

---

## Local Government Committee

---

### HB 2291

**Brief Description:** Concerning the creation of local improvement districts by petition in water-sewer districts.

**Sponsors:** Representatives Smith and Takko.

#### Brief Summary of Bill

- Modifies the petition initiation requirements for commencing the creation of a local improvement district or utility local improvement district within a water-sewer district by requiring that the petition be signed by at least 60 percent of the property owners within the proposed improvement district.
- Establishes provisions governing the signing of petitions for initiating the creation of a local improvement district with a water-sewer district.
- Specifies that the process for creating a local improvement district or utility local improvement district within a water-sewer district located in a county with fewer than 100,000 persons may only be initiated through a petition process.

**Hearing Date:** 1/17/12

**Staff:** Ethan Moreno (786-7386).

#### Background:

Water-sewer districts may purchase, construct, maintain, and supply waterworks to furnish water to inhabitants within and outside of the district. Water-sewer districts may also develop and operate systems of sewers and drainage, and are authorized to create facilities, systems, and programs for the collection, interception, treatment, disposal, and pollution control of wastewater. Water-sewer districts are governed by boards of elected commissioners.

Water-sewer district commissioners adopt general comprehensive plans for the type or types of facilities the district proposes to provide. These plans provide a framework for the provision and financing of present and future service needs.

---

*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.*

A water-sewer district may establish a local improvement district (LID) or utility local improvement district (ULID) within its territory to wholly or partially implement a comprehensive plan of improvements, or a plan of additions and betterments to an original comprehensive plan. If established, the properties within the LID or ULID will have special assessments levied against them in proportion to the special benefits derived by the local improvement.

The process of creating a LID or a ULID may be initiated with a resolution by the board of commissioners or by a petition signed by the owners of at least 51 percent of the land area within the proposed improvement district. Upon satisfying numerous procedural requirements, including public hearing and public notice requirements, the commissioners may create the improvement district and commence with implementing the specified improvements.

**Summary of Bill:**

The petition initiation requirements for commencing the creation of a LID or ULID within a water-sewer district are modified. If the petition process is used to initiate the creation of a LID or ULID within a water-sewer district, the petition must be signed by: (1) the owners of at least 51 percent of the land area within the proposed improvement district; and (2) at least 60 percent of the property owners within the proposed improvement district.

The provisions governing the signing of petitions for initiating the creation of a LID within a water-sewer district are modified. Each parcel within the proposed LID is allowed only one signature for the purposes of determining the sufficiency of the petition. Any owner of real property that is exempt from property taxes may sign the petition to have the tax-exempt property placed within the LID, but the signature may not be used to determine the sufficiency of the petition. A government entity that owns property within the proposed LID, other than the board of commissioners, may not initiate the petition to create the LID.

The requirements governing the creation of a LID or ULID within a water-sewer district are modified to specify that if the water-sewer district is located in a county with fewer than 100,000 persons, the creation process may only be initiated through a petition process.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.