

HOUSE BILL REPORT

HB 1061

As Reported By House Committee On:
Agriculture & Rural Development

Title: An act relating to irrigation districts.

Brief Description: Modifying irrigation district mergers.

Sponsors: Representatives Rayburn, Chandler, Schoesler, Lisk, Grant, Hansen and Morton.

Brief History:

Reported by House Committee on:
Agriculture & Rural Development, February 15, 1993, DPS.

HOUSE COMMITTEE ON AGRICULTURE & RURAL DEVELOPMENT

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 10 members: Representatives Rayburn, Chair; Kremen, Vice Chair; Chandler, Ranking Minority Member; Schoesler, Assistant Ranking Minority Member; Chappell; Foreman; Grant; Karahalios; Lisk; and Roland.

Staff: Kenneth Hirst (786-7105).

Background: State law for irrigation districts provides procedures for permitting districts to be consolidated to form a new district. After such a consolidation, a new board of directors is elected.

Procedures. To accomplish such a consolidation, 50 or a majority of the owners of irrigable land within the boundaries of a proposed consolidated district must petition the legislative authority of the county in which the proposed district is located requesting the consolidation. The proposed, consolidated district may include two or more irrigation districts and other irrigable lands. Unless the board of directors of one or more of the existing irrigation districts passes a resolution opposing the consolidation, the county legislative authority must call an election on the proposal. The proposal is approved if it is approved by a two-thirds majority vote in each of the existing irrigation districts and by a two-thirds majority vote in areas outside of the existing districts but within the proposed district.

Transfer of Powers, Debts, and Properties. The newly formed, consolidated district inherits all of the powers, obligations, and properties of the irrigation districts which were included in the consolidation. Separate funds must be maintained for each of the old districts until the debts of these districts are paid and any assessments owed to them are collected. Local improvement districts may be formed by the new board to satisfy the obligations of the old districts. District-related obligations of lands which were incurred before the consolidation constitute prior liens to any obligation incurred against the land under the new district.

Summary of Substitute Bill: Special procedures are established for permitting one or more smaller irrigation districts and a larger irrigation district to merge to form a new district. The board of directors of the larger district becomes the board of directors of the district created by the merger. In such a process, the smaller district or districts are referred to as "minor" districts and the larger district is referred to as the "major" district. Only one district may be a major district and the assessed acreage in all of the minor districts, taken collectively, cannot constitute more than 25 percent of the combined assessed acreage of the district to be created by the merger.

Procedures. The board of directors of a minor district must petition the board of directors of the major district to consider a merger. If the board of the major district denies the request, the process is terminated. If the board of the major district does not deny the request, it must provide notice and hold a public hearing on the proposal. Unless the owners of at least 20 percent of the assessed lands within the major district oppose the merger by filing a protest with the board of the major district at or before the hearing, the board is free to approve the merger request. If such a petition opposing the merger is filed, the merger may be approved by the major district only if it is approved, by a simple majority vote, in a special election conducted in the major district on the issue.

To be approved in a minor district, the proposal must be approved by a simple majority vote at a special election conducted in the minor district on the proposal. If elections must be held in the major and minor districts, the elections must be held concurrently.

Merger. If the proposed merger is approved by the major district and one or more minor districts, the approving minor districts are merged into the major district. The powers, obligations, and properties of the merging districts

are transferred to the district created by the merger. All district-related obligations incurred by lands or by a district before the merger are prior liens to any obligation that may be incurred against the lands or the new district after the merger. As is provided by current law for the consolidation of districts: separate funds must be maintained for premerger assessments and indebtedness, local improvement districts may be established by the new board to carry out premerger obligations, the bonds of the old districts may be exchanged for the bonds of the new district, and contracts of the United States with the old districts may be exchanged for a contract between the new district and the United States.

If the major district was divided into director divisions, the district must be redistricted to reflect the merger. The redistricting plans must be filed with the county before the merger is approved. The provisions of current law regarding boundary review boards and their authorities do not apply to irrigation district mergers.

Substitute Bill Compared to Original Bill: The original bill permits a merger to be approved in a minor district by either a special election or by a petition of landowners; the substitute bill permits the minor district to approve a merger only by special election. The substitute bill requires: redistricting only if the major district was divided into director divisions prior to the merger; redistricting plans for each of the possible mergers when more than two districts are proposing to merge; and requires the hearing notice published by the major district to describe the proposed merger.

Fiscal Note: Not requested.

Effective Date of Substitute Bill: Ninety days after adjournment of session in which bill is passed.

Testimony For: Seven irrigation districts are located near the Sunnyside diversion of the Yakima River. One of these contains 80 percent of the acreage. The others have higher service costs and less reliable service. Although the smaller districts may desire to be consolidated with the larger district, state law does not encourage the consolidation. The governing body of the larger district would be disrupted for a consolidation which provides the larger district little benefit. This bill provides a mechanism that would permit the smaller districts to merge with the larger district at the smaller districts' request and without disrupting the governance of the larger district.

Testimony Against: None.

Witnesses: James Trull, Sunnyside Valley Irrigation District (pro).