upon the county treasurer for the purposes of this chapter. The mode of assessment shall be in the manner to be determined by the (~~(board of)~~) county (~~(commissioners)~~) legislative authority by ordinance or resolution. As an alternative to equal annual assessment installments of principal provided for cities and towns, a county legislative authority may provide for the payment of such assessments in

equal annual installments of principal and interest. Assessments in any ((utility)) local ((improvement)) district may be made on the basis of special benefits up to but not in excess of the total cost of any sewerage and/or water improvement made with respect to that local district and the share of any general sewerage and/or water facilities allocable to that district. In utility local improvement districts, assessments shall be deposited into the revenue bond fund or general obligation bond fund established for the payment of bonds issued to pay such costs which bond payments are secured in part by the pledge of assessments, except pending the issuance and sale of such bonds, assessments may be deposited in a fund for the payment of such costs. In local improvement districts, assessments shall be deposited into a fund for the payment of such costs and local improvement bonds issued to finance the same or into the local improvement guaranty fund as provided by applicable statute.

Sec. 4. Section 23, chapter 72, Laws of 1967 as amended by section 10, chapter 96, Laws of 1971 ex. sess. and RCW 36.94.230 are each amended to read as follows:

Utility local improvement districts and local improvement districts to carry out all or any portion of the general plan, or additions and betterments thereof, may be initiated either by resolution of the ((~~board of~~)) county ((~~commissioners~~)) legislative authority or by petition signed by the owners according to the records of the office of the county auditor of at least fifty-one percent of the area of land within the limits of the ((utility)) local ((improvement)) district to be created.

In case the ((~~board shall~~)) county legislative authority desires to initiate the formation of a ((utility)) local ((improvement)) district by resolution, it shall first pass a resolution declaring its intention to order such improvement, setting forth the nature and territorial extent of such proposed improvement, designating the number of the proposed ((utility)) local ((improvement)) district, describing the boundaries thereof, stating the estimated cost and expense of the improvement and the proportionate amount thereof which will be borne by the property within the proposed district, and fixing a date, time, and place for a public hearing on the formation of the proposed local district.

In case any such ((utility)) local ((improvement)) district ((~~shall be~~)) is initiated by petition, such petition shall set forth the nature and territorial extent of such proposed improvement and the fact that the signers thereof are the owners according to the records of the county auditor of at least fifty-one percent of the area of land within the limits of the ((utility)) local ((improvement)) district to be created. Upon the filing of such petition with the clerk of the ((~~board of~~)) county ((~~commissioners~~)) legislative authority, the ((~~board~~)) authority shall determine whether the same ((~~shall be~~)) is sufficient, and the ((~~board's~~)) authority's determination thereof shall be conclusive upon all persons. No person ((~~shall~~)) may withdraw his name

from said petition after the filing thereof with the clerk of the ~~((board-of))~~ county ~~((commissioners))~~ legislative authority. If the ~~((board-staff))~~ county legislative authority finds the petition to be sufficient, it shall proceed to adopt a resolution declaring its intention to order the improvement petitioned for, setting forth the nature and territorial extent of said improvement, designating the number of the proposed local district, describing the boundaries thereof, stating the estimated cost and expense of the improvement and the proportionate amount thereof which will be borne by the property within the proposed local district, and fixing a date, time, and place for a public hearing on the formation of the proposed local district.

Notice of the adoption of the resolution of intention, whether adopted on the initiative of the board or pursuant to a petition of the property owners, shall be published in at least two consecutive issues of a newspaper of general circulation in the proposed local district, the date of the first publication to be at least fifteen days prior to the date fixed by such resolution for hearing before the ~~((board-of))~~ county ~~((commissioners))~~ legislative authority. Notice of the adoption of the resolution of intention shall also be given each owner or reputed owner of any lot, tract, parcel of land, or other property within the proposed ~~((improvement))~~ local district by mailing said notice at least fifteen days before the date fixed for the public hearing to the owner or reputed owner of the property as shown on the tax rolls of the county treasurer at the address shown thereon. The notice shall refer to the resolution of intention and designate the proposed ~~((improvement))~~ local district by number. Said notice shall also set forth the nature of the proposed improvement, the total estimated cost, the proportion of total cost to be borne by assessments, the estimated amount of the cost and expense of such improvement to be borne by the particular lot, tract, or parcel, the date, time, and place of the hearing before the ~~((board-of))~~ county ~~((commissioners))~~ legislative authority; and in the case of improvements initiated by resolution, said notice shall also state that all persons desiring to object to the formation of the proposed district must file their written protests with the clerk of the ~~((board-of))~~ county ~~((commissioners))~~ legislative authority before the time fixed for said public hearing.

Sec. 5. Section 24, chapter 72, Laws of 1967 as amended by section 11, chapter 96, Laws of 1971 ex. sess. and RCW 36.94.240 are each amended to read as follows:

Whether the improvement is initiated by petition or resolution, the ~~((board))~~ county legislative authority shall conduct a public hearing at the time and place designated in the notice to the property owners. At this hearing the ~~((board))~~ authority shall hear objections from any person affected by the formation of the local district and may make such changes in the boundaries of the district or such modifications in plans for the proposed improvement as ~~((shall-be))~~ are deemed necessary: PROVIDED, That the ~~((board))~~ authority may not change the boundaries of the district to include

property not previously included therein without first passing a new resolution of intention and giving a new notice to property owners in the manner and form and within the time herein provided for the original notice.

After said hearing the ~~((commissioners shall have))~~ county legislative authority has jurisdiction to overrule protests and proceed with any such improvement initiated by petition or resolution: PROVIDED, That the jurisdiction of the ((commissioners)) authority to proceed with any improvement initiated by resolution shall be divested by protests filed with the clerk of the ((board)) authority prior to said public hearing signed by the owners, according to the records of the county auditor, of at least forty percent of the area of land within the proposed local district. No action whatsoever may be maintained challenging the jurisdiction or authority of the county to proceed with the improvement and creating the ((utility)) local ((improvement)) district or in any way challenging the validity thereof or any proceedings relating thereto unless that action is served and filed no later than thirty days after the date of passage of the resolution ordering the improvement and creating the local district.

If the ~~((commissioners))~~ county legislative authority finds that the district should be formed, ~~((they))~~ it shall by resolution order the improvement, adopt detailed plans of the ~~((utility))~~ local ~~((improvement))~~ district and declare the estimated cost thereof, acquire all necessary land therefor, pay all damages caused thereby, and commence in the name of the county such eminent domain proceedings and supplemental assessment or reassessment proceedings to pay all eminent domain awards as may be necessary to entitle the county to proceed with the work. ~~The ((board-of))~~ county ~~((commissioners))~~ legislative authority shall proceed with the work and file with the county treasurer its roll levying special assessments in the amount to be paid by special assessment against the property situated within the local ~~((utility improvement))~~ district in proportion to the special benefits to be derived by the property therein from the improvement.

Sec. 6. Section 27, chapter 72, Laws of 1967 and RCW 36.94.270 are each amended to read as follows:

~~((In the event that))~~ If any portion of the system after its installation in such ~~((utility))~~ local ~~((improvement))~~ district is not adequate for the purpose for which it was intended, or that for any reason changes, alterations, or betterments are necessary in any portion of the system after its installation, then such district, with boundaries which may include one or more existing ~~((utility))~~ local ~~((improvement))~~ districts, may be created in the same manner as is provided herein for the creation of ~~((utility))~~ local ~~((improvement))~~ districts. Upon the organization of such ~~((utility))~~ local ~~((improvement))~~ district as provided for in this section the plan of the improvement and the payment of the cost of the improvement shall be carried out in the same manner as is provided herein for the carrying out of and the paying

for the improvement in the utility local improvement districts or local improvement districts previously provided for in this chapter.

NEW SECTION. Sec. 7. There is added to chapter 36.94 RCW a new section to read as follows:

Every county adopting a water and/or sewerage general plan is hereby authorized to create a fund for the purpose of guaranteeing, to the extent of such fund, and in the manner hereinafter provided, the payment of all of its local improvement bonds issued, subsequent to the effective date of this act, to pay for any water or sewerage local improvement within its confines. Such fund shall be designated "..... County Local Improvement Guaranty Fund" and shall be established by resolution of the county legislative authority. For the purpose of maintaining such fund, every county, after the establishment thereof, shall at all times set aside and pay into such a fund such proportion of the monthly gross revenues of the water and/or sewerage system of such county as the legislative authority thereof may direct by resolution. This proportion may be varied from time to time as the county legislative authority deems expedient or necessary, except that under the existence of the conditions set forth in subsections (1) and (2) of this section, the proportion must be as therein specified.

(1) Whenever any bonds of any local improvement district have been guaranteed under sections 7 through 9 of this act and the guaranty fund does not have a cash balance equal to five percent of all bonds originally guaranteed under this chapter (excluding issues which have been retired in full), then five percent of the gross monthly revenues derived from all water and sewer users in the territory included in that local improvement district (but not necessarily from users in other parts of the county as a whole) may be set aside and paid into the guaranty fund. Whenever, under the requirements of this subsection, the cash balance accumulates so that it is equal to five percent of all bonds guaranteed, or to the full amount of all bonds guaranteed, outstanding and unpaid (which amount might be less than five percent of the original total guaranteed), then no further moneys need be set aside and paid into the guaranty fund so long as that condition continues.

(2) Whenever any warrants issued against the guaranty fund, as provided in this section, remain outstanding and uncalled for lack of funds for six months from the date of issuance thereof; or whenever any coupons or bonds guaranteed under this chapter have been matured for six months and have not been redeemed either in cash or by issuance and delivery of warrants upon the guaranty fund, then five percent of the gross monthly revenues (or such portion thereof as the county legislative authority determines will be sufficient to retire those warrants or redeem those coupons or bonds in the ensuing six months) derived from all water and/or sewer users in the county shall be set aside and paid into the guaranty fund. Whenever under the requirements of this subsection all such warrants, coupons, or bonds

have been redeemed, no further income need be set aside and paid into the guaranty fund under the requirements of this subsection until and unless other warrants remain outstanding and unpaid for six months or other coupons or bonds default.

(3) For the purpose of complying with the requirements of setting aside and paying into the local improvement guaranty fund a proportion of the monthly gross revenues of the water supply and/or sewerage system of any county, that county shall bind and obligate itself to maintain and operate such system and further bind and obligate itself to establish, maintain, and collect such rates for water as will provide gross revenues sufficient to maintain and operate such systems and to make necessary provision for the local improvement guaranty fund as specified by this section, and the county shall alter its rates for water or sewer service from time to time and shall vary the same in different portions of its territory to comply with those requirements.

(4) Whenever any coupon or bond guaranteed by sections 7 through 9 of this act matures and there is not sufficient funds in the appropriate local improvement district bond redemption fund to pay the coupon or bond, then the county treasurer shall pay the coupon or bond from the local improvement guaranty fund of the county; if there is not sufficient funds in the guaranty fund to pay the coupon or bond, then it may be paid by issuance and delivery of a warrant upon the local improvement guaranty fund.

(5) Whenever the cash balance in the local improvement guaranty fund is insufficient for the required purposes, warrants drawing interest of a rate fixed by the county legislative authority may be issued by the county auditor against the fund to meet any liability accrued against it and must be issued upon demand of the holders of any maturing coupons and/or bonds guaranteed by sections 7 through 9 of this act, or to pay for any certificates of delinquency for delinquent installments of assessments as provided in subsection (6) of this section. Guaranty fund warrants shall be a first lien in their order of issuance upon the gross revenues set aside and paid into the guaranty fund.

(6) Within twenty days after the date of delinquency of any annual installment of assessments levied for the purpose of paying the local improvement bonds of any county guaranteed under the provisions of this chapter, the county treasurer shall compile a statement of all installments delinquent, together with the amount of accrued interest and penalty appurtenant to each of those installments. Thereupon the county treasurer shall forthwith purchase certificates of delinquency for all such delinquent installments. Payment for all such certificates of delinquency shall be made from the local improvement guaranty fund, and if there is not sufficient moneys in the fund to pay for such certificates of delinquency, the county treasurer shall accept the local improvement guaranty fund warrants in payment therefor. All such certificates of delinquency shall be issued in the

name of the local improvement guaranty fund, and all guaranty fund warrants issued in payment therefor shall be issued in the name of the appropriate local improvement district fund. Whenever any market is available and the county legislative authority so directs, the county treasurer shall sell any certificates of delinquency belonging to the local improvement guaranty fund, but any such sale may not be for less than face value thereof plus accrued interest from the date of issuance to date of sale.

Such certificates of delinquency, as above provided, shall be issued by the county treasurer, shall bear interest at the rate of eight percent per annum, shall be in each instance for the face value of the delinquent installment, plus accrued interest to date of issuance of certificate of delinquency, plus a penalty of five percent of such face value, and shall set forth the:

- (a) Description of the property assessed;
- (b) Date the installment of the assessment became delinquent; and
- (c) Name of the owner or reputed owner, if known.

Such certificates of delinquency may be redeemed by the owners of the property assessed at any time up to two years from the date of foreclosure of such certificate of delinquency.

If any certificate of delinquency is not redeemed by the second occurring first day of January subsequent to its issuance, the county treasurer shall then proceed to foreclose such certificate of delinquency in the manner specified for the foreclosure of the lien of local improvement assessments, pursuant to the laws applicable to cities or towns; and if no redemption is made within the succeeding two years the treasurer shall execute and deliver a deed conveying fee simple title to the property described in the foreclosed certificate of delinquency.

NEW SECTION. Sec. 8. There is added to chapter 36.94 RCW a new section to read as follows:

Whenever there is paid out of a guaranty fund any sum on account of principal or interest upon the local improvement bond, or on account of purchase of certificates of delinquency, the county, as trustee for the fund, shall be subrogated to all rights of the holder of the bonds, or interest coupons, or delinquent assessment installments, so paid; and the proceeds thereof, or of the assessment or assessments underlying the same, shall become a part of the guaranty fund. There shall also be paid into each guaranty fund the interest received from the bank deposits of the fund, as well as any surplus remaining in the local improvement funds guaranteed under this chapter, after the payment of all outstanding bonds payable primarily out of such local improvement funds. As among the several issues of bonds guaranteed by the fund, no preference exists, but defaulted interest coupons and/or bonds shall be purchased out of the fund in the order of their presentation.

The legislative authority of every county operating under the provisions of sections 7 through 9 of this act shall by resolution prescribe appropriate



rules for the guaranty fund, not inconsistent with this chapter. So much of the money of a guaranty fund as is necessary and is not required for other purposes under the terms of sections 7 through 9 of this act may, at the discretion of the county legislative authority, be used to purchase property at county tax foreclosure sales or from the county after foreclosure in cases where such property is subject to unpaid local improvement assessments securing bonds guaranteed under this chapter and such purchase is deemed necessary for the purpose of protecting the guaranty fund. In such cases the fund shall be subrogated to all rights of the county. After so acquiring title to real property, the county may lease or resell and convey the property in the manner that county property is authorized to be leased or resold and for such prices and on such terms as may be determined by resolution of the county legislative authority. Any provision of law to the contrary notwithstanding, all proceeds resulting from such resales belong to and shall be paid into the guaranty fund.

**NEW SECTION.** Sec. 9. There is added to chapter 36.94 RCW a new section to read as follows:

Neither the holder nor the owner of any local improvement bonds guaranteed under the provisions of sections 7 through 9 of this act has any claim therefor against the county by which the bonds are issued, except for payment from the special assessments made for the improvement for which the local improvement bonds were issued, and except as against the local improvement guaranty fund of the county; and the county is not liable to any holder or owner of such local improvement bond for any loss to the guaranty fund occurring in the lawful operation thereof by the county. The remedy of the holder or owner of a local improvement bond, in the case of nonpayment, is confined to the enforcement of the assessment and to the guaranty fund. A copy of the foregoing part of this section shall be plainly written, printed, or engraved on each local improvement bond guaranteed by sections 7 through 9 of this act. The establishment of a local improvement guaranty fund by any county shall not be deemed at variance from any water and/or sewerage general plan or amendment thereto heretofore adopted by such county.

If any local improvement guaranty fund authorized under sections 7 through 9 of this act at any time has a cash balance, and the obligations guaranteed thereby have all been paid off, then such balance shall be transferred to the water and/or sewer maintenance fund of the county.

Sec. 10. Section 35.43.110, chapter 7, Laws of 1965 and RCW 35.43-.110 are each amended to read as follows:

Proceedings to establish local improvement districts must be initiated by petition in the following cases:

(1) Any local improvement payable in whole or in part by special assessments which includes a charge (~~for the cost and expense of furnishing~~

~~electrical energy to any system of street lighting or~~) for the cost and expense of operation and maintenance of escalators or moving sidewalks shall be initiated only upon a petition signed by the owners of two-thirds of the lineal frontage upon the improvement to be made and two-thirds of the area within the limits of the proposed improvement district;

(2) If the management of park drives, parkways, and boulevards of a city has been vested in a board of park commissioners or similar authority: PROVIDED, That the proceedings may be initiated by a resolution, if the ordinance is passed at the request of the park board or similar authority therefor specifying the particular drives, parkways, or boulevards, or portions thereof to be improved and the nature of the improvement.

Sec. 11. Section 35.91.020, chapter 7, Laws of 1965 as amended by section 1, chapter 113, Laws of 1967 and RCW 35.91.020 are each amended to read as follows:

The governing body of any city, town, county, sewer district, water district, or drainage district, hereinafter referred to as a "municipality" may contract with owners of real estate for the construction of storm, sanitary, or combination sewers, pumping stations, and disposal plants, water mains, hydrants, reservoirs, or appurtenances, hereinafter called "water or sewer facilities(~~(<sup>#</sup>,)~~)" within their boundaries or (except for counties) within ten miles from their corporate limits connecting with the public water or sewerage system to serve the area in which the real estate of such owners is located, and to provide for a period of not to exceed fifteen years for the reimbursement of such owners and their assigns by any owner of real estate who did not contribute to the original cost of such water or sewer facilities and who subsequently tap onto or use the same of a fair pro rata share of the cost of the construction of said water or sewer facilities, including not only those directly connected thereto, but also users connected to laterals or branches connecting thereto, subject to such reasonable rules and regulations as the governing body of such municipality may provide or contract, and notwithstanding the provisions of any other law. To the extent it may require in the performance of such contract, such municipality (~~(shall have the right to)~~) may install said water or sewer facilities in and along the county streets in the area to be served as hereinabove provided, subject to such reasonable requirements as to the manner of occupancy of such streets as the county may by resolution provide. The provisions of such contract shall not be effective as to any owner of real estate not a party thereto unless such contract (~~(shall have)~~) has been recorded in the office of the county auditor of the county in which the real estate of such owner is located prior to the time such owner taps into or connects to said water or sewer facilities. The power of the governing body of such municipality to so contract (~~(shall)~~) also (~~(apply)~~) applies to water or sewer facilities in process of construction on June 10, 1959, or which (~~(shall not)~~) have not been

finally approved or accepted for full maintenance and operation by such municipality upon June 10, 1959.

Sec. 12. Section 2, chapter 142, Laws of 1965 as amended by section 2, chapter 8, Laws of 1969 ex. sess. and RCW 36.67.520 are each amended to read as follows:

All such revenue bonds authorized under the terms of this chapter may be issued and sold by the counties from time to time and in such amounts as is deemed necessary by the ~~((board of county commissioners))~~ legislative authority of each county to provide sufficient funds for the carrying out of all county powers, without limiting the generality thereof, including the following: Acquisition; construction; reconstruction; maintenance; repair; additions; operations of parks and recreations; flood control facilities; pollution facilities; parking facilities as a part of a courthouse or combined county-city building facility; and any other county purpose from which revenues can be derived. Included in the costs thereof shall be any necessary engineering, inspection, accounting, fiscal, and legal expenses, the cost of issuance of bonds, including printing, engraving, and advertising and other similar expenses, payment of interest on such bonds during the construction of such facilities and a period no greater than one year after such construction is completed, and the proceeds of such bond issue are hereby made available for all such purposes. Revenue bonds may also be issued to refund revenue bonds or general obligation bonds which are issued for any of the purposes specified in this section.

Sec. 13. Section 3, chapter 142, Laws of 1965 as last amended by section 50, chapter 56, Laws of 1970 ex. sess. and RCW 36.67.530 are each amended to read as follows:

When revenue bonds are issued for authorized purposes, said bonds shall be either registered as to principal only or as to principal and interest, or shall be bearer bonds; shall be in such denominations, shall be numbered, shall bear such date, shall be payable at such time or times up to a maximum period of not to exceed thirty years and payable at the office of the county treasurer, and such other places as determined by the county commissioners of the county; shall bear interest payable ~~((semiannually))~~ and evidenced to maturity on bonds not registered as to interest by coupons attached to said bonds bearing a coupon interest rate or rates as authorized by the board of county commissioners; shall be executed by the chairman of the board of county commissioners, and attested by the clerk of the board, and the seal of such board shall be affixed to each bond, but not to the coupon; and may have facsimile signatures of the chairman and the clerk imprinted on each bond and the interest coupons in lieu of original signatures and the facsimile seal imprinted on each bond.

Sec. 14. Section 1, chapter 72, Laws of 1967 as last amended by section 6, chapter 30, Laws of 1979 ex. sess. and RCW 36.94.010 are each amended to read as follows:

As used in this chapter:

(1) A "system of sewerage" means and includes:

(a) Sanitary sewage disposal sewers and facilities, including without limitation on-site or off-site sanitary sewerage facilities consisting of an approved septic tank or septic tank systems, or any other means of sewage treatment and disposal approved by the county;

(b) Combined sanitary sewage disposal and storm or surface water ((sewers)) drains and facilities;

(c) Storm or surface water ((sewers)) drains, channels, and facilities;

(d) Outfalls for storm drainage or sanitary sewage and works, plants, and facilities for storm drainage or sanitary sewage treatment and disposal, and rights and interests in property relating to the system;

(e) Combined water and sewerage systems;

(f) Any combination of or part of any or all of such facilities.

(2) A "system of water" means and includes:

(a) A water distribution system, including dams, reservoirs, aqueducts, plants, pumping stations, transmission and lateral distribution lines and other facilities for distribution of water;

(b) A combined water and sewerage system;

(c) Any combination of or any part of any or all of such facilities.

(3) A "sewerage and/or water general plan" means a general plan for a system of sewerage and/or water for the county which shall be an element of the comprehensive plan established by the county pursuant to RCW ((36.70.350(5))) 36.70.350(6) and/or chapter 35.63 RCW, if there is such a comprehensive plan.

(a) A sewerage general plan shall include the general location and description of treatment and disposal facilities, trunk and interceptor sewers, pumping stations, monitoring and control facilities, channels, local service areas and a general description of the collection system to serve those areas, and other facilities as may be required to provide a functional and implementable plan, including preliminary engineering to assure feasibility. The plan may also include a description of the regulations deemed appropriate to carrying out surface drainage plans.

(b) A water general plan shall include the general location and description of water resources to be utilized, wells, treatment facilities, transmission lines, storage reservoirs, pumping stations, and monitoring and control facilities as may be required to provide a functional and implementable plan.

(c) Water and/or sewerage general plans shall include preliminary engineering in adequate detail to assure technical feasibility and, to the extent then known, shall further ((provide for)) discuss the methods of distributing

the cost and expense of the system and shall indicate the economic (~~and financing~~) feasibility of plan implementation. The plans may also specify local or lateral facilities. The sewerage and/or water general plan (~~shall~~) does not mean the final engineering construction or financing plans for the system.

(4) "Municipal corporation" means and includes any city, town, metropolitan municipal corporation, any public utility district which operates and maintains a sewer or water system, any sewer, water, diking<sub>2</sub> or drainage district, any diking, drainage<sub>2</sub> and sewerage improvement district, and any irrigation district.

(5) A "private utility" means and includes all utilities, both public and private, which provide sewerage and/or water service and which are not municipal corporations within the definition of this chapter. The ownership of a private utility may be in a corporation, nonprofit or for profit, in a cooperative association, in a mutual organization, or in individuals.

(6) "Board" means one or more boards of county commissioners and/or the legislative authority of a home rule charter county.

Sec. 15. Section 3, chapter 72, Laws of 1967 and RCW 36.94.030 are each amended to read as follows:

Whenever the (~~board of county commissioners of a~~) county legislative authority deems it advisable and necessary for the public health and welfare of the inhabitants of the county to establish, purchase, acquire<sub>2</sub> and construct a system of sewerage and/or water, or make any additions and betterments thereto, or extensions thereof, the board shall adopt (~~as an element of the comprehensive plan for the physical development of the county pursuant to the provisions of RCW 36.70.350(5) and/or chapter 35.63 RCW,~~) a sewerage and/or water general plan for a system of sewerage and/or water for all or a portion of the county as deemed necessary by the board. If the county has adopted a comprehensive plan for a physical development of the county pursuant to chapter 36.70 RCW and/or chapter 35.63 RCW, then the sewerage and/or water general plan shall be adopted as an element of that comprehensive plan pursuant to the applicable statute.

Sec. 16. Section 5, chapter 72, Laws of 1967 as amended by section 2, chapter 96, Laws of 1971 ex. sess. and RCW 36.94.050 are each amended to read as follows:

Prior to the adoption of or amendment of the sewerage and/or water general plan, the (~~board or boards of~~) county (~~commissioners~~) legislative authority (or authorities) shall submit the plan or amendment to a review committee. The review committee shall consist of:

(1) A representative of each first and second class city within or adjoining the area selected by the mayor thereof (if there are no first or second class cities within the plan area, then one representative chosen by the mayor of the city with the largest population within the plan area);

(2) One representative chosen at large by a majority vote of the executive officers of the other cities or towns within or adjoining the area;

(3) A representative chosen by the executive officer or the chairman of the board, as the case may be, of each of the other municipal corporations and private utilities serving one thousand or more sewer and/or water customers located within the area;

(4) One representative chosen at large by a majority vote of the executive officers and chairmen of the boards, as the case may be, of the other remaining municipal corporations within the area;

(5) ~~((The chairman or chairmen of the board or boards of))~~ A representative of each county ((commissioners)) legislative authority within the planned area, selected by the chairman of each board or county executive, as the case may be; and

(6) In counties where there is a metropolitan municipal corporation operating a sewerage and/or water system in the area, the chairman of its council or such person as he designates.

If the ~~((board staff))~~ legislative authority rejects the plan pursuant to RCW 36.94.090, the review committee shall be deemed to be dissolved; otherwise the review committee shall continue in existence to review amendments to the plan. Vacancies on the committee shall be filled in the same manner as the original appointment to that position.

Instead of a review committee for each plan area, the county legislative authority or authorities may create a review committee for the entire county or counties, and the review committee shall continue in existence until dissolved by the county legislative authority or authorities.

Sec. 17. Section 25, chapter 72, Laws of 1967 and RCW 36.94.250 are each amended to read as follows:

Before the approval of the roll a notice shall be published once a week for two consecutive weeks in a newspaper of general circulation in the local district, stating that the roll is on file and open to inspection in the office of the ~~((board of))~~ county ~~((commissioners))~~ legislative authority, and fixing the time, not less than fifteen or more than ~~((thirty))~~ forty-five days from the date of the first publication of the notice, within which protests must be filed with the clerk against any assessments shown thereon, and fixing a time when a hearing will be held ~~((by the board))~~ on the protests. The hearing shall be held before the county legislative authority, or the county legislative authority may direct that the hearing shall be held before either a committee of the legislative authority or a designated officer. The notice shall also be given by mailing at least fifteen days before the hearing, a similar notice to the owners or reputed owners of the land in the local district as they appear on the books of the treasurer of the county.

Sec. 18. Section 26, chapter 72, Laws of 1967 and RCW 36.94.260 are each amended to read as follows:

(1) At such hearing on a protest to an assessment, or any adjournment thereof, the ~~((board of))~~ county ~~((commissioners))~~ legislative authority or committee or officer shall ~~((have))~~ sit as a board of equalization. If the protest is heard by the county legislative authority, it shall have power to correct, revise, raise, lower, change, or modify such roll, or any part thereof, and to set aside such roll, and order that such assessment be made de novo, as ((to such body)) shall appear equitable and just ((and may then)). If the protest is heard by a committee or officer, the committee or officer shall make recommendations to the county legislative authority which shall either adopt or reject the recommendations of the committee or officer. If a hearing is held before such a committee or officer, it shall not be necessary to hold a hearing on the assessment roll before such legislative authority: PROVIDED, That any county providing for an officer to hear such protests shall adopt an ordinance providing for an appeal from a decision made by the officer that any person protesting his or her assessment may make to the legislative authority. The county legislative authority shall, in all instances, approve the assessment roll by ordinance or resolution ((approve the same)).

(2) In the event of any assessment being raised a new notice similar to such first notice shall be given, after which final approval of such roll may be made by the ~~((board of))~~ county ~~((commissioners))~~ legislative authority or committee or officer. Whenever any property ~~((shall have))~~ has been entered originally upon such roll and the assessment upon any such property shall not be raised, no objection thereto ~~((shall))~~ may be considered by the ~~((commissioners))~~ county legislative authority or committee or officer or by any court on appeal unless such objection be made in writing at, or prior, to the date fixed for the original hearing upon such roll.

NEW SECTION. Sec. 19. There is added to chapter 36.89 RCW a new section to read as follows:

For the purpose of issuing bonds only, the governing body of any county may authorize the establishment of consolidated road improvement districts. The road improvements within such consolidated districts need not be adjoining, vicinal, or neighboring. If the governing body orders the creation of such consolidated road improvement districts, the money received from the installment payments of the principal of and interest on assessments levied within original road improvement districts shall be deposited in a consolidated road improvement district bond redemption fund to be used to redeem outstanding consolidated road improvement district bonds. The issuance of bonds of a consolidated road improvement district shall not change the number of assessment installments in the original road improvement districts, but such bonds shall run two years longer than the longest assessment installment of such original districts.

Sec. 20. Section 9, chapter 30, Laws of 1970 ex. sess. and RCW 36.89-.100 are each amended to read as follows:

Any (~~board of~~) county (~~commissioners~~) legislative authority may authorize the issuance of revenue bonds to finance any storm water control facility. Such bonds may be issued by the board in the same manner as prescribed in RCW 36.67.510 through 36.67.570.

Each revenue bond shall state on its face that it is payable from a special fund, naming such fund and the resolution creating the fund.

Revenue bond principal, interest, and all other related necessary expenses shall be payable only out of the appropriate special fund or funds. Revenue bonds shall be payable from the revenues of the storm water control facility being financed by the bonds, a system of these facilities and, if so provided, from special assessments, installments thereof, and interest and penalties thereon, levied in one or more utility local improvement districts authorized by this 1981 act.

NEW SECTION. Sec. 21. There is added to chapter 36.89 RCW a new section to read as follows:

A county may create utility local improvement districts for the purpose of levying and collecting special assessments on property specially benefited by one or more storm water control facilities. The provisions of RCW 36.94.220 through 36.94.300 concerning the formation of utility local improvement districts and the fixing, levying, collecting and enforcing of special assessments apply to utility local improvement districts authorized by this section.

NEW SECTION. Sec. 22. This 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 immediately.

NEW SECTION. Sec. 23. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

Passed the Senate April 25, 1981.

Passed the House April 22, 1981.

Approved by the Governor May 19, 1981.

Filed in Office of Secretary of State May 19, 1981.

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## CHAPTER 314

[Senate Bill No. 3196]

### NOTARIES PUBLIC—BOND—FEE

AN ACT Relating to notaries public; and amending section 3, page 473, Laws of 1890 as amended by section 1, chapter 85, Laws of 1975 1st ex. sess. and RCW 42.28.030.

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