

## CHAPTER 121.

[H. B. 182.]

## IRRIGATION AND DRAINAGE DISTRICTS.

AN ACT relating to irrigation and drainage districts, defining the powers and duties of the director of conservation and development, with reference to investments made by the state in aid thereof, providing for the cancellation of assessments and taxes levied upon the irrigation system of such districts, and on the irrigable land in such districts and declaring that this act shall take effect immediately.

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

SECTION 1. The director of conservation and development shall not undertake the development or financing of any new reclamation projects during the biennium ending March 31, 1931.

Reclamation projects, development suspended.

SEC. 2. Whenever the department of conservation and development shall have heretofore purchased, and the state shall own, the entire issue of the bonds of any irrigation or drainage district, and in the judgment of the director of conservation and development such district is, or will be, unable to meet its obligations to the state as they mature, and in the judgment of the director of conservation and development the investment of the state can be made more secure by the exchange of the bonds held by the state for refunding bonds of such district issued as in the manner provided by law at the same or a lower rate of interest and/or for a longer term, and the exchange of the remaining bonds held by the state for the refunding bonds of the district issued in the manner provided by law at the same or a lower rate of interest and/or for the same or a longer term, or by the cancellation of a portion of the bonds held by the state and/or interest accrued thereon, the director of conservation and development shall be and is hereby authorized and empowered to so exchange the bonds held by the state

State owns entire issue of bonds of irrigation or drainage district.

Exchange for refund bonds authorized.

for such refunding bonds or to cancel a portion of the bonds held by the state and/or interest accrued thereon, and exchange the remaining bonds held by the state for such refunding bonds as in his judgment will be for the best interest of the state.

SEC. 3. Whenever the department of conservation and development shall have heretofore purchased and the state shall own a portion of the bonds of any irrigation or drainage district, and in the judgment of the director of conservation and development such district is, or will be, unable to meet its obligations as they mature, and in the judgment of the director of conservation and development the investment of the state can be made more secure by exchanging the bonds held by the state for the refunding bonds of the district issued in the manner provided by law at the same or a lower rate of interest and/or for a longer term, or by the cancellation of a portion of the bonds held by the state and/or interest accrued thereon, and the exchange of the remaining bonds held by the state for the refunding bonds of the district issued in the manner provided by law at the same or a lower rate of interest and/or for a longer term, the director of conservation and development shall be and is hereby authorized and empowered to so exchange the bonds held by the state for such refunding bonds or to cancel a portion of the bonds held by the state and/or interest accrued thereon, and exchange the remaining bonds held by the state for such refunding bonds as in his judgment will be for the best interest of the state: *Provided*, That all of the holders of the other bonds of such district shall make and execute the same arrangement with the district.

SEC. 4. Whenever the department of conservation and development shall have heretofore entered into a contract with an irrigation district and shall have expended moneys under said contract, and said

State owns portion of issue of bonds of irrigation or drainage district.

Exchange for refund bonds authorized.

Irrigation district contract with state.

District indebtedness to state may be compromised.

district shall be indebted to the state for the moneys so expended, and in the judgment of the director of conservation and development said district shall have not received benefits equal to the amount of said indebtedness, the director of conservation and development shall be and is hereby authorized and empowered to settle and compromise the claim of the state against said district upon such terms and for such an amount as he shall deem fair and just to the state and the district.

Irrigation district unable to meet obligations, delinquent taxes and assessments may be cancelled.

SEC. 5. Whenever the director of conservation and development shall find any irrigation district is, or will be unable to meet its obligations and that refunding operations under this act are necessary, and that as a part of such refunding operations the cancellation of assessments and county taxes on the irrigation system and the irrigable lands in such district then delinquent, is necessary, the board of county commissioners of the county in which such irrigation district is situated may, upon request of the director of conservation and development, cancel any or all delinquent assessments and county taxes levied upon the irrigable lands in such district and all county taxes levied upon the irrigation system of such district, if such board shall find that such irrigation district is or will be unable to meet its obligations and such refunding operations are necessary, of which the report of the director of conservation and development shall be *prima facie* evidence.

Effective immediately.

SEC. 6. This act is necessary for the preservation of existing institutions and public welfare and shall take effect immediately.

Passed the House February 19, 1929.

Passed the Senate March 6, 1929.

Approved by the Governor March 20, 1929.