

SENATE BILL REPORT

SSB 5460

As Amended by House, April 5, 2023

Title: An act relating to collection of assessments for irrigation and rehabilitation districts.

Brief Description: Concerning collection of assessments for irrigation and rehabilitation districts.

Sponsors: Senate Committee on Agriculture, Water, Natural Resources & Parks (originally sponsored by Senators Warnick and Van De Wege).

Brief History:

Committee Activity: Agriculture, Water, Natural Resources & Parks: 1/30/23, 2/09/23 [DPS].

Floor Activity: Passed Senate: 3/7/23, 48-0.
Passed House: 4/5/23, 98-0.

Brief Summary of First Substitute Bill

- Requires the Directors of an Irrigation and Rehabilitation District (district) to annually determine the amount of money necessary to carry on the rehabilitation operations of the district and classify the property in the district in proportion to the benefits to be derived from the rehabilitation operations of the district.
- Requires the district to provide notice of the proposed assessments and hold an equalization hearing.

SENATE COMMITTEE ON AGRICULTURE, WATER, NATURAL RESOURCES & PARKS

Majority Report: That Substitute Senate Bill No. 5460 be substituted therefor, and the substitute bill do pass.

Signed by Senators Van De Wege, Chair; Salomon, Vice Chair; Muzzall, Ranking

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

Member; Rolfes, Shewmake, Short, Stanford, Wagoner and Warnick.

Staff: Karen Epps (786-7424)

Background: In 1963, legislation was passed allowing an irrigation district that has the major portion of an inland navigable body of water within its exterior boundaries, and that had been granted rights to 50,000 acre-feet of water or more, to become an Irrigation and Rehabilitation District (district). A district may be organized to:

- provide for the construction, improvement, maintenance, and operation of irrigation systems;
- further the recreational potential of the area; and
- further the rehabilitation or improvement of inland lakes and shorelines and the modification or improvement of existing or planned control structures located in the district to further the health, recreation, and welfare of the residents in the area.

The directors of the district retain their authority as directors of an irrigation district. The directors also have authority to rehabilitate or improve all or a portion of any inland body of water including adjacent shorelines located in the district or to modify or improve any existing or planned water control structure located in the district to further the health, recreation, and welfare of the residents in the district.

The directors may specially assess land located in the district for benefits from district actions and activities taking as a basis the last equalized assessment for county purposes and the assessment must not exceed twenty-five cents per thousand dollars of assessed value without securing authorization by vote of the electors of the district at an election called for that purpose.

The board must give notice of an election, for the time and in the manner and form provided for irrigation district elections. The manner of conducting and voting at such an election, opening and closing polls, canvassing the votes, certifying the returns, and declaring the result must be operated in the same manner as in irrigation district elections.

The special assessment is due and payable at a set time and in amounts designated by the directors. The directors must notify the county auditor in writing, the amount must be added to the general taxes, entered upon the assessment rolls, and collected with the general taxes.

Summary of First Substitute Bill: The directors must annually determine the amount of money necessary to carry on the rehabilitation operations of the district and must classify the property in the district in proportion to the benefits to be derived from the rehabilitation operations of the district. In accordance with the classification, the directors must apportion and assess the several lots, blocks, tracts, and parcels of land or other property within the district and the assessment must be collected with the general taxes of the county or counties.

The district budget for rehabilitation purposes must not exceed an amount equal to \$1 per \$1,000 of the assessed aggregate valuation of all property within the district. The district may exceed that amount if authorized by proposition submitted to the electors of the district and approved by a majority of those voting on the proposition.

A district may use the assessed valuation of property as a component in determining the district assessment of any class of lots, but when property has been designated as forestland, farm and agricultural land, or open space land, the district must use the assessed value applicable to forestland, farm and agricultural land, or open space land.

If a district uses a fractional amount of assessed value as a component in determining the district assessment, then a fractional amount of the value applicable to forestland, farm and agricultural land, or open space land, if designated in the county tax records for the particular property, must be used.

The district must provide notice of the proposed assessments and hold an equalization hearing in the same manner as an irrigation district equalization hearing.

The provisions of the collection of property taxes, lien foreclosure, and county treasurer fees for handling special assessments statutes governing liens, collection, payment of assessments, delinquent assessments, interest and penalties, lien foreclosure, and foreclosed property must govern such matters as applied.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

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

Staff Summary of Public Testimony on Original Bill: *The committee recommended a different version of the bill than what was heard.* PRO: This bill aligns the assessment authority for the irrigation and rehabilitation district with the authority that local special improvement districts currently have and will help continue the rehabilitation of Moses Lake. The bill modifies the funding authority language for the district for rehabilitation purposes to meet the health, safety, recreation welfare needs for the residents of the district. The district's local assessment makes improvements possible, and the district leverages those local dollars for greater impacts. The district has foregone assessments for the last few years to avoid improperly assessing any of its members. The original assessment was structured as a percentage of assessed value and that method was challenged in court. The court held that the assessment was a tax, not an assessment and that the district would need to restructure its methodology. This bill models the assessment provisions on those for

mosquito districts because the work in those districts most closely aligns with the work of this district. The bill includes an equalization process so that rate payer may challenge the rate. The bill provides a fair system of funding so that the district can continue its clean lakes projects.

Persons Testifying: PRO: Senator Judy Warnick, Prime Sponsor; Bill Bailey, Moses Lake Irrigation & Rehabilitation District; Richard Teals, Moses Lake Irrigation & Rehabilitation District; Kaj Selmann, Moses Lake Irrigation and Rehabilitation District.

Persons Signed In To Testify But Not Testifying: No one.

EFFECT OF HOUSE AMENDMENT(S):

- Revises the intent section of the bill to state that a portion of the assessments collected by the Moses Lake Irrigation and Rehabilitation District was an invalid tax.
- Specifies in the intent section that the new process for collecting assessments is limited to \$1.00 per \$1,000.00 of assessed value within the district.