

HOUSE BILL REPORT

HB 1494

As Reported by House Committee On:

Local Government
Finance

Title: An act relating to collection of assessments for irrigation and rehabilitation districts.

Brief Description: Concerning collection of assessments for irrigation and rehabilitation districts.

Sponsors: Representatives Dent, Peterson, Lekanoff, Reeves and Ybarra.

Brief History:

Committee Activity:

Local Government: 2/14/23, 2/17/23 [DPS];

Finance: 2/21/23, 2/22/23 [DPS(LG)].

Brief Summary of Substitute Bill

- Changes the process by which an irrigation and rehabilitation district collects assessments for rehabilitation operations.

HOUSE COMMITTEE ON LOCAL GOVERNMENT

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 6 members: Representatives Duerr, Chair; Alvarado, Vice Chair; Goehner, Ranking Minority Member; Jacobsen, Assistant Ranking Minority Member; Berg and Riccelli.

Staff: Elizabeth Allison (786-7129).

Background:

An irrigation district that has the major portion of an inland navigable body of water within

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its exterior boundaries, and has filed and been granted a water right certificate from the Department of Ecology, may become an irrigation and rehabilitation district. An irrigation and rehabilitation district may be organized:

- for the construction or purchase of works, or parts of the same, for the irrigation of lands within the operation of the district;
- for the reconstruction, repair or improvement of existing irrigation works;
- for the operation or maintenance of existing irrigation works;
- for the construction, reconstruction, repair or maintenance of a system of diverting conduits from a natural source of water supply to the point of individual distribution for irrigation purposes;
- for the execution and performance of any contract authorized by law with any department of the federal government or of the State of Washington, for reclamation and irrigation purposes;
- to further the recreational potential of the area;
- to further the rehabilitation or improvement of inland lakes and shorelines; and
- for the modification or improvement of existing or planned control structures located in the district to further the health, recreation, and welfare of the residents in the area.

The directors of an irrigation and rehabilitation district may specially assess land located within the district for benefits received. The assessment may not exceed 25 cents per \$1,000 of assessed value without voter approval at an election called for that purpose. Notice of the election must be given. The special assessment is due at times and in amounts designated by the district directors and must be provided to the county auditor in writing. The amount must be added to the general taxes.

Summary of Substitute Bill:

Existing provisions for collecting assessments are removed. The directors of an irrigation and rehabilitation district must annually determine the amount of money necessary to carry on the rehabilitation efforts of the district, and must classify the property within the district in proportion to the benefits to be derived from the district's rehabilitation operations. The district must apportion and assess the lots, blocks, tracts, and parcels of land or other property, and the assessment must be collected with the county general taxes. The district budget for rehabilitation purposes must not exceed an amount equal to \$1 per \$1,000 of the assessed aggregate valuation of all property within the district unless authorized to exceed that amount by a proposition submitted to the electors of the district and voted on by a majority of those electors.

A district may use the assessed valuation of property as a component in determining the district assessment of any class of lots. Property designated as forestland, farm and agricultural land, or open space land must use the assessed value applicable to such land. The district must provide notice of the proposed assessments and hold an equalization hearing.

Substitute Bill Compared to Original Bill:

The substitute bill provides that the district budget for rehabilitation purposes must not exceed an amount equal to \$1 per \$1,000 of the assessed aggregate valuation of all property within the district unless authorized to exceed that amount by a proposition submitted to the electors of the district and voted on by a majority of those electors.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Substitute Bill: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) This is a very important bill. Moses Lake is a large shallow lake, and the Moses Lake Irrigation and Rehabilitation District (District) has been doing good things with the lake for many years. The District has made great headway in removing weeds and making the lake much cleaner. The District is the only one of its kind and this bill will only affect this District. The history is that Moses Lake has a really great Treasurer, and he noticed that the collections process seemed more like a tax than an assessment. Litigation ensued and the judge ruled in favor of the Treasurer that the collection was a tax. There will be an additional amendment that further aligns the language with mosquito control districts. The District has not collected fees during 2020, 2021, or 2022. This bill is necessary to put the District back to work and provide an income for the District to do its job. The authorization in the 1960s to allow an irrigation district to convert to an irrigation and rehabilitation district added the additional responsibility of the health and safety of residents. The bill is necessary to provide funding for those responsibilities. The District has been a critical partner in the Clean Lakes Project and has been a model for other regions. After a recent problem with algae blooms, the District studied the algae blooms and received funding to address the issue based on the studies. There is broad-based local support for this bill and it only affects the local area.

(Opposed) None.

Persons Testifying: Representative Tom Dent, prime sponsor; and Bill Bailey and Kaj Selmann, Moses Lake Irrigation and Rehabilitation District.

Persons Signed In To Testify But Not Testifying: None.

HOUSE COMMITTEE ON FINANCE

Majority Report: The substitute bill by Committee on Local Government be substituted therefor and the substitute bill do pass. Signed by 13 members: Representatives Berg, Chair; Street, Vice Chair; Orcutt, Ranking Minority Member; Jacobsen, Assistant Ranking Minority Member; Barnard, Chopp, Ramel, Santos, Springer, Stokesbary, Thai, Walen and Wylie.

Staff: Kristina King (786-7190).

Summary of Recommendation of Committee On Finance Compared to Recommendation of Committee On Local Government:

No new changes were recommended.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Substitute Bill: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) Moses Lake is a large and shallow lake and has had challenges with overgrowth of vegetation. The district has been in business for a long time and is a very popular recreational destination for the community. This bill allows the district to maintain its assessment to keep the lake maintained at its best. This legislation is needed due to Moses Lake being the only type of district of its kind in the state. This aligns Moses Lake with other special assessment districts and provides Moses Lake with relevant caselaw.

(Opposed) None.

Persons Testifying: Representative Tom Dent, prime sponsor; and Kaj Selmann, Moses Lake Irrigation and Rehabilitation District.

Persons Signed In To Testify But Not Testifying: None.