

be obligated for bond redemption, and all rentals, tolls, and all miscellaneous collections. This fund shall be transmitted to the district treasurer or disbursed in such manner as the directors may designate. (2) A fund to be known as "fiscal fund" in which shall be deposited all collections made by the district as fiscal agent of the United States. (3) A "revolving fund" in such amount as the directors shall by resolution determine, acquired by the issue of coupon warrants or by transfer of funds by warrant drawn upon the expense fund. This fund may be disbursed by check signed by the secretary or such other person as the board may designate, in the payment of such ~~((current expenses))~~ expenditures as the board may deem necessary. This fund shall be reimbursed by ~~((sending the canceled checks))~~ submitting copies of approved vouchers and/or copy of payrolls to the county auditor with a claim voucher specifying the fund upon which warrants for such reimbursements shall be drawn. The warrants for such reimbursements shall be made out by the auditor to the "secretary's revolving fund."

Sec. 3. Section 39, page 692, Laws of 1889-90 as last amended by section 2, chapter 163, Laws of 1975 1st ex. sess. and RCW 87.03.460 are each amended to read as follows:

The directors shall each receive not to exceed twenty-five dollars per day in attending meetings and while performing other services for the district, to be fixed by resolution and entered in the minutes of their proceedings, and in addition thereto their ~~((travel))~~ reasonable expenses in accordance with chapter 42.24 RCW ~~((43.03.050 and 43.03.060))~~ as now existing or hereafter amended. The board shall fix the compensation of the secretary and all other employees. The board shall, upon the petition of at least fifty or a majority of the electors, submit to the electors at any general district election, a schedule of salaries and fees to be paid hereunder. The petition shall be presented to the board twenty days before a general election, and the result thereof shall be determined and declared as other elections.

Passed the House March 7, 1979.

Passed the Senate March 2, 1979.

Approved by the Governor March 21, 1979.

Filed in Office of Secretary of State March 21, 1979.

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## CHAPTER 84

[Substitute House Bill No. 617]

### FARM AND AGRICULTURAL LANDS—SPECIAL BENEFIT ASSESSMENTS

AN ACT Relating to farm and agriculture land; and adding new sections to chapter 84.34 RCW.

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

NEW SECTION. Section 1. The legislature finds that farming and the related agricultural industry have historically been and currently are central factors in the economic and social lifeblood of the state; that it is a fundamental policy of the state to protect agricultural lands as a major natural resource in order to maintain a source to supply a wide range of agricultural products; and that the public interest in the protection and stimulation of farming and the agricultural industry is a basic element of enhancing the economic viability of this state. The legislature further finds that farmland in urbanizing areas is often subjected to high levels of property taxation and benefit assessment, and that such levels of taxation and assessment encourage and even force the premature removal of such lands from agricultural uses. The legislature further finds that because of this level of taxation and assessment, such farmland in urbanizing areas is either converted to nonagricultural uses when significant amounts of nearby nonagricultural area could be suitably used for such nonagricultural uses, or, much of this farmland is left in an unused state. The legislature further finds that with the approval by the voters of the Fifty-third Amendment to the state Constitution and with the enactment of chapter 84.34 RCW, the owners of farmlands were provided with an opportunity to have such land valued on the basis of its current use and not its "highest and best use" and that such current use valuation is one mechanism to protect agricultural lands. The legislature further finds that despite this potential property tax reduction, farmlands in urbanized areas are still subject to high levels of benefit assessments and continue to be removed from farm uses.

It is therefore the purpose of the legislature to establish, with the enactment of sections 1 through 9 of this act, another mechanism to protect agricultural land which creates an analogous system of relief from certain benefit assessments for farm and agricultural land. It is the intent of the legislature that special benefit assessments not be imposed for the availability of sanitary and/or storm sewerage service, or domestic water service, or for road construction and/or improvement purposes on farm and agricultural lands which have been designated for current use classification as farm and agricultural lands until such lands are withdrawn or removed from such classification.

The legislature finds, and it is the intent of this act, that special benefit assessments for the improvement or construction of sanitary and/or storm sewerage service, or domestic water service, or certain road construction do not generally benefit land which has been classified as open space farm and agricultural land under the open space act, chapter 84.34 RCW, until such land is withdrawn from such classification or such land is used for a more intense and nonagricultural use. The purpose of this act is to provide an exemption from certain special benefit assessments which do not benefit open space farm and agricultural land, and to provide the means for local governmental entities to recover such assessments in current dollar value in the

event such land is no longer devoted to farming under chapter 84.34 RCW. Where the owner of such land chooses to make limited use of improvements related to special benefit assessments, this act provides the means for the partial assessment on open space farmland to the extent the land is directly benefited by the improvement.

NEW SECTION. Sec. 2. As used in sections 1 through 9 of this act, unless a different meaning is required, the words defined in this section shall have the meanings indicated.

(1) "Farm and agricultural land" shall mean the same as defined in RCW 84.34.020(2).

(2) "Local government" shall mean any city, town, county, sewer district, water district, public utility district, port district, irrigation district, flood control district, or any other municipal corporation, quasi municipal corporation, or other political subdivision authorized to levy special benefit assessments for sanitary and/or storm sewerage systems, domestic water supply and/or distribution systems, or road construction or improvement purposes.

(3) "Local improvement district" shall mean any local improvement district, utility local improvement district, local utility district, road improvement district, or any similar unit created by a local government for the purpose of levying special benefit assessments against property specially benefited by improvements relating to such districts.

(4) "Owner" shall mean the same as defined in RCW 84.34.020(5) or the applicable statutes relating to special benefit assessments.

(5) The term "average rate of inflation" shall mean the annual rate of inflation as determined by the department of revenue averaged over the period of time as provided in section 4 (1) and (2) of this act. Such determination shall be published not later than January 1 of each year for use in that assessment year.

(6) "Special benefit assessments" shall mean special assessments levied or capable of being levied in any local improvement district or otherwise levied or capable of being levied by a local government to pay for all or part of the costs of a local improvement and which may be levied only for the special benefits to be realized by property by reason of that local improvement.

NEW SECTION. Sec. 3. Any farm and agricultural land which is designated for current use classification pursuant to chapter 84.34 RCW at the earlier of the times the legislative authority of a local government adopts a resolution, ordinance, or legislative act (1) to create a local improvement district, in which such land is included or would have been included but for such classification designation, or (2) to approve or confirm a final special benefit assessment roll relating to a sanitary and/or storm sewerage system, domestic water supply and/or distribution system, or road construction and/or improvement, which roll would have included such land but for such

classification designation, shall be exempt from special benefit assessments or charges in lieu of assessment for such purposes as long as that land remains in such classification, except as otherwise provided in section 7 of this act.

Whenever a local government creates a local improvement district, the levying, collection and enforcement of assessments shall be in the manner and subject to the same procedures and limitations as are provided pursuant to the law concerning the initiation and formation of local improvement districts for the particular local government. Notice of the creation of a local improvement district that includes farm and agricultural land shall be filed with the county assessor and the legislative authority of the county in which such land is located. The county assessor, upon receiving notice of the creation of such a local improvement district, shall send a notice to the owner of the farm and agricultural lands listed on the tax rolls of the applicable county treasurer of: (1) the creation of the local improvement district; (2) the exemption of that land from special benefit assessments; (3) the fact that the farm and agricultural land may become subject to the special benefit assessments if the owner waives the exemption by filing a notarized document with the governing body of the local government creating the local improvement district before the confirmation of the final special benefit assessment roll; and (4) the potential liability, pursuant to section 4 of this act, if the exemption is not waived and the land is subsequently removed from the farm and agricultural land status. When a local government approves and confirms a special benefit assessment roll, from which farm and agricultural land has been exempted pursuant to this section, it shall file a notice of such action with the county assessor and the legislative authority of the county in which such land is located and with the treasurer of that local government, which notice shall describe the action taken, the type of improvement involved, the land exempted, and the amount of the special benefit assessment which would have been levied against the land if it had not been exempted. The filing of such notice with the county assessor and the treasurer of that local government shall constitute constructive notice to a purchaser or encumbrancer of the affected land, and every person whose conveyance or encumbrance is subsequently executed or subsequently recorded, that such exempt land is subject to the charges provided in sections 4 and 5 of this act if such land is withdrawn or removed from its current use classification as farm and agricultural land.

The owner of the land exempted from special benefit assessments pursuant to this section may waive that exemption by filing a notarized document to that effect with the legislative authority of the local government upon receiving notice from said local government concerning the assessment

roll hearing and before the local government confirms the final special benefit assessment roll. A copy of that waiver shall be filed by the local government with the county assessor, but the failure of such filing shall not affect the waiver.

Except to the extent provided in section 7 of this act, the local government shall have no duty to furnish service from the improvement financed by the special benefit assessment to such exempted land.

NEW SECTION. Sec. 4. Whenever farm and agricultural land has once been exempted from special benefit assessments pursuant to section 3 of this act, any withdrawal from classification or change in use from farm and agricultural land under chapter 84.34 RCW shall result in the following:

(1) If the bonds used to fund the improvement in the local improvement district have not been completely retired, such land shall immediately become liable for: (a) The amount of the special benefit assessment listed in the notice provided for in section 3 of this act; plus (b) interest on the amount determined in (1)(a) of this section, compounded annually at a rate equal to the average rate of inflation from the time the initial notice is filed by the governmental entity which created the local improvement district as provided in section 3 of this act to the time the owner withdraws such land from the exemption category provided by this chapter; or

(2) If the bonds used to fund the improvement in the local improvement district have been completely retired, such land shall immediately become liable for: (a) The amount of the special benefit assessment listed in the notice provided for in section 3 of this act; plus (b) interest on the amount determined in (2)(a) of this section compounded annually at a rate equal to the average rate of inflation from the time the initial notice is filed by the governmental entity which created the local improvement district as provided in section 3 of this act, to the time the bonds used to fund the improvement have been retired; plus (c) interest on the total amount determined in (2) (a) and (b) of this section at a simple per annum rate equal to the average rate of inflation from the time the bonds used to fund the improvement have been retired to the time the owner withdraws such lands from the exemption category provided by this chapter.

(3) The amount payable pursuant to this section shall become due on the date such land is withdrawn or removed from its current use classification and shall be a lien on the land prior and superior to any other lien whatsoever except for the lien for general taxes, and shall be enforceable in the same manner as the collection of special benefit assessments are enforced by that local government.

NEW SECTION. Sec. 5. Whenever farm and agricultural land is withdrawn or removed from its current use classification as farm and agricultural land, the county assessor of the county in which such land is located

shall forthwith give written notice of such withdrawal or removal to the local government or its successor which had filed with the assessor the notice required by section 3 of this act. Upon receipt of the notice from the assessor, the local government shall mail a written statement to the owner of such land for the amounts payable as provided in section 4 of this act. Such amounts due shall be delinquent if not paid within one hundred and eighty days after the date of mailing of the statement, and shall be subject to the same interest, penalties, lien priority, and enforcement procedures that are applicable to delinquent assessments on the assessment roll from which that land had been exempted, except that the rate of interest charged shall not exceed the rate provided in section 4 of this act.

NEW SECTION. Sec. 6. Payments collected pursuant to sections 4 and 5 of this act, or by enforcement procedures referred to therein, after the payment of the expenses of their collection, shall first be applied to the payment of general or special debt incurred to finance the improvements related to the special benefit assessments, and, if such debt is retired, then into the maintenance fund or general fund of the governmental entity which created the local improvement district, or its successor, for any of the following purposes: (1) Redemption or servicing of outstanding obligations of the district; (2) maintenance expenses of the district; or (3) construction or acquisition of any facilities necessary to carry out the purpose of the district.

NEW SECTION. Sec. 7. Within ninety days after the effective date of this act, the department of revenue shall adopt rules it shall deem necessary to implement sections 1 through 9 of this act which shall include, but not be limited to, procedures to determine the extent to which a portion of the land otherwise exempt may be subject to a special benefit assessment for the actual connection to the domestic water system or sewerage facilities, and further to determine the extent to which all or a portion of such land may be subject to a special benefit assessment for access to the road improvement in relation to its value as farm and agricultural land as distinguished from its value under more intensive uses. The provision for limited special benefit assessments shall not relieve such land from liability for the amounts provided in sections 4 and 5 of this act when such land is withdrawn or removed from its current use classification as farm and agricultural land.

NEW SECTION. Sec. 8. Whenever a portion of a parcel of land which was classified as farm and agricultural land pursuant to this chapter is withdrawn from classification or there is a change in use, and such land has been exempted from any benefit assessments pursuant to section 3 of this act, the previously exempt benefit assessments shall become due on only that portion of the land which is withdrawn or changed.

NEW SECTION. Sec. 9. Farm and agricultural land on which the right to future development has been acquired by any local government, the state

of Washington, or the United States government shall be exempt from special benefit assessments in lieu of assessment for such purposes in the same manner, and under the same liabilities for payment and interest, as land classified under this chapter as farm and agricultural land, for as long as such classification applies.

Any interest, development right, easement, covenant, or other contractual right which effectively protects, preserves, maintains, improves, restores, prevents the future nonagricultural use of, or otherwise conserves farm and agricultural land shall be exempt from special benefit assessments as long as such development right or other such interest effectively serves to prevent nonagricultural development of such land.

NEW SECTION. Sec. 10. Sections 1 through 9 of this act shall be added to chapter 84.34 RCW. The code reviser shall insert references to this act in chapters 35.44, 36.88, 36.94, 53.08, 54.16, 56.20, 57.16, 86.09, and 87.03 RCW and other relevant chapters.

NEW SECTION. Sec. 11. If any provision of this act, or its application to any person or circumstance is held invalid, the remainder of the act, or the application of the provision to other persons or circumstances is not affected.

Passed the House March 8, 1979.

Passed the Senate March 8, 1979.

Approved by the Governor March 21, 1979.

Filed in Office of Secretary of State March 21, 1979.

## CHAPTER 85

[House Bill No. 636]

### PORT DISTRICTS—AIRCRAFT NOISE ABATEMENT

AN ACT Relating to aircraft noise abatement; and amending section 2, chapter 121, Laws of 1974 ex. sess. and RCW 53.54.020.

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

Section 1. Section 2, chapter 121, Laws of 1974 ex. sess. and RCW 53.54.020 are each amended to read as follows:

Prior to initiating programs as authorized in this chapter, the port commission shall undertake the investigation and monitoring of aircraft noise impact to determine the nature and extent of the impact. The port commission shall adopt a program of noise impact abatement based upon the investigations and as amended periodically to conform to needs demonstrated by the monitoring programs: PROVIDED, That in no case may the port district undertake any of the programs of this chapter in an area which is more than ~~((three))~~ six miles beyond the paved end of any runway or more than ~~((fifteen))~~ thirty-three hundred feet from the centerline of any runway or from an imaginary runway centerline extending ~~((three))~~ six miles from