

Washington Special Purpose Districts: Suspension of Operations & Dissolution

I. SUSPENSION OF OPERATIONS. A statute applying to districts providing diking, drainage, sewerage improvement, and flood control services specifies a procedure for suspending district operations.

STATUTE	PROCEDURE	APPLICABILITY
Suspension of District Operations by County Legislative Authority (RCW 85.38.220)	<ul style="list-style-type: none"> • Proposal to suspend district operations is initiated by: <ul style="list-style-type: none"> ▪ Resolution of district governing body; or ▪ Petition of district voters owning at least 10% of acreage in district, or 10 or more district voters, filed with legislative authority of county in which all or largest part of district is located; or ▪ Resolution of legislative authority of county in which all or largest part of district is located. • County legislative authority must hold public hearing to determine whether proposal is in public interest. • If county legislative authority finds that suspension of operations is in public interest, it may adopt resolution suspending operations. If district is in more than one county, each county legislative authority must so act before operations are suspended. • Operations may be reactivated by county legislative authority (or authorities) by resolution finding that reactivation is in public interest, following a public hearing. County legislative authority then appoints district governing body; members serve until successors are elected (as in newly-created district). • Operations of districts owning drainage or flood control improvements cannot be suspended unless county legislative authority accepts operation and maintenance responsibility. 	<ul style="list-style-type: none"> • Diking districts. • Drainage districts. • Diking, drainage, and/or sewerage improvement districts. • Intercounty diking and drainage districts. • Consolidated diking districts, drainage districts, diking improvement districts, and/or drainage improvement districts. • Flood control districts.

II. DISSOLUTION. Statutes applying to individual types of districts set varying procedures. Commonly, dissolution may be initiated by resolution of a district governing body or petition of district voters, with final approval by district voters. Apart from these specific statutes, three broadly-applicable statutes, described below, may also apply. Two of these statutes enable county legislative authorities (boards of county commissioners or county councils) to dissolve districts found to be "inactive." The third statute enables district governing bodies to request dissolution in a judicial proceeding. Some statutes applying to individual types of districts adopt these broadly-applicable statutes by reference.

STATUTE	PROCEDURE	APPLICABILITY
Dissolution of Inactive District by County Legislative Authority, General Process (RCW Ch. 36.96)	<ul style="list-style-type: none"> • County auditor must search available records annually (by June 1) and notify county legislative authority of districts appearing to be inactive or failing to file statements for preceding 3 years with county auditor. • County legislative authority must then hold hearings and make written findings as to whether a district meets "inactive" criteria. • County legislative authority may then adopt an ordinance dissolving a district. When district is in more than one county, legislative authority of county containing greatest part of district has sole authority to dissolve district. • County legislative authority may dispose of district's assets and settle district's debt. Remaining assets become property of county in which district is located. If district is in more than one county, assets are apportioned to each county. • If district's assets are insufficient to satisfy district's debt, county legislative authority may exercise authority 	Many "municipal and quasi-municipal corporation[s]," including (but not limited to): <ul style="list-style-type: none"> • County park and recreation service areas. • Diking districts. • Drainage improvement districts. • Solid waste collection districts. • Fire protection districts. • Flood control zone districts. • Port districts. • Public utility districts. • Water-sewer districts. Does <u>not</u> apply to: <ul style="list-style-type: none"> • Counties, cities, towns. • Industrial development districts created by port districts. • Road improvement districts. • Local improvement districts (LIDs) and utility local improvement districts (ULIDs).

STATUTE	PROCEDURE	APPLICABILITY
	<p>as trustee to satisfy district's debt.</p> <p>"Inactive" Criteria. District has not:</p> <ul style="list-style-type: none"> • In preceding 5 years, carried out purposes or functions for which it was formed; or • In preceding 7 years, had governing body member elected or appointed. <p>A public utility district is "inactive" only if it meets both criteria.</p>	
<p>Dissolution of Inactive Districts by County Legislative Authority in Populous Counties (RCW 57.90)</p>	<ul style="list-style-type: none"> • Process commenced by filing, with county legislative authority of each county in which district is located, resolution of any governmental unit or petition of 20% of voters in district calling for dissolution of district. • County legislative authority must hold public hearings to determine whether district meets inactive criteria and best interests of all concerned will be served by dissolution. • If county legislative authority makes foregoing findings, it must order dissolution of district, specify manner in which dissolution is accomplished, and supervise liquidation of district assets and satisfaction of district's debt. • Proceeds of sale of district assets must, after payment of district's debt, be paid to county treasurer and credited to school districts in which dissolved district is situated. • If district assets are insufficient to retire district's debt, county legislative authority must levy assessments against property in district sufficient to retire debt. <p>"Inactive" Criteria. District has not, in preceding 5 years, "actively" carried out purposes or functions for which it was formed.</p>	<p>Districts partly or entirely in counties over 210,000 in population (currently Clark, King, Kitsap, Pierce, Snohomish, Spokane, Thurston, Whatcom, Yakima counties), including:</p> <ul style="list-style-type: none"> • Air pollution control authorities. • Cemetery districts. • County rural library districts. • Diking and drainage districts. • Fire protection districts. • Flood control districts. • Health districts. • Irrigation districts. • Library districts (see RCW 27.12.079). • Metropolitan park districts. • Mosquito control districts. • Park and recreation districts. • Reclamation districts. • Regional fire protection service authorities. • Water-sewer districts. • Weed districts.
<p>Dissolution of Districts by Court (RCW Ch. 53.48)</p>	<ul style="list-style-type: none"> • Majority of district's governing body may petition superior court for order dissolving district. • Court must provide public notice and hold hearing on petition. • After hearing, court must enter order dissolving or refusing to dissolve district. Order dissolving district must include finding that best interests of all persons concerned will be served. • If court finds that district is solvent, it must order sale of district assets by county sheriff. Sale proceeds, and district's cash, must be paid to county treasurer and credited to school districts in which dissolved district is situated. • If court finds that district is insolvent, court must determine district's debt, creditors, and claims, and hold hearing (following public notice) to determine ways of retiring debt. Court may levy assessments against property in district to retire debt. • To dissolve port district without active port commission, county legislative authority may petition court, as provided above. 	<p>Many "municipal and quasi-municipal corporations having a governing body," including:</p> <ul style="list-style-type: none"> • Fire protection districts. • Port districts. • School districts. • Water-sewer districts. <p>Does <u>not</u> apply to:</p> <ul style="list-style-type: none"> • Cities, towns, counties, townships. • Diking districts. • Drainage districts. • Diking, drainage, and/or sewerage improvement districts. • Intercounty diking and drainage districts. • Consolidated diking districts, drainage districts, diking improvement districts, and/or drainage improvement districts. • Flood control districts. • Irrigation districts. • Public utility districts. • Local improvement districts (LIDs).