

SENATE BILL REPORT

SB 5331

As Passed Senate, March 6, 2017

Title: An act relating to irrigation district administration.

Brief Description: Concerning irrigation district administration.

Sponsors: Senators Takko and Warnick.

Brief History:

Committee Activity: Agriculture, Water, Trade & Economic Development: 1/31/17, 2/09/17 [DP].

Floor Activity:

Passed Senate: 3/06/17, 48-1.

Brief Summary of Bill

- Modifies provisions relating to the administration of irrigation districts (districts) by establishing that tolls and charges are not subject to the requirement that assessments be in proportion to the benefits to the land.
- Authorizes districts to approve the sale or transfer of real property owned by the district if certain conditions exist or to waive payments or deposits required as part of an annexation.

SENATE COMMITTEE ON AGRICULTURE, WATER, TRADE & ECONOMIC DEVELOPMENT

Majority Report: Do pass.

Signed by Senators Warnick, Chair; Hawkins, Vice Chair; Chase, Ranking Minority Member; Wellman, Assistant Ranking Minority Member; Brown, Honeyford, McCoy, Pearson, Short, Takko and Van De Wege.

Staff: Karen Epps (786-7424)

Background: Irrigation Districts. Districts provide for the construction, improvement, maintenance, and operation of irrigation systems, and may provide drainage, domestic water supply, and electric power facilities. Districts are established through a landowner petition process and subsequent voter approval. A board of three, five, or seven elected directors

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(Board) is responsible for the management of each district. Districts may finance their operations and actions through fees, tolls, charges, and assessments, but districts do not have the authority to impose property taxes. Districts may impose rates and charges for district services through collection or a levy of assessments. Unpaid rates and charges are deemed charges against the property to which the service is available.

Powers of the District. All districts that are operating and maintaining an irrigation system have numerous statutorily enumerated powers, which include the powers to:

- purchase and sell electricity to residents of the district;
- acquire and operate dams, canals, plants, transmission lines, and other power equipment, and to generate and transmit electricity;
- acquire and operate hydroelectric facilities for the generation of electricity, and to sell electricity generated at any such facility;
- acquire and maintain a system of drains, sanitary sewers, and sewage disposal or treatment plants;
- assume indebtedness to the United States under the federal reclamation laws;
- acquire, install, and maintain water mains and fire hydrants for firefighting purposes;
- contract with other entities to jointly acquire and maintain irrigation water, domestic water, drainage, sewerage works, and electrical power works; and
- acquire and operate a water-sewer district's water system that is wholly within the irrigation district's boundaries to provide water for domestic use of district residents.

District Lands. An irrigation district annexation is initiated by a petition filed with the Board indicating the assent of at least one-half of the eligible lands to the annexation. The petitioners must pay sufficient money to the Board in advance to pay the estimated costs of the annexation proceedings.

If a Board determines that a right-of-way held by the district is to be sold, notice must be given to the owners of lands adjoining the property and the neighboring owners have a right of first refusal to purchase the property that adjoins or is adjacent to their land. The property must be appraised by the county assessor and the neighboring owners must purchase the property at the appraised price. After 60 days from the date of the notice, if no applications for purchase have been received by the district, the rights of first refusal of owners of adjoining lands shall be deemed to have been waived, and the real property may be sold.

Summary of Bill: Irrigation Districts. For the purposes of collection and enforcement, all tolls and charges levied must be considered an assessment against the irrigation lands and treated in the same manner as other district assessments. Any tolls and charges that are considered an assessment for collection and enforcement purposes are not subject to the requirement that assessments be in proportion to the benefits to the land.

District Lands. A Board may waive payment and deposits in whole or in part for the cost of the annexation proceedings if a Board determines that the annexation would be of benefit to the district as a whole. If the Board determines that due to the configuration of property owned by the district, it appears unlikely that the property, or a portion of the property, can be sold for the appraised price, and the property is considered a burden to the district, the property may be sold at a negotiated price. The negotiated price could include a transfer for no payment, without further publication or notice to all adjoining owners.

Appropriation: None.

Fiscal Note: Not requested.

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: PRO: This bill is a technical, clean-up bill. This bill sets up a process for a district to get rid of land that is not being used. This bill is designed to keep irrigation district law up to date with current practices. Irrigation districts are the oldest special purpose districts and the initial enabling act was enacted by the first session of the Washington Legislature in 1890. Some districts have found that charging the costs of the annexation is an unnecessary burden and would like the option to not charge petitioners these costs. This bill would allow a district, when it finds it is in their interest, to transfer that land to adjoining landowners. This bill also clarifies that tolls and fees that are not related to delivery of water to the land do not have to be uniform.

Persons Testifying: PRO: Senator Dean Takko, Prime Sponsor; Mike Schwisow, WA State Water Resources Assoc.

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