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HOUSE BILL 2345

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State of Washington                      52nd Legislature                      1992 Regular Session  
By Representatives Bray, Nealey, Haugen, Ludwig, Neher, Ferguson and  
Rayburn

Read first time 01/15/92. Referred to Committee on Local Government.

1            AN ACT Relating to local improvement districts of irrigation  
2 districts; amending RCW 87.03.490, 87.03.495, and 87.03.510; adding new  
3 sections to chapter 87.03 RCW; creating a new section; and declaring an  
4 emergency.

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

6            NEW SECTION.    **Sec. 1.**            The purpose of this act is to clarify  
7 provisions of chapter 87.03 RCW relating to (1) the authority of  
8 irrigation districts to assess against the properties included in a  
9 local improvement district an amount to increase the local improvement  
10 guarantee fund, (2) the maximum amount that may be assessed in any one  
11 year against those properties for that purpose, and (3) the authority  
12 of irrigation districts to include in their local improvement district  
13 bond issues an amount corresponding to that increase in the local  
14 improvement guarantee fund.

1       **Sec. 2.** RCW 87.03.490 and 1983 c 167 s 223 are each amended to  
2 read as follows:

3       (1) If the board's decision (~~((shall be rendered))~~) is in favor of  
4 the improvement, the board shall enter an order establishing the  
5 boundaries of the said improvement district and shall adopt plans for  
6 the proposed improvement and determine the number of annual  
7 installments not exceeding fifty in which the cost of said improvement  
8 shall be paid. The cost of said improvement, including the costs set  
9 forth in section 5 of this act, shall be provided for by the issuance  
10 of local improvement district bonds of the district from time to time,  
11 therefor, either directly for the payment of the labor and material or  
12 for the securing of funds for such purpose, or by the irrigation  
13 district entering into a contract with the United States or the state  
14 of Washington, or both, to repay the cost of said improvement. Said  
15 bonds shall bear interest at a rate (~~((or rates))~~) determined by the  
16 board, payable semiannually, and shall state upon their face that they  
17 are issued as bonds of the irrigation district; that all lands within  
18 said local improvement district shall be primarily liable to assessment  
19 for the principal and interest of said bonds and that said bonds are  
20 also a general obligation of the said district. The bonds may be in  
21 such denominations as the board of directors may in its discretion  
22 determine, except that bonds other than bond number one of any issue  
23 shall be in a denomination that is a multiple of one hundred dollars,  
24 and no bond shall be sold for less than par. Any contract entered into  
25 for said local improvement by the district with the United States or  
26 the state of Washington, or both although all the lands within said  
27 local improvement district shall be primarily liable to assessment for  
28 the principal and interest thereon, shall be a general obligation of  
29 the irrigation district. Such bonds may be in any form, including  
30 bearer bonds or registered bonds as provided in RCW 39.46.030.

1 No election shall be necessary to authorize the issuance of such  
2 local improvement bonds or the entering into of such a contract. Such  
3 bonds, when issued, shall be signed by the president and secretary of  
4 the irrigation district with the seal of said district affixed. The  
5 printed, engraved, or lithographed facsimile signatures of the  
6 president and secretary of the district's board of directors shall be  
7 sufficient signatures on the bonds or any coupons(~~(:—PROVIDED, That)~~).  
8 However, such facsimile signatures on the bonds may be used only after  
9 the filing, by the officer whose facsimile signature is to be used,  
10 with the secretary of state of his or her manual signature certified by  
11 him or her under oath, whereupon that officer's facsimile signature has  
12 the same legal effect as his or her manual signature(~~(:—PROVIDED,~~  
13 ~~FURTHER, That)~~). In addition, either the president of the board of  
14 directors' or the secretary's signature on the bonds shall be manually  
15 subscribed(~~(:—AND PROVIDED FURTHER, That)~~). Whenever ((such)) a  
16 facsimile reproduction of the signature of any officer is used in place  
17 of the manual signature of such officer, the district's board of  
18 directors shall specify in a written order or requisition to the  
19 printer, engraver, or lithographer the number of bonds or any coupons  
20 upon which such facsimile signature is to be printed, engraved, or  
21 lithographed and the manner of numbering the bonds or any coupons upon  
22 which such signature shall be placed. Within ninety days after the  
23 completion of the printing, engraving, or lithographing of such bonds  
24 or any coupons, the plate or plates used for the purpose of affixing  
25 the facsimile signature shall be destroyed, and it shall be the duty of  
26 the district's board of directors, within ninety days after receipt of  
27 the completed bonds or any coupons, to ascertain that such plate or  
28 plates have been destroyed. Every printer, engraver, or lithographer  
29 who, with the intent to defraud, prints, engraves, or lithographs a  
30 facsimile signature upon any bond or coupon without written order of

1 the district's board of directors, or fails to destroy such plate or  
2 plates containing the facsimile signature upon direction of such  
3 issuing authority, shall be guilty of felony.

4 The proceeds from the sale of such bonds shall be deposited with  
5 the treasurer of the district(~~(, who)~~). The treasurer shall place  
6 ((them)) those proceeds in a special fund designated "Construction fund  
7 of local improvement district number ....." However, the portion of  
8 the proceeds from the sale of such bonds attributable to increasing the  
9 balance in the local improvement guarantee fund shall be placed by the  
10 treasurer in the local improvement guarantee fund.

11 Whenever such improvement district has been organized, ((the)) its  
12 boundaries ((thereof)) may be enlarged to include other lands which can  
13 be served or will be benefited by the proposed improvement upon  
14 petition of the owners thereof and the consent of the United States or  
15 the state of Washington, or both, in the event the irrigation district  
16 has contracted with the United States or the state of Washington, or  
17 both, to repay the cost of the improvement(~~(: PROVIDED, That)~~). At  
18 such time the lands so included shall pay their equitable proportion  
19 upon the basis of benefits of the improvement theretofore made by the  
20 said local improvement district and shall be liable for the  
21 indebtedness of the said local improvement district in the same  
22 proportion and same manner and subject to assessment as if said lands  
23 had been incorporated in said improvement district at the beginning of  
24 its organization.

25 (2) Notwithstanding subsection (1) of this section, such bonds may  
26 be issued and sold in accordance with chapter 39.46 RCW.

27 **Sec. 3.** RCW 87.03.495 and 1988 c 127 s 45 are each amended to read  
28 as follows:

1       The cost of the improvement, including the costs set forth in  
2 section 5 of this act, and of the operation and maintenance thereof, if  
3 any, shall be especially assessed against the lands within such local  
4 improvement district in proportion to the benefits accruing thereto,  
5 and shall be levied and collected in the manner provided by law for the  
6 levy and collection of land assessments or toll assessments or both  
7 such form of assessments.

8       All provisions for the assessment, equalization, levy and  
9 collection of assessments for irrigation district purposes shall be  
10 applicable to assessments for local improvements except that no  
11 election shall be required to authorize said improvement or the  
12 expenditures therefor or the bonds issued to meet the cost thereof or  
13 the contract authorized in RCW 87.03.485 to repay the cost thereof.  
14 Assessments when collected by the county treasurer for the payment for  
15 the improvement of any local improvement district shall constitute a  
16 special fund to be called "bond redemption or contract repayment fund  
17 of local improvement district No. \_\_\_\_\_."

18       Bonds issued under this chapter shall be eligible for disposal to  
19 and purchase by the director of ecology under the provisions of the  
20 state reclamation act.

21       The cost or any unpaid portion thereof, of any such improvement,  
22 charged or to be charged or assessed against any tract of land may be  
23 paid in one payment under and pursuant to such rules as the board of  
24 directors may adopt, and all such amounts shall be paid over to the  
25 county treasurer who shall place the same in the appropriate fund. No  
26 such payment shall thereby release such tract from liability to  
27 assessment for deficiencies or delinquencies of the levies in such  
28 improvement district until all of the bonds or the contract, both  
29 principal and interest, issued or entered into for such local  
30 improvement district have been paid in full. The receipt given for any

1 such payment shall have the foregoing provision printed thereon. The  
2 amount so paid shall be included on the annual assessment roll for the  
3 current year, provided, such roll has not then been delivered to the  
4 treasurer, with an appropriate notation by the secretary that the  
5 amount has been paid. If the roll for that year has been delivered to  
6 the treasurer then the payment so made shall be added to the next  
7 annual assessment roll with appropriate notation that the amount has  
8 been paid.

9 **Sec. 4.** RCW 87.03.510 and 1983 c 167 s 224 are each amended to  
10 read as follows:

11 There is hereby established for each irrigation district in this  
12 state having local improvement districts therein a fund for the purpose  
13 of guaranteeing to the extent of such fund and in the manner herein  
14 provided, the payment of its local improvement bonds and warrants  
15 issued or contract entered into to pay for the improvements provided  
16 for in this act. Such fund shall be designated "local improvement  
17 guarantee fund" and for the purpose of maintaining the same, every  
18 irrigation district shall hereafter levy from time to time, as other  
19 local improvement district assessments are levied, ~~((such sums as may  
20 be necessary to meet the financial requirements thereof: PROVIDED,  
21 That such sums so assessed in any year shall not be more than))~~ a sum  
22 sufficient, with other fund sources, to pay the outstanding warrants or  
23 contract indebtedness ~~((on))~~ issued against said fund ~~((and to  
24 establish therein a balance which shall not exceed five percent of the  
25 outstanding obligations thereby guaranteed))~~ during the preceding year.  
26 The levy in any one year shall not exceed the greater of: (1) Twelve  
27 percent of the outstanding obligations guaranteed by the fund, or (2)  
28 the total amount of delinquent assessments and interest accumulated on  
29 the delinquent assessments before the levy as of October 1. Whenever

1 any bond redemption payment, interest payment, or contract payment of  
2 any local improvement district shall become due and there ((is)) are  
3 insufficient funds in the local improvement district fund for the  
4 payment thereof, there shall be paid from said local improvement  
5 district guarantee fund, by warrant or by such other means as is called  
6 for in the contract, a sufficient amount, which together with the  
7 balance in the local improvement district fund shall be sufficient to  
8 redeem and pay said bond or coupon or contract payment in full. Said  
9 warrants against said guarantee fund shall draw interest at a rate  
10 determined by the board and said bonds and interest payments shall be  
11 paid in their order of presentation or serial order. Whenever there  
12 shall be paid out of the guarantee fund any sum on account of principal  
13 or interest of a local improvement bond or warrant or contract the  
14 irrigation district, as trustee for the fund, shall be subrogated to  
15 all of the rights of the owner of the bond or contract amount so paid,  
16 and the proceeds thereof, or of the assessment underlying the same  
17 shall become part of the guarantee fund. There shall also be paid into  
18 such guarantee fund any interest received from bank deposits of the  
19 fund, as well as any surplus remaining in any local improvement  
20 district fund, after the payment of all of its outstanding bonds or  
21 warrants or contract indebtedness which are payable primarily out of  
22 such local improvement district fund.

23 NEW SECTION. **Sec. 5.** A new section is added to chapter 87.03 RCW  
24 to read as follows:

25 The cost of an improvement assessed against property within a local  
26 improvement district shall include the following:

27 (1) The cost of all of the construction or improvement authorized  
28 for the district including, but not limited to, that portion of the  
29 improvement within the street intersections;

1 (2) The estimated cost and expense of all engineering and surveying  
2 necessary for the improvement done under the supervision of the  
3 irrigation district's engineer;

4 (3) The estimated cost and expense of ascertaining the ownership of  
5 the lots or parcels of land included in the local improvement district;

6 (4) The estimated cost and expense of advertising, mailing, and  
7 publishing all necessary notices;

8 (5) The estimated cost and expense of accounting, clerical labor,  
9 and of books and blanks extended or used on the part of the district  
10 secretary and treasurer in connection with the improvement;

11 (6) All cost of the acquisition of rights of way, property,  
12 easements, or other facilities or rights, whether by eminent domain,  
13 purchase, gift, or in any other manner;

14 (7) The cost for legal, financial, and appraisal services and any  
15 other expenses incurred by the irrigation district for the local  
16 improvement district or in the formation thereof, or by the irrigation  
17 district in connection with such construction or improvement and in the  
18 financing thereof, including the issuance of any bonds and the cost of  
19 providing for increases in the local improvement guarantee fund.

20 Any cost set forth in this section may be excluded from the cost  
21 and expense to be assessed against property in a local improvement  
22 district and may be paid from other available money if the board of  
23 directors of the irrigation district so designates by resolution at any  
24 time.

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

27 All local improvement district assessments levied, and all local  
28 improvement district bonds issued, before the effective date of this

1 act and in conformity with this chapter are hereby declared to be legal  
2 and valid and of full force and effect from the date of issue.

3 NEW SECTION. **Sec. 7.** This act is necessary for the immediate  
4 preservation of the public peace, health, or safety, or support of the  
5 state government and its existing public institutions, and shall take  
6 effect immediately.