
SUBSTITUTE HOUSE BILL 2345

State of Washington

52nd Legislature

1992 Regular Session

By House Committee on Local Government (originally sponsored by Representatives Bray, Nealey, Haugen, Ludwig, Neher, Ferguson and Rayburn)

Read first time 02/05/92.

1 AN ACT Relating to local improvement districts of irrigation
2 districts; amending RCW 87.03.490, 87.03.495, and 87.03.510; adding new
3 sections to chapter 87.03 RCW; creating a new section; and declaring an
4 emergency.

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

6 NEW SECTION. **Sec. 1.** The purpose of this act is to clarify
7 provisions of chapter 87.03 RCW relating to (1) the authority of
8 irrigation districts to assess against the properties included in a
9 local improvement district an amount to increase the local improvement
10 guarantee fund, (2) the maximum amount that may be assessed in any one
11 year against those properties for that purpose, and (3) the authority
12 of irrigation districts to include in their local improvement district
13 bond issues an amount corresponding to that increase in the local
14 improvement guarantee fund.

1 **Sec. 2.** RCW 87.03.490 and 1983 c 167 s 223 are each amended to
2 read as follows:

3 (1) If the board's decision (~~((shall be rendered))~~) is in favor of
4 the improvement, the board shall enter an order establishing the
5 boundaries of the said improvement district and shall adopt plans for
6 the proposed improvement and determine the number of annual
7 installments not exceeding fifty in which the cost of said improvement
8 shall be paid. The cost of said improvement, including the costs set
9 forth in section 5 of this act, shall be provided for by the issuance
10 of local improvement district bonds of the district from time to
11 time(~~((7))~~) therefor, either directly for the payment of the labor and
12 material or for the securing of funds for such purpose, or by the
13 irrigation district entering into a contract with the United States or
14 the state of Washington, or both, to repay the cost of said
15 improvement. Said bonds shall bear interest at a rate or rates
16 determined by the board, payable semiannually, and shall state upon
17 their face that they are issued as bonds of the irrigation district;
18 that all lands within said local improvement district shall be
19 primarily liable to assessment for the principal and interest of said
20 bonds and that said bonds are also (~~((a))~~) general obligations of the
21 said district. The bonds may be in such denominations as the board of
22 directors may in its discretion determine, except that bonds other than
23 bond number one of any issue shall be in a denomination that is a
24 multiple of one hundred dollars, and no bond shall be sold for less
25 than par. Any contract entered into for said local improvement by the
26 district with the United States or the state of Washington, or both,
27 although all the lands within said local improvement district shall be
28 primarily liable to assessment for the principal and interest thereon,
29 shall be (~~((a))~~) general obligations of the irrigation district. Such

1 bonds may be in any form, including bearer bonds or registered bonds as
2 provided in RCW 39.46.030.

3 No election shall be necessary to authorize the issuance of such
4 local improvement bonds or the entering into of such a contract. Such
5 bonds, when issued, shall be signed by the president and secretary of
6 the board of directors of the irrigation district with the seal of said
7 district affixed. The printed, engraved, or lithographed facsimile
8 signatures of the president and secretary of the district's board of
9 directors shall be sufficient signatures on the bonds or any coupons(~~(:~~
10 ~~PROVIDED, That))~~). However, such facsimile signatures on the bonds may
11 be used only after the filing, by the officer whose facsimile signature
12 is to be used, with the secretary of state of his or her manual
13 signature certified by him or her under oath, whereupon that officer's
14 facsimile signature has the same legal effect as his or her manual
15 signature(~~(:~~~~PROVIDED, FURTHER, That))~~). In addition, either the
16 president of the board of directors' or the secretary's signature on
17 the bonds shall be manually subscribed(~~(:~~~~AND PROVIDED FURTHER,~~
18 ~~That))~~). Whenever ~~((such))~~ a facsimile reproduction of the signature of
19 any officer is used in place of the manual signature of such officer,
20 the district's board of directors shall specify in a written order or
21 requisition to the printer, engraver, or lithographer the number of
22 bonds or any coupons upon which such facsimile signature is to be
23 printed, engraved, or lithographed and the manner of numbering the
24 bonds or any coupons upon which such signature shall be placed. Within
25 ninety days after the completion of the printing, engraving, or
26 lithographing of such bonds or any coupons, the plate or plates used
27 for the purpose of affixing the facsimile signature shall be destroyed,
28 and it shall be the duty of the district's board of directors, within
29 ninety days after receipt of the completed bonds or any coupons, to
30 ascertain that such plate or plates have been destroyed. Every

1 printer, engraver, or lithographer who, with the intent to defraud,
2 prints, engraves, or lithographs a facsimile signature upon any bond or
3 coupon without written order of the district's board of directors, or
4 fails to destroy such plate or plates containing the facsimile
5 signature upon direction of such issuing authority, shall be guilty of
6 felony.

7 The proceeds from the sale of such bonds shall be deposited with
8 the treasurer of the district(~~(, who)~~). The treasurer shall place
9 ((them)) those proceeds in a special fund designated "Construction fund
10 of local improvement district number" However, the portion of
11 the proceeds from the sale of such bonds attributable to increasing the
12 balance in the local improvement guarantee fund shall be placed by the
13 treasurer in the local improvement guarantee fund.

14 Whenever such improvement district has been organized, ~~((the))~~ its
15 boundaries ((thereof)) may be enlarged to include other lands which can
16 be served or will be benefited by the proposed improvement upon
17 petition of the owners thereof and the consent of the United States or
18 the state of Washington, or both, in the event the irrigation district
19 has contracted with the United States or the state of Washington, or
20 both, to repay the cost of the improvement(~~(: PROVIDED, That)~~). At
21 such time the lands so included shall pay their equitable proportion
22 upon the basis of benefits of the improvement theretofore made by the
23 said local improvement district and shall be liable for the
24 indebtedness of the said local improvement district in the same
25 proportion and same manner and subject to assessment as if said lands
26 had been incorporated in said improvement district at the beginning of
27 its organization.

28 (2) Notwithstanding subsection (1) of this section, such bonds may
29 be issued and sold in accordance with chapter 39.46 RCW.

1 **Sec. 3.** RCW 87.03.495 and 1988 c 127 s 45 are each amended to read
2 as follows:

3 The cost of the improvement, including the costs set forth in
4 section 5 of this act, and of the operation and maintenance thereof, if
5 any, shall be especially assessed against the lands within such local
6 improvement district in proportion to the benefits accruing thereto,
7 and shall be levied and collected in the manner provided by law for the
8 levy and collection of land assessments or toll assessments or both
9 such form of assessments.

10 All provisions for the assessment, equalization, levy and
11 collection of assessments for irrigation district purposes shall be
12 applicable to assessments for local improvements except that no
13 election shall be required to authorize said improvement or the
14 expenditures therefor or the bonds issued to meet the cost thereof or
15 the contract authorized in RCW 87.03.485 to repay the cost thereof.
16 Assessments when collected by the ((county)) treasurer for the payment
17 for the improvement of any local improvement district shall constitute
18 a special fund to be called "bond redemption or contract repayment fund
19 of local improvement district No. _____."

20 Bonds issued under this chapter shall be eligible for disposal to
21 and purchase by the director of ecology under the provisions of the
22 state reclamation act.

23 The cost or any unpaid portion thereof, of any such improvement,
24 charged or to be charged or assessed against any tract of land may be
25 paid in one payment under and pursuant to such rules as the board of
26 directors may adopt, and all such amounts shall be paid over to the
27 ((county)) treasurer who shall place the same in the appropriate fund.
28 No such payment shall thereby release such tract from liability to
29 assessment for deficiencies or delinquencies of the levies in such
30 improvement district until all of the bonds or the contract, both

1 principal and interest, issued or entered into for such local
2 improvement district have been paid in full. The receipt given for any
3 such payment shall have the foregoing provision printed thereon. The
4 amount so paid shall be included on the annual assessment roll for the
5 current year, provided(~~(7)~~) such roll has not then been delivered to
6 the treasurer, with an appropriate notation by the secretary that the
7 amount has been paid. If the roll for that year has been delivered to
8 the treasurer then the payment so made shall be added to the next
9 annual assessment roll with an appropriate notation that the amount has
10 been paid.

11 **Sec. 4.** RCW 87.03.510 and 1983 c 167 s 224 are each amended to
12 read as follows:

13 There is hereby established for each irrigation district in this
14 state having local improvement districts therein a fund for the purpose
15 of guaranteeing to the extent of such fund and in the manner herein
16 provided, the payment of its local improvement bonds and warrants
17 issued or contract entered into to pay for the improvements provided
18 for in this act. Such fund shall be designated "local improvement
19 guarantee fund" and for the purpose of maintaining the same, every
20 irrigation district shall hereafter levy from time to time, as other
21 assessments are levied, (~~((such sums as may be necessary to meet the
22 financial requirements thereof: PROVIDED, That such sums so assessed
23 in any year shall not be more than))~~) an additional assessment either
24 throughout the entire irrigation district or within a local improvement
25 district or local improvement districts sufficient, with other fund
26 sources, to pay the outstanding warrants or contract indebtedness
27 (~~((on))~~) issued against said fund (~~((and to establish therein a balance
28 which shall not exceed five percent of the outstanding obligations
29 thereby guaranteed))~~) during the preceding year and maintain a balance

1 in the guaranty fund not to exceed the greater of: (1) Twelve percent
2 of the outstanding obligations guaranteed by the fund, or (2) the total
3 amount of delinquent assessments and interest accumulated on the
4 delinquent assessments before the levy as of October 1. Whenever any
5 bond redemption payment, interest payment, or contract payment of any
6 local improvement district shall become due and there ~~((is))~~ are
7 insufficient funds in the local improvement district fund for the
8 payment thereof, there shall be paid from said local improvement
9 district guarantee fund, by warrant or by such other means as is called
10 for in the contract, a sufficient amount, which together with the
11 balance in the local improvement district fund shall be sufficient to
12 redeem and pay said bond or coupon or contract payment in full. Said
13 warrants against said guarantee fund shall draw interest at a rate
14 determined by the board and said bonds and interest payments shall be
15 paid in their order of presentation or serial order. Whenever there
16 shall be paid out of the guarantee fund any sum on account of principal
17 or interest of a local improvement bond or warrant or contract the
18 irrigation district, as trustee for the fund, shall be subrogated to
19 all of the rights of the owner of the bond or contract amount so paid,
20 and the proceeds thereof, or of the assessment underlying the same,
21 shall become part of the guarantee fund. There shall also be paid into
22 such guarantee fund any interest received from bank deposits of the
23 fund, as well as any surplus remaining in any local improvement
24 district fund~~((7))~~ after the payment of all of its outstanding bonds or
25 warrants or contract indebtedness which are payable primarily out of
26 such local improvement district fund.

27 NEW SECTION. **Sec. 5.** A new section is added to chapter 87.03 RCW
28 to read as follows:

1 The cost of an improvement assessed against property within a local
2 improvement district shall include the following:

3 (1) The cost of all of the construction or improvement authorized
4 for the district including, but not limited to, that portion of the
5 improvement within the street intersections;

6 (2) The estimated cost and expense of all engineering and surveying
7 necessary for the improvement done under the supervision of the
8 irrigation district's engineer;

9 (3) The estimated cost and expense of ascertaining the ownership of
10 the lots or parcels of land included in the local improvement district;

11 (4) The estimated cost and expense of advertising, mailing, and
12 publishing all necessary notices;

13 (5) The estimated cost and expense of accounting, clerical labor,
14 and of books and blanks extended or used on the part of the district
15 secretary and treasurer in connection with the improvement;

16 (6) All cost of the acquisition of rights of way, property,
17 easements, or other facilities or rights, whether by eminent domain,
18 purchase, gift, or in any other manner;

19 (7) The cost for legal, financial, and appraisal services and any
20 other expenses incurred by the irrigation district for the local
21 improvement district or in the formation thereof, or by the irrigation
22 district in connection with such construction or improvement and in the
23 financing thereof, including the issuance of any bonds and the cost of
24 providing for increases in the local improvement guarantee fund.

25 Any cost set forth in this section may be excluded from the cost
26 and expense to be assessed against property in a local improvement
27 district and may be paid from other available money if the board of
28 directors of the irrigation district so designates by resolution at any
29 time.

1 NEW SECTION. **Sec. 6.** A new section is added to chapter 87.03 RCW
2 to read as follows:

3 All local improvement district assessments levied, and all local
4 improvement district bonds issued, before the effective date of this
5 act and in conformity with this chapter are hereby declared to be legal
6 and valid and of full force and effect from the date of levy or
7 issuance.

8 NEW SECTION. **Sec. 7.** This act is necessary for the immediate
9 preservation of the public peace, health, or safety, or support of the
10 state government and its existing public institutions, and shall take
11 effect immediately.