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**SUBSTITUTE SENATE BILL 5690**

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**State of Washington**

**60th Legislature**

**2007 Regular Session**

**By** Senate Committee on Judiciary (originally sponsored by Senators Weinstein, McCaslin, Roach, Tom, Kline, Jacobsen and Kohl-Welles)

READ FIRST TIME 02/16/07.

1 AN ACT Relating to the dissolution of a special taxing district;  
2 and amending RCW 35.95A.120.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 **Sec. 1.** RCW 35.95A.120 and 2003 c 147 s 14 are each amended to  
5 read as follows:

6 (1) Except as provided in subsection (2) of this section, the city  
7 transportation authority may be dissolved by a vote of the people  
8 residing within the boundaries of the authority if the authority is  
9 faced with significant financial problems. However, the authority may  
10 covenant with holders of its bonds that it may not be dissolved and  
11 shall continue to exist solely for the purpose of continuing to levy  
12 and collect any taxes or assessments levied by it and pledged to the  
13 repayment of debt and to take other actions, including the appointment  
14 of a trustee, as necessary to allow it to repay any remaining debt. No  
15 such debt may be incurred by the authority on a project until thirty  
16 days after a final environmental impact statement on that project has  
17 been issued as required by chapter 43.21C RCW. The amount of the  
18 authority's initial bond issue is limited to the amount of the project  
19 costs in the subsequent two years as documented by a certified engineer

1 or by submitted bids, plus any reimbursable capital expenses already  
2 incurred at the time of the bond issue. The authority may size the  
3 first bond issue consistent with the internal revenue service five-year  
4 spend down schedule if an independent financial advisor recommends such  
5 an approach is financially advisable. Any referendum petition to  
6 dissolve the city transportation authority must be filed with the city  
7 council and contain provisions for dissolution of the authority.  
8 Within seven days, the city prosecutor must review the validity of the  
9 petition and submit its report to the petitioner and city council. If  
10 the petitioner's claims are deemed valid by the city prosecutor, within  
11 ten days of the petitioner's filing, the city council will confer with  
12 the petitioner concerning the form and style of the petition, issue an  
13 identification number for the petition, and write a ballot title for  
14 the measure. The ballot title must be posed as a question and an  
15 affirmative vote on the measure results in authority retention and a  
16 negative vote on the measure results in the authority's dissolution.  
17 The petitioner will be notified of the identification number and ballot  
18 title within this ten-day period.

19 After this notification, the petitioner has ninety days in which to  
20 secure on petition forms, the signatures of not less than fifteen  
21 percent of the registered voters in the authority area and to file the  
22 signed petitions with the filing officer. Each petition form must  
23 contain the ballot title and the full text of the measure to be  
24 referred. The filing officer will verify the sufficiency of the  
25 signatures on the petitions. If sufficient valid signatures are  
26 properly submitted, the filing officer shall submit the initiative to  
27 the authority area voters at a general or special election held on one  
28 of the dates provided in RCW (~~(29.13.010)~~) 29A.04.321 as determined by  
29 the city council, which election will not take place later than one  
30 hundred twenty days after the signed petition has been filed with the  
31 filing officer.

32 (2) A city transportation authority is dissolved and terminated if  
33 all of the following events occur before or after the effective date of  
34 this section:

35 (a) A majority of the qualified electors voting at a regular or  
36 special election determine that new public monorail transportation  
37 facilities must not be built;

1       (b) The governing body of the authority adopts a resolution and  
2 publishes a notice of the proposed dissolution at least once every week  
3 for three consecutive weeks in a newspaper of general circulation  
4 published in the authority area. The resolution and notice must:

5       (i) Describe information that must be included in a notice of claim  
6 against the authority including, but not limited to, any claims for  
7 refunds of special motor vehicle excise tax levied under RCW 39.95A.080  
8 and collected by or on behalf of the authority;

9       (ii) Provide a mailing address where a notice of claim may be sent;

10       (iii) State the deadline, which must be at least ninety days from  
11 the date of the third publication, by which the authority must receive  
12 a notice of claim; and

13       (iv) State that a claim will be barred if a notice of claim is not  
14 received by the deadline;

15       (c) The authority resolves all claims timely made under (b) of this  
16 subsection; and

17       (d) The governing body adopts a resolution (i) finding that the  
18 conditions of (a) through (c) of this subsection have been met and (ii)  
19 dissolving and terminating the authority.

20       (3) A claim against a city transportation authority is barred if  
21 (a) a claimant does not deliver a notice of claim to the authority by  
22 the deadline stated in subsection (2)(b)(iii) of this section or (b) a  
23 claimant whose claim was rejected by the authority does not commence a  
24 proceeding to enforce the claim within sixty days from receipt of the  
25 rejection notice. For purposes of this subsection, "claim" includes,  
26 but is not limited to, any right to payment, whether liquidated,  
27 unliquidated, fixed, contingent, matured, unmatured, disputed,  
28 undisputed, legal, equitable, secured, or unsecured, or the right to an  
29 equitable remedy for breach of performance if the breach gives rise to  
30 a right to payment, whether or not the right to an equitable remedy is  
31 fixed, contingent, matured, unmatured, disputed, undisputed, secured,  
32 or unsecured, including, but not limited to, any claim for a refund of  
33 special motor vehicle excise tax levied under RCW 35.95A.080 and  
34 collected by or on behalf of the authority.

35       (4) The governing body of the authority may transfer any net assets  
36 to one or more other political subdivisions with instructions as to  
37 their use or disposition. The governing body shall authorize this

1 transfer in the resolution that dissolves and terminates the authority  
2 under subsection (2)(d) of this section.

3 (5) Upon the dissolution and termination of the authority, the  
4 former officers, directors, employees, and agents of the authority  
5 shall be immune from personal liability in connection with any claims  
6 brought against them arising from or relating to their service to the  
7 authority, and any claim brought against any of them is barred.

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