

# HOUSE BILL REPORT

## EHB 2302

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As Passed Legislature

**Title:** An act relating to irrigation districts.

**Brief Description:** Modifying provisions relating to sale or lease of irrigation district real and personal property.

**Sponsors:** Representatives Rayburn, Foreman, Hansen and Bray.

**Brief History:**

Reported by House Committee on:

Agriculture & Rural Development, January 24, 1994, DPA;

Passed House, February 14, 1994, 95-0;

Passed Legislature.

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### HOUSE COMMITTEE ON AGRICULTURE & RURAL DEVELOPMENT

**Majority Report:** Do pass as amended. Signed by 9 members: Representatives Rayburn, Chair; Kremen, Vice Chair; Chandler, Ranking Minority Member; Schoesler, Assistant Ranking Minority Member; Chappell; Karahalios; Lisk; McMorris; and Roland.

**Staff:** Kenneth Hirst (786-7105).

**Background:** A provision of the state's irrigation district laws establishes procedures that apply to the lease or sale of district-owned properties. The provision does not apply to the properties irrigation districts have obtained through foreclosure proceedings for delinquent district assessments. A statute governing the lease and sale of district properties obtained in this manner was repealed in a bill which re-wrote the rules for such delinquency and foreclosure. The repealed authority may have been replaced by implied authorities to sell and lease such properties. However, as a result of the 1988 repealer, the rules that apply to such sales or leases are unclear.

Current law governing the lease or sale of irrigation district property requires the district to publish in a local newspaper a notice of the district's intent to sell or lease the property. The notice must identify the time and location at which the district will consider bid proposals and the time and location at which it will make the sale or lease. The property must be sold or leased to the highest and best bidder and the price must, except for property

dedicated to certain highway or utility easements, be not less than the reasonable market value of the property.

**Summary of Bill:** A provision of law is repealed which states that the procedures established by statute for leasing or selling irrigation district property do not apply to properties obtained by a district through foreclosure proceedings for delinquent district assessments. A notice regarding the sale or lease of any real property owned by an irrigation district is to announce whether the sale or lease is to be negotiated by the district or is to be awarded by bid.

**Fiscal Note:** Not requested.

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

**Testimony For:** Representatives of irrigation districts and the building industry worked in the legislative interim to develop a bill to permit sales within conditions acceptable to the building industry.

**Testimony Against:** The grandfather clause would condone actions taken by an irrigation district which a superior court has found to be improper. (Note: The clause was removed by House amendment.)

**Witnesses:** James Trull, Washington Water Resources Association (in favor); Suzie Rao, Building Industry Association of Washington (opposed without amendment); and Jim Halstrom, Building Industry Association of Washington.