

HOUSE BILL REPORT

HB 1195

As Passed House

March 4, 1991

Title: An act relating to irrigation districts.

Brief Description: Authorizing irrigation districts to establish consolidated local improvement districts.

Sponsor(s): Representatives Bray, Ferguson, Nealey, Rayburn, Haugen, Ludwig, Grant, Neher and Wynne.

Brief History:

Reported by House Committee on:

Local Government, February 12, 1991, DP;

Passed House, March 4, 1991, 88-0.

**HOUSE COMMITTEE ON
LOCAL GOVERNMENT**

Majority Report: *Do pass.* Signed by 14 members: Representatives Haugen, Chair; Cooper, Vice Chair; Ferguson, Ranking Minority Member; Mitchell, Assistant Ranking Minority Member; Bray; Edmondson; Franklin; Horn; Nealey; Rayburn; Roland; Wood; Wynne; and Zellinsky.

Staff: Steve Lundin (786-7127).

Background: Local improvement districts (LID's) are financing devices that many units of local government have been authorized to establish for financing the costs of public improvements.

The use of a local improvement district involves drawing boundaries around a proposed public improvement within which property is located that benefits (i.e., will have its market value increased) from the public improvement, and imposing special assessments on that benefited property to finance the public improvement. Property owners are given an opportunity to pay the special assessments in one lump sum. Local improvement district bonds, payable from the special assessments that are not paid in one lump sum, are issued to finance the unpaid special assessments. Property owners who have not made the single lump sum payment are obligated to make periodic payments of principal and interest to redeem the local improvement district bonds.

Irrigation districts are authorized to create local improvement districts. Irrigation district laws relating to local improvement districts provide that a local improvement district may finance the costs of an improvement, but do not appear to allow more than one improvement to be financed by a single local improvement district.

Cities and towns are authorized to create consolidated local improvement districts, for the purpose of issuing local improvement district bonds only, to finance public improvements that need not be adjoining, vicinal, or neighboring.

Summary of Bill: Irrigation districts are authorized to create consolidated local improvement districts, for the purpose of issuing local improvement district bonds only, to finance improvements that need not be adjoining, vicinal, or neighboring.

Fiscal Note: Not requested.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: This will reduce the costs of construction projects by reducing bond council costs, financing costs, and bond printing costs. Cities already have this authority.

Testimony Against: None.

Witnesses: Paul Chasco, Kennewick Irrigation District (pro).