

HOUSE BILL REPORT

HB 1392

As Passed House:
February 7, 2011

Title: An act relating to leases of irrigation district property.

Brief Description: Regarding leases of irrigation district property.

Sponsors: Representatives Klippert, Haler, Fagan and Chandler.

Brief History:

Committee Activity:

Local Government: 1/28/11 [DP].

Floor Activity:

Passed House: 2/7/11, 92-0.

Brief Summary of Bill

- Allows the board of directors of an irrigation district to determine the lease duration for leases of district-owned land.

HOUSE COMMITTEE ON LOCAL GOVERNMENT

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

Staff: Miranda Leskinen (786-7291) and Ethan Moreno (786-7386).

Background:

Irrigation districts provide construction, improvement, maintenance, and operation of irrigation systems. Irrigation districts may also provide drainage, domestic water supply, and electric power facilities.

An irrigation district may be established by landowner petition, public hearing, and voter approval. A board of three, five, or seven elected directors manages each irrigation district. Directors serve staggered one to three-year terms.

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.

An irrigation district has the power (by resolution) to sell or lease its real property subject to meeting three criteria:

- the irrigation district board of directors (board) determines that the district does not need the property;
- the board authorizes the property sale or lease; and
- the public is given notice of the proposed sale or lease.

If these requirements are met, the district may exercise one of five options. It may:

- lease the property from year to year;
- give the lessee the option to purchase the property;
- sell the property on contract for deferred payments;
- sell the property pursuant to a promissory note secured by a mortgage or deed of trust; or
- sell the property for cash and conveyance by deed.

The board must make record of the real property sale price, lease price, or agreement to sell price. This price must meet the fair market value of the property unless the property is donated for highway or public utility purposes that will enhance the value of the district's remaining property more so than the value of the donated land.

Summary of Bill:

An irrigation district may lease real property it owns for a duration determined by its board, and the requirement for a year-to-year lease is deleted.

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.

Staff Summary of Public Testimony:

(In support) Irrigation districts are vital to the state's water infrastructure. Eastern Washington is especially impacted by the work of irrigation districts. Allowing these districts to lease land they own for more than one year at a time will improve the value and productivity of this land through long-term investments of time and money. Irrigation districts will maintain their authority to lease land they own, however, they would be able to exercise this authority in a manner that yields more efficient and beneficial outcomes.

(Opposed) None.

Persons Testifying: Representative Klippert, prime sponsor; and Mike Schwisow, Washington State Water Resources Association.

Persons Signed In To Testify But Not Testifying: None.