

Chapter 87.53 RCW
DISSOLUTION OF DISTRICTS WITH BONDS

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Dissolution of inactive special purpose districts: Chapter 36.96 RCW.

RCW 87.53.001 Actions subject to review by boundary review board. Actions taken under chapter 87.53 RCW may be subject to potential review by a boundary review board under chapter 36.93 RCW. [1989 c 84 § 68.]

RCW 87.53.010 Dissolution authorized—Consent of bondholders recorded. An irrigation district may be dissolved and its affairs liquidated as herein prescribed. If there are outstanding bonds of the district the acknowledged uniform consent in writing of at least two-thirds in amount of the holders of the bonds must be recorded in the office of the auditor of the county in which the district board has its office. [1951 c 237 § 1. Prior: 1899 c 102 §§ 1, 2; RRS §§ 7531, 7532.]

Reviser's note: For prior laws on this subject see 1899 c 102; RRS §§ 7531-7543.

RCW 87.53.020 Bondholders' consent necessary—Offer to buy district property. The acknowledged uniform written consent of one hundred percent of the holders of bonds may provide for cancellation of part of the bonds and for the manner and terms of payment of the balance. The bondholders may also make a firm offer for all property and rights of the district, except property in the district sold for taxes and district assessments, to be paid for by turning over for cancellation an appropriate amount in bonds with accrued interest. [1951 c 237 § 2.]

RCW 87.53.030 Petition for dissolution. At least one-third of the electors of the district shall sign and file with the auditor a petition, reciting the substance of the uniform text of the bondholders' consent, that the consent has been filed, and praying that the district be dissolved and its affairs liquidated. [1951 c 237 § 3. Prior: 1899 c 102 § 3; RRS § 7533.]

RCW 87.53.040 Election to be called. The board of commissioners of the county shall at their present or next regular meeting, call an election to submit to the electors of the district the question of whether the district shall be so dissolved. They shall direct the auditor to give notice of the election and shall appoint the election officials. [1951 c 237 § 4. Prior: 1899 c 102 § 5; RRS § 7535.]

RCW 87.53.050 Manner of calling, noticing, conducting election—Ballot—Qualification of electors. The election shall be called upon the same notice and conducted in like manner as other elections of the district: PROVIDED, That when the bondholder's consent to dissolution provides for an adjustment of the bonded debt and/or the terms and method of its payment the notice of election shall recite the substance thereof.

The ballot shall contain the words "For dissolution, Yes" and "For dissolution, No." No person not a qualified elector under the general election laws and a freeholder of the district shall be deemed a qualified elector under this chapter. [1951 c 237 § 5. Prior: 1899 c 102 § 4; RRS § 7534.]

District elections: RCW 87.03.030 through 87.03.110.

Qualification of voters: RCW 87.03.045.

RCW 87.53.060 Election returns, effect—Records to auditor. The election officials shall file with the auditor the returns within ten days of the election, and at their next meeting the commissioners shall canvass the returns, and if a majority of the votes cast favor dissolution, the commissioners shall declare the election carried. All records of the district shall, upon demand, be delivered to the auditor. [1951 c 237 § 6. Prior: 1899 c 102 § 6; RRS § 7536.]

RCW 87.53.070 Transcript of proceedings—Financial statement. The auditor shall deliver to the county clerk a certified copy of the transcript of the proceedings of the commissioners on the matter together with a statement of the district's cash assets, segregated as to the bond fund and the total of all other funds, and a statement of the debts of the district as they appear on the records, taking into account any reduction in bond debt offered by the bondholders in their consent to dissolution; also a general inventory of the district property segregated only as to main classes, together with any offer for same submitted in the bondholders' consent to dissolution. [1951 c 237 § 7. Prior: 1899 c 102 § 7; RRS § 7537.]

RCW 87.53.080 Proceedings docketed in court—Notice to file claims—Claims barred, when. The clerk shall docket the proceedings entitled "In the matter of the dissolution of irrigation district," and the court shall direct the clerk to give notice thereof. The notice shall contain a general statement of the nature of the proceedings, and notify all persons having claims against the district to present them on or before a day specified therein, and shall be published once a week for at least six weeks in a newspaper of general circulation in the county. Any claim not so filed shall be barred. [1985 c 469 § 91; 1951 c 237 § 8. Prior: 1899 c 102 § 8; RRS § 7538.]

Official paper for publication: RCW 87.03.020.

RCW 87.53.090 Determination of claims—Court order—Appeal. If the court finds that the provisions of this chapter have been complied with, it shall then determine the validity and amount of the claims so filed. No claim barred by the statute of limitations shall be allowed. It shall separately determine the validity and amount of outstanding bonds with accrued interest, making allowances for any offer of adjustments contained in the bondholders' consent to dissolution, and shall order that all cash in the district's bond fund together with the proceeds from a sale of all the property and rights of the district shall be first applied to the redemption of outstanding bonds with interest; that other cash funds of the district be applied on payment of valid unsecured claims, and the remainder on the redemption of any balance of outstanding bonds with interest. The court shall further order that in the event the district's cash funds together with proceeds from the sale of district property and rights shall prove insufficient to discharge all valid obligations of the district, one or more annual assessments shall be made against the assessable property in the district, as herein provided, sufficient in amounts to discharge all valid debt. The district or any person affected by the judgment may appeal therefrom within ten days of the entry of judgment. [1951 c 237 § 9. Prior: 1899 c 102 § 9; RRS § 7539.]

RCW 87.53.100 Trustee—Appointment—Compensation—Bond. Upon the entry of final judgment, the court shall issue an order appointing a trustee for the district and shall deliver to him or her a certified copy of the order. The court shall fix the compensation of the trustee and the amount of his or her bond to be obtained at the cost of the district. [2013 c 23 § 520; 1951 c 237 § 10. Prior: 1899 c 102 § 10, part; RRS § 7540, part.]

RCW 87.53.110 Sale of district assets. The trustee shall give notice that all the property and rights of the district, except property in the district sold for taxes or district assessments, will be sold pursuant to order of the court. The notice shall be given in the same manner and for the same time as for sale of real property on execution, except that it need not be posted.

The sale shall be made at public auction at the front door of the courthouse and may be adjourned from time to time not exceeding three

weeks in all, by public announcement at the time and place of the sale.

Any claim established by the previous judgment of the court or any securities of the district may be accepted at face value on the purchase price: PROVIDED, That any offer made in the bondholders' written consent to dissolution shall be considered a bid and shall be accepted in the absence of a better offer. No bid shall be considered nor shall any sale be made for less than all the property and rights of the district. The trustee shall forthwith disburse the cash funds of the district in accordance with the order of the court. [1951 c 237 § 11. Prior: 1899 c 102 § 10, part; RRS § 7540, part.]

Executions: Chapter 6.17 RCW.

RCW 87.53.120 Report of sale—Rights of purchasers. The trustee shall file with the clerk a report of the disposition made of the cash funds and of the sale and if the court finds the sale was fairly conducted, it shall enter an order confirming the sale, and the trustee shall execute and deliver to the purchaser an instrument conveying to him or her all property and rights of the district, free from all claims of the district or its creditors, which shall entitle the purchaser to immediate possession. [2013 c 23 § 521; 1951 c 237 § 12. Prior: 1899 c 102 § 11; RRS § 7541.]

RCW 87.53.130 Order of dissolution—Effect. Upon verification of the disposition of the cash funds and confirmation of the sale the court shall enter an order dissolving the district and discharging the trustee, and a certified copy of the order shall be recorded in the office of the auditor. Thereupon the district shall cease to exist, except for the purpose of collecting its indebtedness. All records of the proceedings shall be delivered to the auditor. [1951 c 237 § 13. Prior: 1899 c 102 § 13; RRS § 7543.]

RCW 87.53.140 Assessments for unpaid obligations. Upon the dissolution of the district the county commissioners shall determine from the records the remaining bond and other indebtedness of the district, and shall determine the proper number of annual assessments, not over five, necessary to discharge the debt. They shall cause the county assessor to prepare the annual assessment roll for the lands in the district, based upon the acreages shown on the last district assessment roll. The commissioners shall levy annual assessments, not exceeding five, upon all property in the district assessed for the bond fund on the district's last assessment roll and according to the ratios of benefits there shown, sufficient to pay any remaining claims, including bonds. They shall levy and equalize the assessments, after the same notice of hearing as are required of district directors on irrigation assessments. The county auditor shall perform the duties of the secretary of the district and the county treasurer shall be ex officio treasurer of the district and shall collect the assessments. In all other respects the general irrigation district laws shall govern.

Any funds remaining after all assessments have been collected and all indebtedness and costs liquidated shall be paid over to the

bondholders in cases where they have accepted a compromise settlement. Otherwise the surplus shall be distributed as by law provided. [1951 c 237 § 14. Prior: 1899 c 102 § 12; RRS § 7542.]

General irrigation district laws: Chapter 87.03 RCW.

RCW 87.53.150 State's consent to dissolution. Whenever any bonds of the district are held in the state reclamation revolving account, and, in the opinion of the director of ecology, the district is or will be unable to meet its obligations, and that the state's investment can be best preserved by the dissolution of the district the director may give his or her consent to dissolution under such stipulations and adjustments of the indebtedness as he or she deems best for the state. [2013 c 23 § 522; 1988 c 127 § 62; 1951 c 237 § 15.]