FINAL BILL REPORT

SHB 1061

C 235 L 93 Synopsis as Enacted

Brief Description: Modifying irrigation district mergers.

By House Committee on Agriculture & Rural Development (originally sponsored by Representatives Rayburn, Chandler, Schoesler, Lisk, Grant, Hansen and Morton).

House Committee on Agriculture & Rural Development Senate Committee on Agriculture

Background: State law authorizes the consolidation of irrigation districts. After such a consolidation, a new board of directors is elected.

PROCEDURES

To accomplish a consolidation, 50 or a majority of the owners of irrigable land within a proposed consolidated district must petition the legislative authority of the county in which the proposed district is located requesting the consolidation. The proposed, 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 receives a two-thirds majority vote in each of the existing irrigation districts and a two-thirds majority vote in areas outside of the existing districts but within the proposed district.

TRANSFER OF POWERS, DEBTS, AND PROPERTIES

The 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 lands under the new district.

Summary: 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 30 percent of the combined assessed acreage of the district to be created by the merger.

PROCEDURES

To initiate this process, the board of directors of a minor district must petition the board of directors of a 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 a protest 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 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 contracts between the new district and the United States.

If the major district was divided into director divisions, the new 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.

This merger procedure does not authorize the impairment of existing water rights.

Votes on Final Passage:

House 97 0 Senate 47 0 (Senate amended) House 96 0 (House concurred)

Effective: July 25, 1993