

HOUSE BILL REPORT

ESB 6217

As Reported by House Committee On:
Local Government

Title: An act relating to the administration of irrigation districts.

Brief Description: Regarding irrigation district administration.

Sponsors: Senators Holmquist Newbry, Pridemore, Schoesler and Delvin.

Brief History:

Committee Activity:

Local Government: 2/17/12, 2/21/12 [DP].

Brief Summary of Engrossed Bill

- Changes the maximum value of property exempt from the public notice requirement in irrigation district property sales or leases from less than \$500 to less than \$10,000.
- Increases the amount of time within which the board of directors of an irrigation district must set a hearing on a petition for adding new lands within the district, and complete the hearing, from 45 days to 180 days.
- Grants the board of directors of an irrigation district with fewer than 200,000 acres discretion in choosing not to proceed with foreclosure on delinquent properties if it is determined to be in the best interest of the district.

HOUSE COMMITTEE ON LOCAL GOVERNMENT

Majority Report: Do pass. Signed by 9 members: Representatives Takko, Chair; Fitzgibbon, Vice Chair; Angel, Ranking Minority Member; Asay, Assistant Ranking Minority Member; Rodne, Smith, Springer, Tharinger and Uptegrove.

Staff: Ann Koepke (786-7291) and Ethan Moreno (786-7386).

Background:

Authority to Sell or Lease Property.

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.

Irrigation districts (districts) are organized for the purpose of irrigating lands within an established area and for maintaining and operating irrigation works. Districts have the power to sell or lease property owned by the district when its board of directors determines that the property is not needed. Provisions governing the sale or lease of property are provided for in statute and include the requirement that notice of the sale or lease be published in a newspaper of general circulation in the county in which the property is located. If the value of the property is less than \$500, the requirement to publish notice of sale or lease does not apply.

Inclusion of New Lands Within an Irrigation District.

In districts of at least 200,000 acres, if at least five property owners (or a majority) of land susceptible to irrigation by a district wish to have their lands included within a district, they may file a petition to do so. The petition must be filed with the board of directors of the district and the board of directors is required to fix a time and place for a public hearing within 45 days of receipt of the petition.

The hearing regarding inclusion of new lands in the district must be held at the time and place specified in the published notice. The hearing on the petition must be completed within 30 days of receipt of the petition. Provisions for objections to the inclusion of land in the district are defined in statute.

Foreclosure on Delinquent Properties.

Properties within a district are subject to assessments, and delinquent assessments may subject the property to foreclosure proceedings. The district treasurer (or county treasurer, if acting in an ex officio capacity) must order a title search of the property for which a certificate of delinquency has been prepared in order to verify the legal description of the applicable property. Boards of directors of districts of 200,000 acres or more may choose to not pursue foreclosure proceedings on properties owing delinquent assessments if it is determined that not pursuing the foreclosure would be in the best interests of the district.

Summary of Bill:

Authority to Sell or Lease Property.

For property to be sold or leased by the district, the value of property that is exempt from the publication of notice requirement is increased from less than \$500 to less than \$10,000.

Inclusion of New Lands Within an Irrigation District.

The amount of time within which the board of directors must fix a time and place for a hearing on a petition for inclusion of new lands within the district is increased from 45 days to 180 days. Additionally, the amount of time the board of directors has to complete the hearing on the petition for inclusion of new lands is increased from 30 days to 180 days.

Foreclosure on Delinquent Properties.

The district treasurer (or county treasurer, if acting as district treasurer in an ex officio capacity) must provide the board of directors with a list of properties that may be subject to foreclosure for delinquent assessments. The treasurer is not required to order a title search of

the property or prepare a certificate of delinquency before preparing the list. Districts of less than 200,000 acres may choose to not initiate foreclosure proceedings on properties owing delinquent assessments if it is determined that not pursuing the foreclosure would be in the best interests of the district.

Appropriation: None.

Fiscal Note: Available on original bill.

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

Staff Summary of Public Testimony:

(In support) Concerns were brought to us by three different districts and this legislation updates the statutes to help them to operate better. When districts prepare to sell surplus properties, they often find that it costs more to run the advertisements to meet the public notice requirement than the property is worth. There are other special purpose districts which have been updated to allow property to have a value of at least \$10,000 before requiring public notice, and this is what this legislation would allow.

Concerning the process for adding lands to a district, there is currently a very small window to conduct the hearings (effectively, only 15 days). The federal process through the Bureau of Reclamation requires a number of steps as well and there simply is not sufficient turn-around time to allow us to hear the petition. This bill would increase the time frame to make it more workable.

It is not advantageous for districts to have small bits of land on the books, but when there is an obligation to foreclose upon properties with delinquent assessments, this is what happens. Granting districts discretion in deciding when to pursue foreclosure proceedings would contribute to the effective and logical management of districts.

(Opposed) None.

Persons Testifying: Senator Holmquist Newbry, prime sponsor; and Mike Schwisow, Washington State Water Resources Association.

Persons Signed In To Testify But Not Testifying: None.