

# SENATE BILL REPORT

## HB 1972

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As Reported By Senate Committee On:  
Government Operations & Elections, March 20, 2007

**Title:** An act relating to proceeds from irrigation district foreclosure sales.

**Brief Description:** Regarding proceeds from irrigation district foreclosure sales.

**Sponsors:** Representatives Ross and Newhouse.

**Brief History:** Passed House: 3/06/07, 95-0.

**Committee Activity:** Government Operations & Elections: 3/20/07 [DP].

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### SENATE COMMITTEE ON GOVERNMENT OPERATIONS & ELECTIONS

**Majority Report:** Do pass.

Signed by Senators Fairley, Chair; Oemig, Vice Chair; Roach, Ranking Minority Member; Kline, Pridemore and Swecker.

**Staff:** Amy Van Horn (786-7784)

**Background:** Irrigation districts are organized to build, maintain, and operate irrigation works. The process for organizing a district, electing a board of directors, and carrying out its powers and duties is outlined in statute. A district may assess property within its boundaries in order to fund the district's functions. The assessment is a lien against the property assessed, and the lien is superior to any other lien created except for a lien for prior assessments. Such a lien is not removed until the assessments are paid or the property is sold for their payment.

The date when an assessment first becomes delinquent is the date of delinquency. Thirty-six months after the date of delinquency, the county treasurer must prepare a certificate of delinquency on the property for the unpaid irrigation district assessments, costs, and interest. After the county treasurer takes steps to notify the land owners, encourage payment of the amounts due, and conduct a title search, he or she must commence legal action to foreclose on the assessment liens. If the court issues a judgment of foreclosure, the county must proceed with the sale of the property and specify the minimum sale price. The county treasurer must sell the property to the highest and best bidder.

When proceeds from an irrigation assessment judgment sale exceed the amounts owed for delinquent assessments and other costs, the excess proceeds are remitted, upon application, to the owner of the property.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

**Summary of Bill:** When proceeds from an irrigation assessment judgment sale exceed the amounts owed, the excess proceeds must be remitted, upon application, to the record owner of the property. The "record owner of the property" is the person who held title to the property on the date that the certificate of delinquency was issued. Assignments of interests, deeds, or other documents executed or recorded after the date that the delinquency certificate is issued must not affect the payment of excess funds to the record owner.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Committee/Commission/Task Force Created:** No.

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

**Staff Summary of Public Testimony:** PRO: An incongruity between the irrigation district statute and the real estate statutes spawned a lawsuit. The purpose of this bill is to amend the irrigation district statute to match current real estate law. Hopefully, that will prevent lawsuits like this in the future.

**Persons Testifying:** PRO: Representative Ross, prime sponsor; Tom Myrum, Washington State Water Resources Association.