

# Key Presumptions in Favor of Local Governments

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- **All actions taken were legal**
- **Property is specifically benefited**
- **Assessments no greater than the benefits**
- **Assessments are equitable and proportionate**
- **Assessments are fair and valid**

# Irrigation District LIDs

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- **LID Assessments are fundamentally different from an irrigation district's normal "assessments" (RCW 87.03.260) and "special assessments" (RCW 87.03.470)**
- **Regular irrigation district assessments are a hybrid between property taxes and rates rather than LID-type special assessments**
- **Need to work out ownership of the improvements with the Bureau of Reclamation**

# Irrigation District LID Formation

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- **Either by petition of  $\frac{1}{4}$  of acreage to be assessed (RCW 87.03.480)...**
- **...or by resolution of the irrigation district's board (RCW 87.03.485)**

# Irrigation District LID Formation

**In either case, notice of a hearing is published in the paper, and written notice sent to all affected property owners. The notice must state the nature of the improvements, an estimate of the assessments, and a warning that actual assessments may vary.**

# Irrigation District LID Formation

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- Board forms LID after hearing...
- ...*But* formation may be blocked by a protest “signed by a majority of the holders of title” in the proposed LID, filed before or at the hearing.

# Irrigation District LID Assessments

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- **Assessments must be “in proportion to the benefits accruing thereto”**
- **Statute does not outline alternative assessment techniques like city LID statute does (except for canal safety improvements, x-referencing city law)**
- **Therefore, a special benefit study is desirable**

# Irrigation District LID Bonds

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- **Assessments can be as long as 50 years (RCW 87.03.490(1)), but can LID bonds be that long?**
- **LID bonds rarely exceed 20 years**
- **Irrigation District LID bonds are revenue bonds, but the statute states that they “are also a general obligation of the district.” (That doesn’t make sense, because in Washington State, general obligations are backed by *taxes.*)**

# Irrigation District LID Bonds

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- **Backed by a “Guarantee Fund” with a balance not exceeding 5% of outstanding bonds**
- **5% may be too low in today’s market, and bond underwriters might ask for a supplemental special reserve fund under Chapter 35.51.040 so the total is 10%**

# QUESTIONS?

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# Contact Information

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