

Bond Case Briefs

Municipal Finance Law Since 1971

ASSESSMENTS - WASHINGTON

Hasit LLC v. City of Edgewood (Local Improvement Dist. #1)

Court of Appeals of Washington, Division 2 - March 13, 2014 - P.3d - 2014 WL 982355

Owners of local improvement district (LID) parcels sought review of city council decision to pass ordinance subjecting owners' property to assessment for installation of sewers, alleging substantive defects in appraiser's assessment and flaws in council's protest procedures. The Superior Court remanded matter for revised and de novo hearing and evidentiary process. City appealed and owner cross-appealed.

The Court of Appeals held that:

- Apparent violation of procedural rules in vote to confirm assessment did not render resulting ordinance invalid;
- Requiring owners to bear entire costs of sewer installation did not proceed on fundamentally wrong basis;
- Assessment was improperly based on costs that resulted in benefit only to future users not assessed under LID;
- Council's denial of owners' protests based on failure to produce expert testimony was arbitrary and capricious;
- Council's requirement that owners present expert appraisal evidence was arbitrary and capricious;
- City failed to provide owners with constitutionally adequate notice of hearing; and
- Even if due process violation amounted to jurisdictional defect, owners that did not protest assessment waived claim.

Assessment imposed on property owners of specially-benefited parcels in LID to pay for installation of sewers were improperly based on costs that resulted in benefit only to future users not assessed under LID, requiring annulment of assessments as to those owners that protested imposition of assessments. Assessments included costs for oversizing sewer pipes, which would benefit only future owners and presented situation different from incidental general benefits that sewer improvements confer on community at large.