
SECOND SUBSTITUTE HOUSE BILL 1416

State of Washington

63rd Legislature

2013 Regular Session

By House Finance (originally sponsored by Representatives Warnick, Manweller, Takko, Fagan, and Schmick)

READ FIRST TIME 03/01/13.

1 AN ACT Relating to the financing of irrigation district
2 improvements; amending RCW 84.34.310, 87.03.480, 87.03.485, 87.03.490,
3 87.03.495, 87.03.510, 87.03.515, 87.03.527, 87.06.020, 87.28.103, and
4 87.28.200; and adding a new section to chapter 87.03 RCW.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 NEW SECTION. **Sec. 1.** A new section is added to chapter 87.03 RCW
7 to read as follows:

8 Any local improvement district bonds, and interest thereon, issued
9 against a bond redemption fund of a local improvement district pursuant
10 to RCW 87.03.485 shall be a valid claim of the owner thereof only as
11 against the local improvement guarantee fund, the local improvement
12 district redemption fund, and the assessments or revenues pledged to
13 such fund or funds and do not constitute a general indebtedness against
14 the issuing irrigation district unless the board of directors by
15 resolution expressly provides for a pledge of general indebtedness.
16 Except where the board provides for a pledge of general indebtedness,
17 each such bond must state upon its face that it is payable from the
18 local improvement district redemption fund and the local improvement
19 guarantee fund only.

1 **Sec. 2.** RCW 84.34.310 and 1999 c 153 s 71 are each amended to read
2 as follows:

3 As used in RCW 84.34.300 through 84.34.380, unless a different
4 meaning is required, the words defined in this section shall have the
5 meanings indicated.

6 (1) "Farm and agricultural land" shall mean the same as defined in
7 RCW 84.34.020(2).

8 (2) "Timber land" shall mean the same as defined in RCW
9 84.34.020(3).

10 (3) "Local government" shall mean any city, town, county, water-
11 sewer district, public utility district, port district, (~~irrigation~~
12 ~~district,~~) flood control district, or any other municipal corporation,
13 quasi-municipal corporation, or other political subdivision authorized
14 to levy special benefit assessments for sanitary and/or storm sewerage
15 systems, domestic water supply and/or distribution systems, or road
16 construction or improvement purposes. "Local government" does not
17 include an irrigation district with respect to any local improvement
18 district created or local improvement assessment levied by that
19 irrigation district.

20 (4) "Local improvement district" shall mean any local improvement
21 district, utility local improvement district, local utility district,
22 road improvement district, or any similar unit created by a local
23 government for the purpose of levying special benefit assessments
24 against property specially benefited by improvements relating to such
25 districts.

26 (5) "Owner" shall mean the same as defined in RCW 84.34.020(5) or
27 the applicable statutes relating to special benefit assessments.

28 (6) The term "average rate of inflation" shall mean the annual rate
29 of inflation as determined by the department of revenue averaged over
30 the period of time as provided in RCW 84.34.330 (1) and (2). Such
31 determination shall be published not later than January 1 of each year
32 for use in that assessment year.

33 (7) "Special benefit assessments" shall mean special assessments
34 levied or capable of being levied in any local improvement district or
35 otherwise levied or capable of being levied by a local government to
36 pay for all or part of the costs of a local improvement and which may
37 be levied only for the special benefits to be realized by property by
38 reason of that local improvement.

1 **Sec. 3.** RCW 87.03.480 and 1959 c 75 s 9 are each amended to read
2 as follows:

3 Any desired special construction, reconstruction, betterment or
4 improvement or purchase or acquisition of improvements already
5 constructed, for any authorized district service, including but not
6 limited to the safeguarding of open canals or ditches for the
7 protection of the public therefrom, which are for the special benefit
8 of the lands tributary thereto and within an irrigation district may be
9 constructed or acquired and provision made to meet the cost thereof as
10 follows:

11 The holders of title or evidence of title to one-quarter of the
12 acreage proposed to be assessed, may file with the district board their
13 petition reciting the nature and general plan of the desired
14 improvement and specifying the lands proposed to be specially assessed
15 therefor. (~~The petition shall be accompanied by a bond in the sum of~~
16 ~~one hundred dollars with surety to be approved by the board,~~
17 ~~conditioned that the petitioners will pay the cost of an investigation~~
18 ~~of the project and of the hearing thereon if it is not established.~~
19 ~~The board may at any time require a bond in an additional sum.)) A
20 local improvement district may include adjoining, vicinal, or
21 neighboring improvements even though the improvements and the
22 properties benefited are not connected or continuous. Such
23 improvements may be owned by the United States, the state of
24 Washington, the irrigation district, or another local government. Upon
25 approval of the board of an adjoining irrigation district, an
26 irrigation district may form local improvement districts or utility
27 local improvement districts that are composed entirely or in part of
28 territory within that adjoining district. Upon the filing of the
29 petition the board, with the assistance of a competent engineer, shall
30 make an investigation of the feasibility, cost, and need of the
31 proposed local improvement together with the ability of the lands to
32 pay the cost, and if it appears feasible, they (~~shall~~) may elect to
33 have plans and an estimate of the cost prepared. If a protest against
34 the establishment of the proposed improvement signed by a majority of
35 the holders of title in the proposed local district is presented at or
36 before the hearing, or if the proposed improvement should be found not
37 feasible, too expensive, or not in the best interest of the district,~~

1 or the lands to be benefited insufficient security for the costs, they
2 shall dismiss the petition (~~(at the expense of the petitioners)~~).

3 **Sec. 4.** RCW 87.03.485 and 1983 c 167 s 222 are each amended to
4 read as follows:

5 In the event that the (~~said~~) board (~~shall~~) approves (~~said~~)
6 the petition, the board shall fix a time and place for the hearing
7 thereof and shall publish a notice once a week for two consecutive
8 weeks preceding the date of such hearing and the last publication shall
9 not be more than seven days before such date and shall mail such a
10 notice on or before the second publication date by first-class mail,
11 postage prepaid, to each owner or reputed owner of real property within
12 the proposed local improvement district, as shown on the rolls of the
13 county treasurer as of a date not more than twenty days immediately
14 prior to the date such notice was mailed. Such notice must be
15 published in a newspaper of general circulation in each county in which
16 any portion of the land proposed to be included in such local
17 improvement district lies. Such notice shall state that the lands
18 within (~~said~~) the described boundaries are proposed to be organized
19 as a local improvement district, stating generally the nature of the
20 proposed improvement; that bonds for such local improvement district
21 are proposed to be issued as the bonds of the irrigation district, or
22 that a contract is proposed to be entered into between the district and
23 the United States or the state of Washington, or both, that the lands
24 within (~~said~~) the local improvement district are to be assessed for
25 such improvement, that such bonds or contract will be (~~a primary~~) the
26 obligation of such local improvement district (~~and a general~~
27 ~~obligation of the irrigation district~~) and stating a time and place of
28 hearing thereon. At the time and place of hearing named in (~~said~~)
29 the notice, all persons interested may appear before the board and show
30 cause for or against the formation of the proposed improvement district
31 and the issuance of bonds or the entering into of a contract as
32 aforesaid. The board may designate a hearing officer to conduct the
33 hearing, and the hearing officer shall report recommendations on the
34 establishment of the local improvement district to the board for final
35 action. Upon the hearing the board shall determine as to the
36 establishment of the proposed local improvement district. Any
37 landowner whose lands can be served or will be benefited by the

1 proposed improvement, may make application to the board at the time of
2 hearing to include such land and the board of directors in such cases
3 shall, at its discretion, include such lands within such district. The
4 board of directors may exclude any land specified in ~~((said))~~ the
5 notice from ~~((said))~~ the district provided, that in the judgment of the
6 board, the inclusion thereof will not be practicable.

7 As an alternative plan and subject to all of the provisions of this
8 chapter, the board of directors may initiate the organization of a
9 local improvement district as herein provided. To so organize a local
10 improvement district the board shall adopt and record in its minutes a
11 resolution specifying the lands proposed to be included in such local
12 improvement district or by describing the exterior boundaries of such
13 proposed district or by both. ~~((Said))~~ The resolution shall state
14 generally the plan, character and extent of the proposed improvements,
15 that the land proposed to be included in such improvement district will
16 be assessed for such improvements; and that local improvement district
17 bonds of the irrigation district will be issued or a contract entered
18 into as hereinabove in this section provided to meet the cost thereof
19 and that such bonds or contract will be ~~((a primary))~~ the obligation of
20 such local improvement district ~~((and a general obligation of the~~
21 ~~irrigation district))~~. ~~((Said))~~ The resolution shall fix a time and
22 place of hearing thereon and shall state that unless a majority of the
23 holders of title or of evidence of title to lands within the proposed
24 local improvement district file their written protest at or before
25 ~~((said))~~ the hearing, consent to the improvement will be implied.

26 A notice containing a copy of ~~((said))~~ the resolution must be
27 published once a week for two consecutive weeks preceding the date of
28 such hearing and the last publication shall not be more than seven days
29 before such date, and shall be mailed on or before the second
30 publication date by first-class mail, postage prepaid, to each owner or
31 reputed owner of real property within the proposed local improvement
32 district, as shown on the rolls of the county treasurer as of a date
33 not more than twenty days immediately prior to the date such notice was
34 mailed, and the hearing thereon shall not be held in less than twenty
35 days from the adoption of such resolution. Such notice must be
36 published in one newspaper, of general circulation, in each county in
37 which any portion of the land proposed to be included in such local
38 improvement district lies. ~~((Said))~~ The hearing shall be held and all

1 subsequent proceedings conducted in accordance with the provisions of
2 this act relating to the organization of local improvement districts
3 initiated upon petition.

4 **Sec. 5.** RCW 87.03.490 and 2003 c 53 s 412 are each amended to read
5 as follows:

6 (1) If decision shall be rendered in favor of the improvement, the
7 board shall enter an order establishing the boundaries of the
8 improvement district and shall adopt plans for the proposed improvement
9 and determine the number of annual installments not exceeding fifty in
10 which the cost of the improvement shall be paid. The cost of the
11 improvement shall be provided for by the issuance of local improvement
12 district bonds of the district from time to time, therefor, either
13 directly for the payment of the labor and material or for the securing
14 of funds for such purpose, or by the irrigation district entering into
15 a contract with the United States or the state of Washington, or both,
16 to repay the cost of the improvement. The bonds shall bear interest at
17 a rate or rates determined by the board, payable semiannually, and
18 shall state upon their face that they are issued as bonds of the
19 irrigation district; that all lands within the local improvement
20 district shall be (~~primarily~~) liable to assessment for the principal
21 and interest of the local improvement district bonds (~~and that the~~
22 ~~bonds are also a general obligation of the district~~). The bonds may
23 be in such denominations as the board of directors may in its
24 discretion determine, except that bonds other than bond number one of
25 any issue shall be in a denomination that is a multiple of one
26 (~~hundred~~) thousand dollars (~~(, and no bond shall be sold for less than~~
27 ~~par. Any contract entered into for the local improvement by the~~
28 ~~district with the United States or the state of Washington, or both~~
29 ~~although all the lands within the local improvement district shall be~~
30 ~~primarily liable to assessment for the principal and interest thereon,~~
31 ~~shall be a general obligation of the irrigation district32 may be in any form, including bearer bonds or registered bonds as
33 provided in RCW 39.46.030.~~

34 (2) No election shall be necessary to authorize the issuance of
35 such local improvement bonds or the entering into of such a contract.
36 (~~Such bonds, when issued, shall be signed by the president and~~
37 ~~secretary of the irrigation district with the seal of the district~~

1 affixed. ~~The printed, engraved, or lithographed facsimile signatures~~
2 ~~of the president and secretary of the district's board of directors~~
3 ~~shall be sufficient signatures on the bonds or any coupons: PROVIDED,~~
4 ~~That such facsimile signatures on the bonds may be used only after the~~
5 ~~filing, by the officer whose facsimile signature is to be used, with~~
6 ~~the secretary of state of his or her manual signature certified by him~~
7 ~~or her under oath, whereupon that officer's facsimile signature has the~~
8 ~~same legal effect as his or her manual signature: PROVIDED, FURTHER,~~
9 ~~That either the president of the board of directors' or the secretary's~~
10 ~~signature on the bonds shall be manually subscribed: AND PROVIDED~~
11 ~~FURTHER, That whenever such facsimile reproduction of the signature of~~
12 ~~any officer is used in place of the manual signature of such officer,~~
13 ~~the district's board of directors shall specify in a written order or~~
14 ~~requisition to the printer, engraver, or lithographer the number of~~
15 ~~bonds or any coupons upon which such facsimile signature is to be~~
16 ~~printed, engraved, or lithographed and the manner of numbering the~~
17 ~~bonds or any coupons upon which such signature shall be placed. Within~~
18 ~~ninety days after the completion of the printing, engraving, or~~
19 ~~lithographing of such bonds or any coupons, the plate or plates used~~
20 ~~for the purpose of affixing the facsimile signature shall be destroyed,~~
21 ~~and it shall be the duty of the district's board of directors, within~~
22 ~~ninety days after receipt of the completed bonds or any coupons, to~~
23 ~~ascertain that such plate or plates have been destroyed. Every~~
24 ~~printer, engraver, or lithographer who, with the intent to defraud,~~
25 ~~prints, engraves, or lithographs a facsimile signature upon any bond or~~
26 ~~coupon without written order of the district's board of directors, or~~
27 ~~fails to destroy such plate or plates containing the facsimile~~
28 ~~signature upon direction of such issuing authority, is guilty of a~~
29 ~~class B felony punishable according to chapter 9A.20 RCW.))~~

30 (3) The proceeds from the sale of such bonds shall be deposited
31 with the treasurer of the district, who shall place them in a special
32 fund designated "Construction fund of local improvement district number
33"

34 (4) Whenever such improvement district has been organized, the
35 ((boundaries thereof may be enlarged)) board may enlarge the boundaries
36 of the improvement district to include other lands which can be served
37 or will be benefited by the proposed improvement upon petition of the
38 owners thereof and the consent of the United States or the state of

1 Washington, or both, in the event the irrigation district has
2 contracted with the United States or the state of Washington, or both,
3 to repay the cost of the improvement: PROVIDED, That at such time the
4 lands so included shall pay their equitable proportion upon the basis
5 of benefits of the improvement theretofore made by the local
6 improvement district and shall be liable for the indebtedness of the
7 local improvement district in the same proportion and same manner and
8 subject to assessment as if the lands had been incorporated in the
9 improvement district at the beginning of its organization.

10 (5) Notwithstanding this section, such bonds may be issued and sold
11 in accordance with chapter 39.46 RCW.

12 **Sec. 6.** RCW 87.03.495 and 1988 c 127 s 45 are each amended to read
13 as follows:

14 (1)(a) The cost of the improvement and of the operation and
15 maintenance thereof, if any, shall be especially assessed against the
16 lands within such local improvement district in proportion to the
17 benefits accruing thereto, and shall be levied and collected in the
18 manner provided by law for the levy and collection of land assessments
19 or toll assessments or both such form of assessments.

20 (b) The costs of the improvement must include, but not be limited
21 to:

22 (i) The cost of all of the construction or improvement authorized
23 for the district;

24 (ii) The estimated cost and expense of all engineering and
25 surveying necessary for the improvement done under the supervision of
26 the irrigation district engineer;

27 (iii) The estimated cost and expense of ascertaining the ownership
28 of the lots or parcels of land included in the assessment district;

29 (iv) The estimated cost and expense of advertising, mailing, and
30 publishing all necessary notices;

31 (v) The estimated cost and expense of accounting and clerical
32 labor, and of books and blanks extended or used on the part of the
33 irrigation district treasurer in connection with the improvement;

34 (vi) All cost of the acquisition of rights-of-way, property,
35 easements, or other facilities or rights, including without limitation
36 rights to use property, facilities, or other improvements appurtenant,

1 related to, or useful in connection with the local improvement, whether
2 by eminent domain, purchase, gift, payment of connection charges,
3 capacity charges, or other similar charges or in any other manner; and

4 (vii) The cost for legal, financial, and appraisal services and any
5 other expenses incurred by the irrigation district for the district or
6 in the formation thereof, or by irrigation district in connection with
7 such construction or improvement and in the financing thereof,
8 including the issuance of any bonds and the cost of providing for
9 increases in the local improvement guaranty fund, or providing for a
10 separate reserve fund or other security for the payment of principal of
11 and interest on such bonds.

12 (c) Any of the costs set forth in this section may be excluded from
13 the cost and expense to be assessed against the property in the local
14 improvement district and may be paid from any other moneys available
15 therefor if the board of directors so designates by resolution at any
16 time.

17 (d) The board may give credit for all or any portion of any
18 property or other donation against an assessment, charge, or other
19 required financial contribution for improvements within a local
20 improvement district.

21 (2) All provisions for the assessment, equalization, levy, and
22 collection of assessments for irrigation district purposes shall be
23 applicable to assessments for local improvements except that no
24 election shall be required to authorize (~~said~~) the improvement or the
25 expenditures therefor or the bonds issued to meet the cost thereof or
26 the contract authorized in RCW 87.03.485 to repay the cost thereof. In
27 addition or as an alternative, an irrigation district may elect to
28 apply all or a portion of the provisions for the assessment,
29 equalization, levy, and collection of assessments applicable to city or
30 town local improvement districts; however any duties of the city or
31 town treasurer shall be the duties of the treasurer of the county in
32 which the office of the district is located or other treasurer of the
33 district if appointed pursuant to RCW 87.03.440. In connection with a
34 hearing on the assessment roll, the board may designate a hearing
35 officer to conduct the hearing, and the hearing officer must report
36 recommendations on the assessment roll to the board for final action.
37 Assessments when collected by the county treasurer for the payment for

1 the improvement of any local improvement district shall constitute a
2 special fund to be called "bond redemption or contract repayment fund
3 of local improvement district No."

4 (3) Bonds issued under this chapter shall be eligible for disposal
5 to and purchase by the director of ecology under the provisions of the
6 state reclamation act.

7 (4) The cost or any unpaid portion thereof, of any such
8 improvement, charged or to be charged or assessed against any tract of
9 land may be paid in one payment under and pursuant to such rules as the
10 board of directors may adopt, and all such amounts shall be paid over
11 to the county treasurer who shall place the same in the appropriate
12 fund. No such payment shall thereby release such tract from liability
13 to assessment for deficiencies or delinquencies of the levies in such
14 improvement district until all of the bonds or the contract, both
15 principal and interest, issued or entered into for such local
16 improvement district have been paid in full. The receipt given for any
17 such payment shall have the foregoing provision printed thereon. The
18 amount so paid shall be included on the annual assessment roll for the
19 current year, provided, such roll has not then been delivered to the
20 treasurer, with an appropriate notation by the secretary that the
21 amount has been paid. If the roll for that year has been delivered to
22 the treasurer then the payment so made shall be added to the next
23 annual assessment roll with appropriate notation that the amount has
24 been paid.

25 **Sec. 7.** RCW 87.03.510 and 1983 c 167 s 224 are each amended to
26 read as follows:

27 There is hereby established for each irrigation district in this
28 state having local improvement districts therein a fund for the purpose
29 of guaranteeing to the extent of such fund and in the manner herein
30 provided, the payment of its local improvement bonds and warrants
31 issued or contract entered into to pay for the improvements provided
32 for in this act. Such fund shall be designated "local improvement
33 guarantee fund" and for the purpose of maintaining the same, every
34 irrigation district shall hereafter levy from time to time, as other
35 assessments authorized by RCW 87.03.240 are levied, such sums as may be
36 necessary to meet the financial requirements thereof: PROVIDED, That
37 such sums so assessed pursuant to RCW 87.03.240 in any year shall not

1 be more than sufficient to pay the outstanding warrants or contract
2 indebtedness on ((said)) the fund and to establish therein a balance
3 which shall not exceed ((five)) ten percent of the outstanding
4 obligations thereby guaranteed. The balance may also be established
5 from the deposit of prepaid local improvement assessments or proceeds
6 of local improvement district bonds. Whenever any bond redemption
7 payment, interest payment, or contract payment of any local improvement
8 district shall become due and there is insufficient funds in the local
9 improvement district fund for the payment thereof, there shall be paid
10 from ((said)) the local improvement district guarantee fund, by warrant
11 or by such other means as is called for in the contract, a sufficient
12 amount, which together with the balance in the local improvement
13 district fund shall be sufficient to redeem and pay ((said)) the bond
14 or coupon or contract payment in full. ((Said)) The warrants against
15 ((said)) the guarantee fund shall draw interest at a rate determined by
16 the board and ((said)) the bonds and interest payments shall be paid in
17 their order of presentation or serial order. Whenever there shall be
18 paid out of the guarantee fund any sum on account of principal or
19 interest of a local improvement bond or warrant or contract the
20 irrigation district, as trustee for the fund, shall be subrogated to
21 all of the rights of the owner of the bond or contract amount so paid,
22 and the proceeds thereof, or of the assessment underlying the same
23 shall become part of the guarantee fund. There shall also be paid into
24 such guarantee fund any interest received from bank deposits of the
25 fund, as well as any surplus remaining in any local improvement
26 district fund, after the payment of all of its outstanding bonds or
27 warrants or contract indebtedness which are payable primarily out of
28 such local improvement district fund.

29 **Sec. 8.** RCW 87.03.515 and 1983 c 167 s 225 are each amended to
30 read as follows:

31 It shall be lawful for any irrigation district which has issued
32 local improvement district bonds for ((said)) the improvements, as in
33 this chapter provided, to issue in place thereof an amount of
34 ((general)) local improvement district or revenue refunding bonds of
35 the irrigation district ~~((not in excess of such issue of local~~
36 ~~improvement district bonds, and to sell the same, or any part thereof,~~
37 ~~or exchange the same, or any part thereof, with the owners of such~~

1 ~~previously issued local improvement district bonds for the purpose of~~
2 ~~redeeming said bonds)) in accordance with chapter 39.53 RCW: PROVIDED,~~
3 ~~HOWEVER, ((That all the provisions of this chapter regarding the~~
4 ~~authorization and issuing of bonds shall apply, and: PROVIDING,~~
5 ~~FURTHER,)) That the issuance of ((said)) the bonds shall not release~~
6 the lands of the local improvement district or districts from liability
7 for special assessments for the payment thereof: AND PROVIDED FURTHER,
8 That the lien of any issue of bonds of the district prior in point of
9 time to the issue of bonds or local improvement district bonds herein
10 provided for((7)) shall be deemed a prior lien.

11 **Sec. 9.** RCW 87.03.527 and 1959 c 104 s 7 are each amended to read
12 as follows:

13 Whenever ~~((a local improvement district is sought to be established~~
14 ~~within an irrigation)) the board establishes a local improvement~~
15 ~~district, in addition or as an alternative to the procedures provided~~
16 ~~in RCW 87.03.480 through 87.03.525, there may be employed any method~~
17 ~~authorized by law for the formation of ((districts or)) improvement~~
18 ~~districts ((so that when formed it will qualify under the provisions of~~
19 ~~chapter 89.16 RCW)) and the levying, collection, and enforcement by~~
20 ~~foreclosure of assessments therein, including without limitation the~~
21 ~~formation method employed by cities or towns.~~

22 **Sec. 10.** RCW 87.06.020 and 1988 c 134 s 2 are each amended to read
23 as follows:

24 (1) After thirty-six calendar months from the month of the date of
25 delinquency, or twenty-four months from the month of the date of
26 delinquency with respect to any local improvement district assessment,
27 the treasurer shall prepare certificates of delinquency on the property
28 for the unpaid irrigation district assessments, and for costs and
29 interest. An individual certificate of delinquency may be prepared for
30 each property or the individual certificates may be compiled and issued
31 in one general certificate including all delinquent properties. Each
32 certificate shall contain the following information:

- 33 (a) Description of the property assessed;
34 (b) Street address of property, if available;
35 (c) Years for which assessed;
36 (d) Amount of delinquent assessments, costs, and interest;

1 (e) Name appearing on the treasurer's most current assessment roll
2 for the property; and

3 (f) A statement that interest will be charged on the amount listed
4 in (d) of this subsection at a rate of twelve percent per year,
5 computed monthly and without compounding, from the date of the issuance
6 of the certificate and that additional costs, incurred as a result of
7 the delinquency, will be imposed, including the costs of a title
8 search((+)).

9 (2) The treasurer may provide for the posting of the certificates
10 or other measures designed to advertise the certificates and encourage
11 the payment of the amounts due.

12 **Sec. 11.** RCW 87.28.103 and 1979 ex.s. c 185 s 14 are each amended
13 to read as follows:

14 When the directors of the district have decided to issue revenue
15 bonds as herein provided, they shall call a special election in the
16 irrigation district at which election shall be submitted to the
17 electors thereof possessing the qualifications prescribed by law the
18 question whether revenue bonds of the district in the amount and
19 payable according to the plan of payment adopted by the board and for
20 the purposes therein stated shall be issued. ((Said)) The election
21 shall be called, noticed, conducted, and canvassed in the same manner
22 as provided by law for irrigation district elections to authorize an
23 original issue of bonds payable from revenues derived from annual
24 assessments upon the real property in the district: PROVIDED, That the
25 board of directors shall have full authority to issue revenue bonds as
26 herein provided payable within a maximum period of forty years without
27 a special election((:—AND PROVIDED, FURTHER, That any irrigation
28 district indebted to the state of Washington shall get the written
29 consent of the director of the department of ecology prior to the
30 issuance of said revenue bonds)).

31 **Sec. 12.** RCW 87.28.200 and 1979 ex.s. c 185 s 19 are each amended
32 to read as follows:

33 Any irrigation district shall have the power to establish utility
34 local improvement districts within its territory and to levy special
35 assessments within such utility local improvement districts in the same
36 manner as provided for irrigation district local improvement districts:

1 PROVIDED, That it must be specified in any petition for the
2 establishment of a utility local improvement district that the sole
3 purpose of the assessments levied against the real property located
4 within the utility local improvement district shall be the payment of
5 the proceeds of those assessments into ((the)) a revenue bond fund for
6 the payment of revenue bonds, that no warrants or bonds shall be issued
7 in any such utility local improvement district, and that the collection
8 of interest and principal on all assessments in such utility local
9 improvement district, when collected, shall be paid into ((the)) that
10 revenue bond fund, except that special assessments paid before the
11 issuance and sale of bonds may be deposited in a fund for the payment
12 of costs of improvements in the utility local improvement district.

13 NEW SECTION. **Sec. 13.** If any provision of this act or its
14 application to any person or circumstance is held invalid, the
15 remainder of the act or the application of the provision to other
16 persons or circumstances is not affected.

--- END ---