

CHAPTER 42.

[H. B. 69.]

IRRIGATION DISTRICTS; REFUNDING BONDS.

AN ACT relating to irrigation districts, authorizing districts and their creditors to make different plans of settlement of indebtedness; authorizing owners of lands within irrigation districts to pay assessments in advance and prescribing forms of receipt therefor, and amending Chapter 120 of the Laws of 1929.

Be it enacted by the Legislature of the State of Washington:

SECTION 1. That section 4 of chapter 120 of the Laws of 1929 be amended to read as follows: Amends
§ 4, ch. 120,
Laws 1929.

Section 4. There shall accompany said petition as an exhibit thereto a schedule of maximum benefits and of irrigable acreage for all the respective lands in the district. Such schedule shall contain in appropriate columns the name of the person to whom such tract of real property was assessed and the description of said property according to the district assessment roll last equalized, in a third column with appropriate heading shall be specified after each said description of land the maximum benefit to be received from the proposed refunding bond issue with the maximum benefits segregated into its three component parts—(a) the amount required to pay the lands' proportional part of the principal of the bonds; (b) the amount required to pay the lands' proportional part of the interest over the term of the bonds; (c) the amount of benefits in excess of the lands' proportional part of the principal of the bonds and the interest over the term of the bonds; and in another appropriately specified column shall be stated after each tract the irrigable acreage thereof which will be assessed for payment of the proposed refunding bonds. Said schedule shall be signed by the secretary of the district. Refunding
bonds,
petition,
schedule.

Benefits.

Segregation.

Amends § 9,
ch. 120,
Laws 1929.

SEC. 2. That section 9 of chapter 120 of the Session Laws of 1929 be amended to read as follows:

Maximum
benefits,
how de-
termined.

Section 9. The maximum benefits accruing to the several tracts of land in the district from the proposed refunding bond issue shall be considered as new and independent of that accruing from the bonds to be refunded and in determining the maximum benefits as prayed for in said petition, the court shall not be limited to a consideration of the enhancement of market value of the lands involved arising immediately from the issuance and disposal of the proposed refunding bonds but shall have authority to consider such benefits as shall accrue to said lands from the plan of financing provided by the proposed bonds and from the continued operation of the irrigation system under the administration of the district during the life of said refunding bonds and any other benefits that may accrue. If the court finds that the aggregate amount of said maximum benefits shall not equal at least double the amount of the principal of the proposed refunding bonds, to which shall be added the interest computed at the rate specified in the refunding bonds, it shall enter a decree dismissing the proceedings and the district shall have no authority to issue the proposed refunding bonds until a satisfactory decree has been obtained under the provisions of this act: *Provided*, That nothing herein contained shall be construed to prevent the district from continuing the hearing for the purpose of modifying the proposed refunding bond plan or for the purpose of otherwise meeting the objection of the court, nor shall the dismissal of the proceeding be in anywise prejudicial to the institution of a subsequent action for the same purpose; *And provided further*, That nothing herein contained shall be construed to prevent the court from entering a decree upon stipulation of the holders of the bonds to be refunded to

Court
finding.

Hearing
continued.

Decree by
stipulation.

waive their right to part of the indebtedness represented by the bonds to be refunded, so that the proposed refunding bond issue comes within the statutory requirements as to maximum benefits, or to accept refunding bonds based on a lesser aggregate maximum benefit than that required by the statute. *

SEC. 3. That section 20 of chapter 120 of the Session Laws of 1929 be amended to read as follows: Amends § 20, ch. 120, Laws 1929.

Section 20. Said refunding bonds shall be issued in such denominations as the board shall determine, but in the same denominations so far as practicable as the bonds to be refunded and shall mature at the date specified in the notice of election but not in any event later than thirty years from the date thereof, and shall be payable in minimum annual installments specified on a percentage basis and amortized to provide for full payment of the bonds with interest at maturity: *Provided*, That in lieu of the annual payments of principal and semi-annual payments of interest as provided in this act, the court may prescribe the form, manner of payment, and interest rate (not exceeding six percent per annum) of the refunding bonds, in the decree determining maximum benefits and irrigable acreage; and said decree may grant the district the right to pay at the date of any annual or semi-annual payment, one or more next accruing annual or semi-annual installments less the interest on that part of the principal thus paid in advance; *And provided*, In all cases in which the court determines the form, manner of payment, and interest rate of the refunding bonds in the decree determining maximum benefits, all notices provided in this act and any other provision thereof, shall be given and construed in conformity with the terms and conditions of said bond prescribed in said decree. Refunding bonds, denominations. Maturity. Payments. Determination by court.

Amends
§ 31, ch. 120,
Laws 1929.

SEC. 4. That section 31 of chapter 120 of the Session Laws of 1929 be amended to read as follows:

Assess-
ments.

Section 31. No tract of land shall be assessed by the district during the life of the proposed bonds when issued for the purpose of paying the principal of or interest on said bonds in an aggregate amount in excess of double the amount determined in the decree fixing maximum benefits under subdivision (a) of section 4 of this act, together with the interest on the principal computed at the rates specified in the bond, and any assessment in excess thereof shall be void. In addition to its regular normal assessment for the principal or interest of said bonds, no tract of land shall be assessed in any one year to make up past or anticipated delinquencies of assessments or both levied or to be levied against the lands in the district for said purposes, in excess of 50% of its regular normal assessment for said bonds.

Limits.

Amends
§ 32, ch. 20,
Laws 1929.

SEC. 5. That section 32 of chapter 20 [120] of the Session Laws of 1929 be amended to read as follows:

Refunding
bonds, in-
stallment
payments.

Section 32. The owner of any land within said irrigation district which shall be liable for payment of said refunding bonds shall have the right to pay the same in said annual or semi-annual installments or to make payment at any time when installments are due as in this section provided: (1) To pay an amount equal to the amount fixed in said decree determining the maximum benefits under subdivisions (a) and (b) of section 4 of this act or the amount of the unpaid balance of said sums if such payment is not made until one or more installments have been paid, together with the amount fixed by said decree under subdivision (a) of section 4 of this act, and thereafter no further assessment shall be levied against such tract of land; (2) To pay the amount of benefits fixed in the decree determining the maximum benefits under subdivision (a) of section 4 of

this act or the unpaid balance thereof if such payment is made after one or more installments shall have been paid, with interest on the amount paid to the time of making payment, and thereafter such lands shall not be subject to assessments except to meet delinquencies of principal and/or interest on said bonds, for which purpose additional assessments shall be levied against said tract of land to an amount not exceeding the amount found in the decree fixing the maximum benefits under subdivision (a) of section 4 of this act; or (3) To pay any additional installments of the principal with interest accrued on the amount so paid at the time of the payment, and thereafter, in levying assessments against said tracts of land, said owner shall be given credit for such advance payment. The treasurer of the proper county shall have authority to receive for the benefit of the refunding bond fund of the district the payments herein authorized to be made.

SEC. 6. That section 33 of chapter 120 of the Session Laws of 1929 be amended to read as follows:

Amends
§ 33, ch. 120,
Laws 1929.

Section 33. In case the owner of any land within an irrigation district shall make payment in accordance with the second provision in said section 32, the county treasurer shall issue to such land-owner a receipt stating that such payments have been made and that such lands shall thereafter be subject only to the assessments provided for in accordance with such provisions; and, in case any land-owner within such irrigation district shall make any payments in accordance with the third provision of said section 32, the county treasurer shall issue to such land-owner a receipt showing the payment of such installment or installments and stating that credit therefor is thereby given to such land-owner as to apply to future installments.

Receipt for
payments.

Amends
§ 37, ch. 120,
Laws 1929.

Holder of
bonds,
rights.

Exclusion
of lands.

SEC. 7. That section 37 of chapter 120 of the Session Laws of 1929 be amended to read as follows:

Section 37. Except as herein otherwise specifically provided, refunding bonds, authorized, issued and disposed of under the provisions of this act shall entitle the holders and owners thereof to the same rights and privileges, shall constitute a lien on the same property and shall be paid in the same manner as the original bonds refunded by said bond issue, and said refunding bonds shall be retired by the exaction of annual assessments levied against all the lands in the district: *Provided, however,* That any lands in the district against which no benefits are determined by the decree determining maximum benefits may be excluded from the district in the same manner in which lands may now be excluded from the districts against which there are no bond issues, and said lands so excluded shall be forever free of the liens of said refunding bonds; *And provided further,* That no assessments against any tract of land shall exceed the amount specified under section 31 of this act.

Passed the House February 27, 1931.

Passed the Senate March 4, 1931.

Approved by the Governor March 18, 1931.