

SB 5824 - H COMM AMD
By Committee on Local Government

NOT CONSIDERED

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** A new section is added to chapter 87.03 RCW
4 to read as follows:

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

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

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

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

24 (2) "Timber land" shall mean the same as defined in RCW
25 84.34.020(3).

26 (3) "Local government" shall mean any city, town, county, water-
27 sewer district, public utility district, port district, (~~irrigation~~
28 ~~district,~~) flood control district, or any other municipal corporation,
29 quasi-municipal corporation, or other political subdivision authorized

1 to levy special benefit assessments for sanitary and/or storm sewerage
2 systems, domestic water supply and/or distribution systems, or road
3 construction or improvement purposes. "Local government" does not
4 include an irrigation district with respect to any local improvement
5 district created or local improvement assessment levied by that
6 irrigation district.

7 (4) "Local improvement district" shall mean any local improvement
8 district, utility local improvement district, local utility district,
9 road improvement district, or any similar unit created by a local
10 government for the purpose of levying special benefit assessments
11 against property specially benefited by improvements relating to such
12 districts.

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

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

20 (7) "Special benefit assessments" shall mean special assessments
21 levied or capable of being levied in any local improvement district or
22 otherwise levied or capable of being levied by a local government to
23 pay for all or part of the costs of a local improvement and which may
24 be levied only for the special benefits to be realized by property by
25 reason of that local improvement.

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

28 Any desired special construction, reconstruction, betterment or
29 improvement or purchase or acquisition of improvements already
30 constructed, for any authorized district service, including but not
31 limited to the safeguarding of open canals or ditches for the
32 protection of the public therefrom, which are for the special benefit
33 of the lands tributary thereto and within an irrigation district may be
34 constructed or acquired and provision made to meet the cost thereof as
35 follows:

36 The holders of title or evidence of title to one-quarter of the
37 acreage proposed to be assessed, may file with the district board their

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

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

30 In the event that the (~~said~~) board (~~shall~~) approves (~~said~~)
31 the petition, the board shall fix a time and place for the hearing
32 thereof and shall publish a notice once a week for two consecutive
33 weeks preceding the date of such hearing and the last publication shall
34 not be more than seven days before such date and shall mail such a
35 notice on or before the second publication date by first-class mail,
36 postage prepaid, to each owner or reputed owner of real property within
37 the proposed local improvement district, as shown on the rolls of the

1 county treasurer as of a date not more than twenty days immediately
2 prior to the date such notice was mailed. Such notice must be
3 published in a newspaper of general circulation in each county in which
4 any portion of the land proposed to be included in such local
5 improvement district lies. Such notice shall state that the lands
6 within ((said)) the described boundaries are proposed to be organized
7 as a local improvement district, stating generally the nature of the
8 proposed improvement; that bonds for such local improvement district
9 are proposed to be issued as the bonds of the irrigation district, or
10 that a contract is proposed to be entered into between the district and
11 the United States or the state of Washington, or both, that the lands
12 within ((said)) the local improvement district are to be assessed for
13 such improvement, that such bonds or contract will be ((a primary)) the
14 obligation of such local improvement district ((and a general
15 obligation of the irrigation district)) and stating a time and place of
16 hearing thereon. At the time and place of hearing named in ((said))
17 the notice, all persons interested may appear before the board and show
18 cause for or against the formation of the proposed improvement district
19 and the issuance of bonds or the entering into of a contract as
20 aforesaid. The board may designate a hearing officer to conduct the
21 hearing, and the hearing officer shall report recommendations on the
22 establishment of the local improvement district to the board for final
23 action. Upon the hearing the board shall determine as to the
24 establishment of the proposed local improvement district. Any
25 landowner whose lands can be served or will be benefited by the
26 proposed improvement, may make application to the board at the time of
27 hearing to include such land and the board of directors in such cases
28 shall, at its discretion, include such lands within such district. The
29 board of directors may exclude any land specified in ((said)) the
30 notice from ((said)) the district provided, that in the judgment of the
31 board, the inclusion thereof will not be practicable.

32 As an alternative plan and subject to all of the provisions of this
33 chapter, the board of directors may initiate the organization of a
34 local improvement district as herein provided. To so organize a local
35 improvement district the board shall adopt and record in its minutes a
36 resolution specifying the lands proposed to be included in such local
37 improvement district or by describing the exterior boundaries of such
38 proposed district or by both. ((said)) The resolution shall state

1 generally the plan, character and extent of the proposed improvements,
2 that the land proposed to be included in such improvement district will
3 be assessed for such improvements; and that local improvement district
4 bonds of the irrigation district will be issued or a contract entered
5 into as hereinabove in this section provided to meet the cost thereof
6 and that such bonds or contract will be (~~(a primary)~~) the obligation of
7 such local improvement district (~~(and a general obligation of the~~
8 ~~irrigation district)~~). (~~Said~~) The resolution shall fix a time and
9 place of hearing thereon and shall state that unless a majority of the
10 holders of title or of evidence of title to lands within the proposed
11 local improvement district file their written protest at or before
12 (~~said~~) the hearing, consent to the improvement will be implied.

13 A notice containing a copy of (~~said~~) the resolution must be
14 published once a week for two consecutive weeks preceding the date of
15 such hearing and the last publication shall not be more than seven days
16 before such date, and shall be mailed on or before the second
17 publication date by first-class mail, postage prepaid, to each owner or
18 reputed owner of real property within the proposed local improvement
19 district, as shown on the rolls of the county treasurer as of a date
20 not more than twenty days immediately prior to the date such notice was
21 mailed, and the hearing thereon shall not be held in less than twenty
22 days from the adoption of such resolution. Such notice must be
23 published in one newspaper, of general circulation, in each county in
24 which any portion of the land proposed to be included in such local
25 improvement district lies. (~~Said~~) The hearing shall be held and all
26 subsequent proceedings conducted in accordance with the provisions of
27 this act relating to the organization of local improvement districts
28 initiated upon petition.

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

31 (1) If decision shall be rendered in favor of the improvement, the
32 board shall enter an order establishing the boundaries of the
33 improvement district and shall adopt plans for the proposed improvement
34 and determine the number of annual installments not exceeding fifty in
35 which the cost of the improvement shall be paid. The cost of the
36 improvement shall be provided for by the issuance of local improvement
37 district bonds of the district from time to time, therefor, either

1 directly for the payment of the labor and material or for the securing
2 of funds for such purpose, or by the irrigation district entering into
3 a contract with the United States or the state of Washington, or both,
4 to repay the cost of the improvement. The bonds shall bear interest at
5 a rate or rates determined by the board, payable semiannually, and
6 shall state upon their face that they are issued as bonds of the
7 irrigation district; that all lands within the local improvement
8 district shall be (~~primarily~~) liable to assessment for the principal
9 and interest of the local improvement district bonds (~~and that the~~
10 ~~bonds are also a general obligation of the district~~). The bonds may
11 be in such denominations as the board of directors may in its
12 discretion determine, except that bonds other than bond number one of
13 any issue shall be in a denomination that is a multiple of one
14 (~~hundred~~) thousand dollars(~~, and no bond shall be sold for less than~~
15 ~~par. Any contract entered into for the local improvement by the~~
16 ~~district with the United States or the state of Washington, or both~~
17 ~~although all the lands within the local improvement district shall be~~
18 ~~primarily liable to assessment for the principal and interest thereon,~~
19 ~~shall be a general obligation of the irrigation district~~). Such bonds
20 may be in any form, including bearer bonds or registered bonds as
21 provided in RCW 39.46.030.

22 (2) No election shall be necessary to authorize the issuance of
23 such local improvement bonds or the entering into of such a contract.
24 (~~Such bonds, when issued, shall be signed by the president and~~
25 ~~secretary of the irrigation district with the seal of the district~~
26 ~~affixed. The printed, engraved, or lithographed facsimile signatures~~
27 ~~of the president and secretary of the district's board of directors~~
28 ~~shall be sufficient signatures on the bonds or any coupons: PROVIDED,~~
29 ~~That such facsimile signatures on the bonds may be used only after the~~
30 ~~filing, by the officer whose facsimile signature is to be used, with~~
31 ~~the secretary of state of his or her manual signature certified by him~~
32 ~~or her under oath, whereupon that officer's facsimile signature has the~~
33 ~~same legal effect as his or her manual signature: PROVIDED, FURTHER,~~
34 ~~That either the president of the board of directors' or the secretary's~~
35 ~~signature on the bonds shall be manually subscribed: AND PROVIDED~~
36 ~~FURTHER, That whenever such facsimile reproduction of the signature of~~
37 ~~any officer is used in place of the manual signature of such officer,~~
38 ~~the district's board of directors shall specify in a written order or~~

1 requisition to the printer, engraver, or lithographer the number of
2 bonds or any coupons upon which such facsimile signature is to be
3 printed, engraved, or lithographed and the manner of numbering the
4 bonds or any coupons upon which such signature shall be placed. Within
5 ninety days after the completion of the printing, engraving, or
6 lithographing of such bonds or any coupons, the plate or plates used
7 for the purpose of affixing the facsimile signature shall be destroyed,
8 and it shall be the duty of the district's board of directors, within
9 ninety days after receipt of the completed bonds or any coupons, to
10 ascertain that such plate or plates have been destroyed. Every
11 printer, engraver, or lithographer who, with the intent to defraud,
12 prints, engraves, or lithographs a facsimile signature upon any bond or
13 coupon without written order of the district's board of directors, or
14 fails to destroy such plate or plates containing the facsimile
15 signature upon direction of such issuing authority, is guilty of a
16 class B felony punishable according to chapter 9A.20 RCW.)

17 (3) The proceeds from the sale of such bonds shall be deposited
18 with the treasurer of the district, who shall place them in a special
19 fund designated "Construction fund of local improvement district number
20"

21 (4) Whenever such improvement district has been organized, the
22 ((boundaries thereof may be enlarged)) board may enlarge the boundaries
23 of the improvement district to include other lands which can be served
24 or will be benefited by the proposed improvement upon petition of the
25 owners thereof and the consent of the United States or the state of
26 Washington, or both, in the event the irrigation district has
27 contracted with the United States or the state of Washington, or both,
28 to repay the cost of the improvement: PROVIDED, That at such time the
29 lands so included shall pay their equitable proportion upon the basis
30 of benefits of the improvement theretofore made by the local
31 improvement district and shall be liable for the indebtedness of the
32 local improvement district in the same proportion and same manner and
33 subject to assessment as if the lands had been incorporated in the
34 improvement district at the beginning of its organization.

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

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

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

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

11 (i) The cost of all of the construction or improvement authorized
12 for the district;

13 (ii) The estimated cost and expense of all engineering and
14 surveying necessary for the improvement done under the supervision of
15 the irrigation district engineer;

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

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

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

23 (vi) All cost of the acquisition of rights-of-way, property,
24 easements, or other facilities or rights, including without limitation
25 rights to use property, facilities, or other improvements appurtenant,
26 related to, or useful in connection with the local improvement, whether
27 by eminent domain, purchase, gift, payment of connection charges,
28 capacity charges, or other similar charges or in any other manner; and

29 (vii) The cost for legal, financial, and appraisal services and any
30 other expenses incurred by the irrigation district for the district or
31 in the formation thereof, or by irrigation district in connection with
32 such construction or improvement and in the financing thereof,
33 including the issuance of any bonds and the cost of providing for
34 increases in the local improvement guaranty fund, or providing for a
35 separate reserve fund or other security for the payment of principal of
36 and interest on such bonds.

37 (c) Any of the costs set forth in this section may be excluded from
38 the cost and expense to be assessed against the property in the local

1 improvement district and may be paid from any other moneys available
2 therefor if the board of directors so designates by resolution at any
3 time.

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

8 (2) 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~~) the 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. In
14 addition or as an alternative, an irrigation district may elect to
15 apply all or a portion of the provisions for the assessment,
16 equalization, levy, and collection of assessments applicable to city or
17 town local improvement districts; however any duties of the city or
18 town treasurer shall be the duties of the treasurer of the county in
19 which the office of the district is located or other treasurer of the
20 district if appointed pursuant to RCW 87.03.440. In connection with a
21 hearing on the assessment roll, the board may designate a hearing
22 officer to conduct the hearing, and the hearing officer must report
23 recommendations on the assessment roll to the board for final action.
24 Assessments when collected by the county treasurer for the payment for
25 the improvement of any local improvement district shall constitute a
26 special fund to be called "bond redemption or contract repayment fund
27 of local improvement district No."

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

31 (4) The cost or any unpaid portion thereof, of any such
32 improvement, charged or to be charged or assessed against any tract of
33 land may be paid in one payment under and pursuant to such rules as the
34 board of directors may adopt, and all such amounts shall be paid over
35 to the county treasurer who shall place the same in the appropriate
36 fund. No such payment shall thereby release such tract from liability
37 to assessment for deficiencies or delinquencies of the levies in such
38 improvement district until all of the bonds or the contract, both

1 principal and interest, issued or entered into for such local
2 improvement district have been paid in full. The receipt given for any
3 such payment shall have the foregoing provision printed thereon. The
4 amount so paid shall be included on the annual assessment roll for the
5 current year, provided, such roll has not then been delivered to the
6 treasurer, with an appropriate notation by the secretary that the
7 amount has been paid. If the roll for that year has been delivered to
8 the treasurer then the payment so made shall be added to the next
9 annual assessment roll with appropriate notation that the amount has
10 been paid.

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

13 There is hereby established for each irrigation district in this
14 state having local improvement districts therein a fund for the purpose
15 of guaranteeing to the extent of such fund and in the manner herein
16 provided, the payment of its local improvement bonds and warrants
17 issued or contract entered into to pay for the improvements provided
18 for in this act. Such fund shall be designated "local improvement
19 guarantee fund" and for the purpose of maintaining the same, every
20 irrigation district shall hereafter levy from time to time, as other
21 assessments authorized by RCW 87.03.240 are levied, such sums as may be
22 necessary to meet the financial requirements thereof: PROVIDED, That
23 such sums so assessed pursuant to RCW 87.03.240 in any year shall not
24 be more than sufficient to pay the outstanding warrants or contract
25 indebtedness on ~~((said))~~ the fund and to establish therein a balance
26 which shall not exceed ~~((five))~~ ten percent of the outstanding
27 obligations thereby guaranteed. The balance may also be established
28 from the deposit of prepaid local improvement assessments or proceeds
29 of local improvement district bonds. Whenever any bond redemption
30 payment, interest payment, or contract payment of any local improvement
31 district shall become due and there is insufficient funds in the local
32 improvement district fund for the payment thereof, there shall be paid
33 from ~~((said))~~ the local improvement district guarantee fund, by warrant
34 or by such other means as is called for in the contract, a sufficient
35 amount, which together with the balance in the local improvement
36 district fund shall be sufficient to redeem and pay ~~((said))~~ the bond
37 or coupon or contract payment in full. ~~((Said))~~ The warrants against

1 ((said)) the guarantee fund shall draw interest at a rate determined by
2 the board and ((said)) the bonds and interest payments shall be paid in
3 their order of presentation or serial order. Whenever there shall be
4 paid out of the guarantee fund any sum on account of principal or
5 interest of a local improvement bond or warrant or contract the
6 irrigation district, as trustee for the fund, shall be subrogated to
7 all of the rights of the owner of the bond or contract amount so paid,
8 and the proceeds thereof, or of the assessment underlying the same
9 shall become part of the guarantee fund. There shall also be paid into
10 such guarantee fund any interest received from bank deposits of the
11 fund, as well as any surplus remaining in any local improvement
12 district fund, after the payment of all of its outstanding bonds or
13 warrants or contract indebtedness which are payable primarily out of
14 such local improvement district fund.

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

17 It shall be lawful for any irrigation district which has issued
18 local improvement district bonds for ((said)) the improvements, as in
19 this chapter provided, to issue in place thereof an amount of
20 ((general)) local improvement district or revenue refunding bonds of
21 the irrigation district ~~((not in excess of such issue of local
22 improvement district bonds, and to sell the same, or any part thereof,
23 or exchange the same, or any part thereof, with the owners of such
24 previously issued local improvement district bonds for the purpose of
25 redeeming said bonds))~~ in accordance with chapter 39.53 RCW: PROVIDED,
26 HOWEVER, ~~((That all the provisions of this chapter regarding the
27 authorization and issuing of bonds shall apply, and: PROVIDING,
28 FURTHER,))~~ That the issuance of ((said)) the bonds shall not release
29 the lands of the local improvement district or districts from liability
30 for special assessments for the payment thereof: AND PROVIDED FURTHER,
31 That the lien of any issue of bonds of the district prior in point of
32 time to the issue of bonds or local improvement district bonds herein
33 provided for((7)) shall be deemed a prior lien.

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

36 Whenever ~~((a local improvement district is sought to be established~~

1 ~~within an irrigation))~~ the board establishes a local improvement
2 district, in addition or as an alternative to the procedures provided
3 in RCW 87.03.480 through 87.03.525, there may be employed any method
4 authorized by law for the formation of ~~((districts or))~~ improvement
5 districts ~~((so that when formed it will qualify under the provisions of~~
6 ~~chapter 89.16 RCW))~~ and the levying, collection, and enforcement by
7 foreclosure of assessments therein, including without limitation the
8 formation method employed by cities or towns.

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

11 (1) After thirty-six calendar months from the month of the date of
12 delinquency, or twenty-four months from the month of the date of
13 delinquency with respect to any local improvement district assessment,
14 the treasurer shall prepare certificates of delinquency on the property
15 for the unpaid irrigation district assessments, and for costs and
16 interest. An individual certificate of delinquency may be prepared for
17 each property or the individual certificates may be compiled and issued
18 in one general certificate including all delinquent properties. Each
19 certificate shall contain the following information:

- 20 (a) Description of the property assessed;
- 21 (b) Street address of property, if available;
- 22 (c) Years for which assessed;
- 23 (d) Amount of delinquent assessments, costs, and interest;
- 24 (e) Name appearing on the treasurer's most current assessment roll
25 for the property; and

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

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

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

1 When the directors of the district have decided to issue revenue
2 bonds as herein provided, they shall call a special election in the
3 irrigation district at which election shall be submitted to the
4 electors thereof possessing the qualifications prescribed by law the
5 question whether revenue bonds of the district in the amount and
6 payable according to the plan of payment adopted by the board and for
7 the purposes therein stated shall be issued. ((Said)) The election
8 shall be called, noticed, conducted, and canvassed in the same manner
9 as provided by law for irrigation district elections to authorize an
10 original issue of bonds payable from revenues derived from annual
11 assessments upon the real property in the district: PROVIDED, That the
12 board of directors shall have full authority to issue revenue bonds as
13 herein provided payable within a maximum period of forty years without
14 a special election(~~(:—AND PROVIDED, FURTHER, That any irrigation~~
15 ~~district indebted to the state of Washington shall get the written~~
16 ~~consent of the director of the department of ecology prior to the~~
17 ~~issuance of said revenue bonds))).~~

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

20 Any irrigation district shall have the power to establish utility
21 local improvement districts within its territory and to levy special
22 assessments within such utility local improvement districts in the same
23 manner as provided for irrigation district local improvement districts:
24 PROVIDED, That it must be specified in any petition for the
25 establishment of a utility local improvement district that the sole
26 purpose of the assessments levied against the real property located
27 within the utility local improvement district shall be the payment of
28 the proceeds of those assessments into ((the)) a revenue bond fund for
29 the payment of revenue bonds, that no warrants or bonds shall be issued
30 in any such utility local improvement district, and that the collection
31 of interest and principal on all assessments in such utility local
32 improvement district, when collected, shall be paid into ((the)) that
33 revenue bond fund, except that special assessments paid before the
34 issuance and sale of bonds may be deposited in a fund for the payment
35 of costs of improvements in the utility local improvement district.

1 **Sec. 13.** RCW 89.12.050 and 2009 c 145 s 3 are each amended to read
2 as follows:

3 (1) A district may enter into repayment and other contracts with
4 the United States under the terms of the federal reclamation laws in
5 matters relating to federal reclamation projects, and may with respect
6 to lands within its boundaries include in the contract, among others,
7 an agreement that:

8 (a) The district will not deliver water by means of the project
9 works provided by the United States to or for excess lands not eligible
10 therefor under applicable federal law.

11 (b) As a condition to receiving water by means of the project
12 works, each excess landowner in the district, unless his excess lands
13 are otherwise eligible to receive water under applicable federal law,
14 shall be required to execute a recordable contract covering all of his
15 excess lands within the district.

16 (c) All excess lands within the district not eligible to receive
17 water by means of the project works shall be subject to assessment in
18 the same manner and to the same extent as lands eligible to receive
19 water, subject to such provisions as the secretary may prescribe for
20 postponement in payment of all or part of the assessment but not beyond
21 a date five years from the time water would have become available for
22 such lands had they been eligible therefor.

23 (d) The secretary is authorized to amend any existing contract,
24 deed, or other document to conform to the provisions of applicable
25 federal law as it now exists. Any such amendment may be filed for
26 record under RCW 89.12.080.

27 (2) A district may enter into a contract with the United States for
28 the transfer of operations and maintenance of the works of a federal
29 reclamation project, but the contract does not impute to the district
30 negligence for design or construction defects or deficiencies of the
31 transferred works. Any contract, covenant, promise, agreement, or
32 understanding purporting to indemnify against liability for damages
33 caused by or resulting from the negligent acts or omissions of the
34 United States, its employees, or agents is not enforceable unless
35 expressly authorized by state law.

36 NEW SECTION. **Sec. 14.** If any provision of this act or its

1 application to any person or circumstance is held invalid, the
2 remainder of the act or the application of the provision to other
3 persons or circumstances is not affected."

4 Correct the title.

EFFECT: In comparison to the original bill, the striking amendment specifies that, with regard to contracts with the federal government for the transfer of operations and maintenance of the works of a federal reclamation project to an irrigation or reclamation district and associated nonimputable negligence provisions, any contract or other specified document purporting to indemnify against liability for damages caused by or resulting from negligent acts or omissions of the United States, its employees, or agents is not enforceable unless expressly authorized by state law.

--- END ---