

**First Regular Session
Seventy-first General Assembly
STATE OF COLORADO**

REREVISED

*This Version Includes All Amendments
Adopted in the Second House*

LLS NO. 17-0120.01 Thomas Morris x4218

HOUSE BILL 17-1030

HOUSE SPONSORSHIP

Arndt and Becker J., Coram

SENATE SPONSORSHIP

Sonnenberg and Baumgardner,

House Committees

Agriculture, Livestock, & Natural Resources

Senate Committees

Agriculture, Natural Resources, & Energy

A BILL FOR AN ACT

101 **CONCERNING UPDATES TO THE 1921 LAW GOVERNING IRRIGATION**
102 **DISTRICTS.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov/>.)

Water Resources Review Committee. This bill amends the 1921 irrigation district law to:

- ! Remove inconsistencies and update antiquated provisions;
- ! Clarify the definition of landowners entitled to receive water, vote in district elections, and serve on the board of directors;

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
*Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.*

SENATE
3rd Reading Unamended
February 14, 2017

SENATE
Amended 2nd Reading
February 13, 2017

HOUSE
3rd Reading Unamended
January 31, 2017

HOUSE
Amended 2nd Reading
January 26, 2017

- ! Update dollar figures and, in subsequent years, adjust for inflation;
- ! Define "agricultural land";
- ! Update election procedures;
- ! Clarify how irrigation district assessments are collected and held; and
- ! Modernize procedures for selling surplus property.

The bill also clarifies that water acquired in excess of an irrigation district's own needs can be leased for all beneficial purposes, rather than only for domestic, agricultural, and power and mechanical purposes, and that the provisions of the 1921 irrigation district law are in addition to powers conferred on irrigation districts in other statutes.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, 37-42-106, **repeal** (2)
 3 as follows:

4 **37-42-106. Notice of organization meeting and election.** (2) ~~At~~
 5 ~~all elections held under the provisions of this article, every owner of~~
 6 ~~agricultural land within said district who is eighteen years of age or older,~~
 7 ~~is a citizen of the United States or has declared his or her intention to~~
 8 ~~become a citizen of the United States, is a resident of the state of~~
 9 ~~Colorado, and has paid real property taxes upon the property located~~
 10 ~~within said district on an area in excess of one acre during the year~~
 11 ~~preceding the date of said election if a resident of the district or on an area~~
 12 ~~of forty acres or more if a resident of the state outside the district or who~~
 13 ~~is an entryman upon public lands of the United States and is residing~~
 14 ~~thereon, shall be entitled to vote at such election in the precinct where he~~
 15 ~~or she resides or, if a nonresident of the precinct, in the precinct within~~
 16 ~~which the greater portion of his or her land is located. Any person so~~
 17 ~~qualified to vote, and who resides in any county into which said district~~
 18 ~~extends, is eligible for election as a director in and for the division in such~~
 19 ~~district in which he or she is entitled to vote. All lands platted or~~

1 ~~subdivided into residence or business lots shall not be considered~~
2 ~~agricultural land.~~

3 **SECTION 2.** In Colorado Revised Statutes, 37-42-107, **amend**
4 (1) as follows:

5 **37-42-107. Organization - meeting - voting.** (1) The board of
6 county commissioners shall attend at the time and place of ~~such~~ THE
7 meeting SPECIFIED IN SECTION 37-42-106 and shall certify to the meeting
8 a list of the landowners of ~~said~~ THE proposed district, taking no account
9 of those who have prosecuted appeals from the order of the board of
10 county commissioners fixing and determining boundaries, together with
11 the number of acres within ~~said~~ THE proposed district, owned or
12 represented by each, the total of which acreage, for the purposes of this
13 meeting, shall be considered the total acres of the district. The board of
14 county commissioners shall also act as a credentials committee of ~~said~~
15 THE meeting and shall decide AND CREATE A WRITTEN CERTIFICATION
16 REGARDING who are eligible voters ~~thereat making a certificate~~
17 ~~concerning the same, and~~ AT THE MEETING. The ~~chairman~~ CHAIR of the
18 board shall preside at ~~said~~ THE meeting until ~~such time as~~ temporary
19 officers are elected from among those present. ~~The unit of voting power~~
20 ~~shall be the acre within said district or proposed district, each landowner~~
21 ~~being entitled to cast as many votes as he has acres of land within the~~
22 ~~district or proposed district, and, in casting such votes, such landowner~~
23 ~~may vote in person or by proxy, and, in the election of directors, the~~
24 ~~practice known as cumulative voting shall be allowed.~~ Any person
25 desiring to act as proxy for another must file written authority therefor
26 before being allowed to vote, which authority shall be retained as part of
27 the ~~proceedings of the meeting at which such vote is cast and shall be~~

1 ~~subject to use at no other meeting.~~

2 **SECTION 3.** In Colorado Revised Statutes, 37-42-108, **amend**
3 (1) as follows:

4 **37-42-108. Directors - election.** (1) The board of directors ~~shall~~
5 ~~consist~~ CONSISTS of three landowners of the district who ~~shall~~ ARE
6 QUALIFIED TO VOTE AT DISTRICT ELECTIONS PURSUANT TO SECTION
7 37-42-112(2), INCLUDING AUTHORIZED AGENTS, AND WHO RESIDE WITHIN
8 THE DISTRICT. DIRECTORS hold their respective offices for the period of
9 three years and until their successors are elected and qualified. They shall
10 be elected by ballot upon public nominations made at the meeting at
11 which they are elected, and each ballot ~~shall~~ MUST contain the name of
12 the person for whom it is cast, the name of the voter or, if by proxy, the
13 name of both landowner and proxy, and the number of votes cast. Each
14 landowner may cast as many votes as he OR SHE has acres of land within
15 the district for each of three persons voted for. ~~and may vote~~
16 ~~cumulatively, if he so desires, indicating that fact upon his ballot.~~

17 **SECTION 4.** In Colorado Revised Statutes, 37-42-110, **amend**
18 (2)(b), (3), and (7); and **repeal** (4) as follows:

19 **37-42-110. Directors to organize - powers.** (2) (b) It is also the
20 duty of ~~such~~ THE board to make an annual report of ~~such~~ THE district
21 showing the status of its affairs generally, including full lists of assets and
22 liabilities, warrants and bonds outstanding, and such as have been paid or
23 retired during the last fiscal year, and to present the ~~same~~ REPORT to the
24 landowners at OR BEFORE the annual election.

25 (3) As compensation for ~~such~~ service as directors, each person so
26 acting ~~shall~~ IS ENTITLED TO receive ~~ten~~ ONE HUNDRED dollars for each day
27 necessarily spent in the discharge of district business and such expenses

1 as are necessarily incurred in the conduct of its affairs; except that, after
2 the first year, the landowners may fix other compensation by vote at any
3 annual OR SPECIAL election.

4 (4) ~~Each member of the board of directors shall execute an official~~
5 ~~bond in the sum of three thousand dollars, which shall be approved by the~~
6 ~~county judge of the county wherein such organization was effected, and~~
7 ~~the bond shall be recorded in the office of the county clerk and recorder~~
8 ~~thereof. Such official bond may be signed by a surety company authorized~~
9 ~~to do business in the state of Colorado, in which case the district shall be~~
10 ~~liable for and shall pay the premium on said bond.~~

11 (7) If it is found necessary by the board of directors to employ
12 judges of election, each ~~shall~~ JUDGE IS ENTITLED TO receive as
13 compensation for his OR HER services the sum of ~~ten~~ ONE HUNDRED
14 dollars per day to be paid by the district; EXCEPT THAT THE LANDOWNERS
15 MAY FIX OTHER COMPENSATION BY VOTE AT ANY ANNUAL OR SPECIAL
16 ELECTION.

17 **SECTION 5.** In Colorado Revised Statutes, **amend** 37-42-111 as
18 follows:

19 **37-42-111. Meetings of directors - notice.** The board of directors
20 shall hold its regular meetings at least four times each year, which may be
21 immediately following the general election and on the first Tuesday of
22 April, July, and October of each year, or, in the alternative, at such other
23 times as may be designated in the bylaws, RULES, OR REGULATIONS
24 adopted by the board, and such special meetings as ~~shall be~~ ARE called,
25 on at least five days' notice, by a majority of the board. All special and
26 regular meetings must be held where practicable within the district or, if
27 not so practicable, within the boundaries of any county in which the

1 district is located, in whole or in part, or in any county so long as the
2 meeting location ~~does not exceed~~ IS WITHIN twenty miles ~~from~~ OF the
3 district boundaries. The provisions of this section governing the location
4 of meetings may be waived only if the proposed change of location of a
5 meeting of the board appears on the agenda of a regular or special
6 meeting of the board and if a resolution is adopted by the board stating
7 the reason for which a meeting of the board is to be held in a location
8 other than under ~~the provisions of~~ this section and further stating the date,
9 time, and place of ~~such~~ THE meeting. In calling special meetings, the call
10 must state specifically the business to be transacted, and none other shall
11 be considered, but, at regular meetings, any business ~~which~~ THAT the
12 board of directors may legally transact may be acted upon. A majority of
13 all members of the board ~~shall~~ MUST concur in order to bind the district
14 or the board in any matter. All board meetings ~~shall~~ MUST be public,
15 EXCEPT FOR EXECUTIVE SESSIONS TO DISCUSS CONFIDENTIAL MATTERS
16 AND TO RECEIVE LEGAL ADVICE ON SPECIFIC LEGAL QUESTIONS, and the
17 records thereof, EXCEPT CONFIDENTIAL RECORDS, ARE open to general
18 public inspection during business hours. IRRIGATION DISTRICTS MAY
19 DEFINE CONFIDENTIAL RECORDS AND MATTERS SUBJECT TO EXECUTIVE
20 SESSION IN THE BYLAWS, RULES, OR REGULATIONS USING SECTION
21 24-6-402 (4) AS GUIDANCE.

22 **SECTION 6.** In Colorado Revised Statutes, **amend** 37-42-112 as
23 follows:

24 **37-42-112. District elections - definition.** (1) Elections are of
25 two kinds, general and special. A general election shall be held once each
26 year in the month of January, at a date, time, and place designated by the
27 board. Any business requiring or permitting a vote of the landowners may

1 be transacted at ~~such~~ THE election, including always the election of a
2 board of directors for the ensuing year. A special election may be called
3 at any time by the board of directors by resolution duly passed and
4 entered of record in the minutes of the proceedings of the board. Notice
5 of A general ~~elections shall~~ ELECTION MUST call attention to the date and
6 place of ~~such~~ THE election. In addition, notice of A special ~~elections shall~~
7 ELECTION MUST state the nature of the business to be transacted at ~~such~~
8 THE election, and no business shall be transacted ~~thereat~~ AT THE SPECIAL
9 ELECTION other than that mentioned in the call. In either case, notice shall
10 be ~~mailed~~ DELIVERED ELECTRONICALLY OR BY UNITED STATES MAIL to
11 each landowner of the district ~~at his~~ WHO IS QUALIFIED TO VOTE IN
12 DISTRICT ELECTIONS AT THE LANDOWNER'S last address as shown by the
13 records of the district at least thirty days prior to the date of ~~such~~ THE
14 election and also published once each week for four consecutive weeks
15 immediately preceding ~~such~~ THE election in a newspaper designated by
16 the board and of general circulation within ~~said~~ THE district.

17 (2) THE FOLLOWING LANDOWNERS WHO OWN AGRICULTURAL LAND
18 WITHIN A DISTRICT ARE ENTITLED TO VOTE AT ALL DISTRICT ELECTIONS
19 AND AT ELECTIONS FOR A PROPOSED DISTRICT UNDER SECTION 37-42-107:

20 (a) A LANDOWNER WHO IS A NATURAL PERSON OVER THE AGE OF
21 EIGHTEEN YEARS, IS A CITIZEN OF THE UNITED STATES, IS A RESIDENT OF
22 THE STATE OF COLORADO, AND HAS PAID OR IS OBLIGATED TO PAY
23 PROPERTY TAXES UPON REAL PROPERTY LOCATED WITHIN THE DISTRICT
24 FOR THE CALENDAR YEAR PRECEDING THE ELECTION;

25 (b) A LANDOWNER THAT IS NOT A NATURAL PERSON AND THAT HAS
26 PAID OR IS OBLIGATED TO PAY PROPERTY TAXES UPON REAL PROPERTY
27 LOCATED WITHIN THE DISTRICT FOR THE CALENDAR YEAR PRECEDING THE

1 ELECTION. IN ORDER TO VOTE AT AN ELECTION, THE LANDOWNER MUST
2 AUTHORIZE AN AGENT WHO SATISFIES THE RESIDENCY AND AGE
3 REQUIREMENTS SET FORTH IN SUBSECTION (2)(a) OF THIS SECTION TO VOTE
4 ON ITS BEHALF AT THE ELECTION AND MUST PROVIDE WRITTEN NOTICE OF
5 THE AUTHORIZED AGENT TO THE DISTRICT IN A FORM SATISFACTORY TO
6 THE DISTRICT.

7 (3) THE UNIT OF VOTING POWER IS ONE ACRE WITHIN A DISTRICT OR
8 PROPOSED DISTRICT, EACH LANDOWNER BEING ENTITLED TO CAST AS
9 MANY VOTES AS THE LANDOWNER HAS ACRES OF LAND WITHIN THE
10 DISTRICT OR PROPOSED DISTRICT, AND, IN CASTING SUCH VOTES, THE
11 LANDOWNER MAY VOTE IN PERSON OR BY PROXY. A DISTRICT MAY
12 ESTABLISH IN ITS BYLAWS, RULES, OR REGULATIONS QUALIFICATIONS FOR
13 PERSONS ACTING AS PROXIES. A PERSON DESIRING TO ACT AS PROXY FOR
14 ANOTHER MUST FILE WRITTEN AUTHORITY THEREFOR BEFORE BEING
15 ALLOWED TO VOTE, WHICH AUTHORITY:

16 (a) SHALL BE RETAINED AS PART OF THE PROCEEDINGS OF THE
17 MEETING AT WHICH THE VOTE IS CAST; AND

18 (b) IS NOT VALID AT ANY OTHER MEETING.

19 (4) IF THE DISTRICT IS DIVIDED INTO PRECINCTS, A LANDOWNER IS
20 ENTITLED TO VOTE AT AN ELECTION IN THE PRECINCT WHERE HE OR SHE
21 RESIDES OR, IF THE LANDOWNER IS NOT A NATURAL PERSON OR IS A
22 NONRESIDENT OF THE DISTRICT, IN THE PRECINCT WITHIN WHICH THE
23 GREATER PORTION OF THE LANDOWNER'S LAND IS LOCATED. THE BOARD
24 OF DIRECTORS OF THE DISTRICT MAY ORDER THAT THE ENTIRE DISTRICT
25 CONSTITUTES ONE ELECTION PRECINCT, IN WHICH CASE THE BOARD SHALL
26 ESTABLISH ONE POLLING PLACE IN THE PRECINCT AND SHALL APPOINT
27 ONLY THREE JUDGES OF ELECTION, WHO CONSTITUTE A BOARD OF

1 ELECTION, AND ALL QUALIFIED VOTERS VOTING AT THE ELECTION MUST
2 VOTE AT THE POLLING PLACE SO ESTABLISHED.

3 (5) AS USED IN THIS SECTION, "AGRICULTURAL LAND" HAS THE
4 MEANING SET FORTH IN SECTION 39-1-102 (1.6); EXCEPT THAT
5 "AGRICULTURAL LAND" DOES NOT INCLUDE ANY LAND THAT HAS BEEN
6 PLATTED OR SUBDIVIDED INTO RESIDENCE OR BUSINESS LOTS.

7 **SECTION 7.** In Colorado Revised Statutes, 37-42-113, **amend**
8 (1) and (2); and **add** (4) as follows:

9 **37-42-113. Powers of district.** (1) (a) Irrigation districts
10 organized under this ~~article~~ ARTICLE 42 may sue and be sued in their
11 district names, and courts shall take judicial notice of their organization
12 and territorial extent.

13 (b) The board of directors may acquire, by use, PRESCRIPTION,
14 appropriation, purchase, or condemnation, property or rights of any kind,
15 including rights-of-way, canals, or reservoirs either projected, or partly
16 constructed, or constructed, or the part or whole of any contemplated,
17 projected, partly completed system of irrigation or waterworks, water
18 rights, or any other property or right necessary or useful for carrying out
19 the objects of ~~said~~ THE irrigation district. The title to any such property so
20 acquired ~~shall vest~~ VESTS immediately in ~~said~~ THE irrigation district in its
21 corporate name and ~~shall be~~ IS held by ~~said~~ THE district in trust for, and
22 is hereby dedicated and set apart for, the uses and purposes provided for
23 in this ~~article~~ ARTICLE 42.

24 (c) Any contract purporting to bind the district to the payment of
25 any sum in excess of ~~twenty~~ FIVE HUNDRED thousand dollars ~~shall~~ MUST
26 first be ratified by a majority of all the votes cast at a general or special
27 election called for that purpose before it ~~shall become~~ so BECOMES

1 binding, and all contracts entered into by the board of directors agreeing
2 to a payment in excess of ~~such~~ THAT amount shall be construed as ~~made~~
3 BEING expressly subject to this ~~provision~~ SUBSECTION (1)(c) and ~~shall~~ DO
4 not become binding upon the district until authorized and ratified at an
5 election called and held for that purpose; EXCEPT THAT, ON JULY 1, 2022,
6 AND ON JULY 1 OF EVERY FIVE-YEAR PERIOD THEREAFTER, THE BOARD OF
7 DIRECTORS SHALL ADJUST THE DOLLAR AMOUNT SPECIFIED IN THIS
8 SUBSECTION (1)(c) IN ACCORDANCE WITH THE PERCENTAGE CHANGE OVER
9 THE PREVIOUS FIVE-YEAR PERIOD IN THE UNITED STATES DEPARTMENT OF
10 LABOR, BUREAU OF LABOR STATISTICS, CONSUMER PRICE INDEX FOR
11 DENVER-BOULDER-GREELEY, ALL ITEMS, ALL URBAN CONSUMERS, OR ITS
12 SUCCESSOR INDEX. THE BOARD OF DIRECTORS SHALL POST THE ADJUSTED
13 AMOUNT ON ITS WEBSITE AND IN ITS ANNUAL REPORTS.

14 (2) Where the compensation to be paid by the district to the
15 owners of any property ~~which~~ THAT the board of directors of an irrigation
16 district ~~are~~ IS authorized to take by proceedings in eminent domain has
17 been finally determined to be in excess of ~~twenty~~ FIVE HUNDRED thousand
18 dollars, THE COURTS SHALL GIVE sufficient time ~~shall be given by the~~
19 ~~courts~~ for the submission to and determination by the landowners of the
20 district, at a regularly called general or special election, of the ~~questions~~
21 QUESTION of whether the district shall pay ~~said~~ THE compensation or ~~shall~~
22 abandon ~~such~~ THE condemnation proceedings; EXCEPT THAT, ON JULY 1,
23 2022, AND ON JULY 1 OF EVERY FIVE-YEAR PERIOD THEREAFTER, THE
24 BOARD OF DIRECTORS SHALL ADJUST THE DOLLAR AMOUNT SPECIFIED IN
25 THIS SUBSECTION (2) IN ACCORDANCE WITH THE PERCENTAGE CHANGE
26 OVER THE PREVIOUS FIVE-YEAR PERIOD IN THE UNITED STATES
27 DEPARTMENT OF LABOR, BUREAU OF LABOR STATISTICS, CONSUMER PRICE

1 INDEX FOR DENVER-BOULDER-GREELEY, ALL ITEMS, ALL URBAN
2 CONSUMERS, OR ITS SUCCESSOR INDEX. THE BOARD OF DIRECTORS SHALL
3 POST THE ADJUSTED AMOUNT ON ITS WEBSITE AND IN ITS ANNUAL
4 REPORTS. If the landowners, by majority vote of all the votes cast at ~~such~~
5 THE election, ~~shall~~ vote for the payment of ~~such~~ THE compensation, the
6 COURTS SHALL GIVE THE DISTRICT THE necessary additional ~~times shall be~~
7 ~~given the district wherein~~ TIME to pay ~~such~~ THE compensation either by
8 levy and collection of assessments against the lands of the district, ~~or~~ by
9 the issuance and sale of bonds of the district, or by both such methods, as
10 may be determined at a district election.

11 (4) THE POWERS CONFERRED BY THIS ARTICLE 42 ARE
12 CUMULATIVE AND ARE IN ADDITION TO ALL POWERS POSSESSED BY AN
13 IRRIGATION DISTRICT UNDER THE OTHER LAWS OF THIS STATE.

14 **SECTION 8.** In Colorado Revised Statutes, 37-42-114, **amend**
15 (1) and (3) as follows:

16 **37-42-114. Landowners - definition - evidence of ownership.**

17 (1) ~~"Landowners"~~ "LANDOWNER", as used in this ~~article, shall include~~
18 ~~any persons, natural or artificial, resident or nonresident, who are citizens~~
19 ~~of the United States and owners~~ ARTICLE 42, MEANS AN OWNER in fee of
20 lands within the boundaries of any irrigation district organized or
21 proposed to be organized, ~~or holders of incomplete title under contracts~~
22 ~~to purchase state or Carey act lands, or the state board of land~~
23 ~~commissioners in care of agricultural college or public school lands,~~
24 ~~including also entrymen or purchasers of public lands of the United States~~
25 ~~under any of the agricultural public land laws, or the secretary of the~~
26 ~~interior in care of unentered public lands subject to this article under the~~
27 ~~terms of an act of congress entitled "An Act to promote reclamation of~~

1 arid lands.", approved August 11, 1916, and all acts amendatory thereof
2 or supplemental thereto WHETHER A RESIDENT OR NONRESIDENT OF THE
3 DISTRICT, WHO OR THAT IS A CITIZEN OF, OR AN ENTITY OR ARRANGEMENT
4 CREATED OR ORGANIZED WITHIN, THE UNITED STATES.

5 (3) For the purposes of this ~~article~~ ARTICLE 42, evidence of
6 ownership ~~shall be~~ IS prima facie established as to patented land, by the
7 certificate of the county assessor of the county wherein the lands involved
8 are situated as to unperfected entries upon public lands, by the certificate
9 of the register of the United States land office of the district wherein the
10 lands involved are situated; or as to holders of incomplete title under
11 contracts to purchase state or Carey act lands, OR by certificate of the
12 register of the state board of land commissioners.

13 **SECTION 9.** In Colorado Revised Statutes, 37-42-128, **amend**
14 (4) and (6); and repeal (1), (3), and (5) as follows:

15 **37-42-128. Collection of assessments. (1) The county treasurer**
16 of the county wherein the office of an irrigation district is located shall be
17 and is hereby constituted ex officio district treasurer of such irrigation
18 district and shall be liable upon his official bond and to indictment and
19 criminal prosecution for malfeasance, misfeasance, or failure to perform
20 any duty prescribed in this article, either as county treasurer or as district
21 treasurer, as is provided by law in like or other cases as county treasurer.
22 Said treasurer shall collect, receive, and receipt for all moneys belonging
23 to the district.

24 (3) In the case of irrigation district assessments, such county
25 treasurer shall receive, in payment of the general fund assessment for the
26 year in which taxes are payable, warrants drawn against said general fund
27 the same as so much lawful money of the United States, if such warrant

1 does not exceed the amount of the general fund assessment which the
2 person tendering the same owes. Such county treasurer shall receive, in
3 payment of the district bond fund assessment for the year in which said
4 taxes are payable, interest coupons or bonds of said irrigation district
5 maturing within the year said assessments are payable the same as so
6 much lawful money of the United States, if such interest coupons or
7 bonds do not exceed the amount of district bond fund assessment which
8 the person tendering the same owes. Payment of irrigation district
9 assessments shall be receipted for upon the same receipt required in the
10 collection of general real estate taxes, but, in the case of payment of only
11 general tax or irrigation district assessment and the nonpayment of the
12 other, such nonpayment shall be clearly indicated upon such receipt so
13 issued, and the payment of the one shall in no way affect the lien or
14 obligation of the unpaid tax or assessment, but each shall exist and be
15 enforceable separately.

16 (4) The county treasurer of each county comprising ALL OR a
17 portion only of an irrigation district excepting the county treasurer of the
18 _____ county in which the office of said district is located, on the first
19 Monday of each month, shall remit to the district treasurer all moneys,
20 warrants, coupons, or bonds theretofore MONEY collected or received by
21 him OR HER on account of said THE district. Every county treasurer shall
22 keep a general fund account, a bond fund account, and, in the case of a
23 contract with the United States, a United States contract fund account. In
24 the bond fund account shall be placed all moneys received from taxation
25 for the payment of bonds and the interest thereon. In the United States
26 contract fund account shall be placed all moneys received for payments
27 due or to become due the United States under any contract between the

1 district and the United States.

2 (5) All other district moneys from whatever sources shall be
3 placed in the general fund, and the three funds kept separate at all times.
4 The district treasurer shall pay out of said bond and United States contract
5 fund, when due, the interest and principal of the bonds of said district, at
6 the time and place specified in said bonds, or all payments due to the
7 United States under any contract between the district and the United
8 States, at the time and in the manner provided in said contract, and shall
9 pay out of the general fund only upon warrants signed by the person duly
10 authorized by the board of directors of said district. as provided in this
11 section.

12 (6) The district treasurer ~~on the fifteenth day of each month,~~
13 ~~unless excused therefrom by order of the board of directors,~~ shall report
14 MONTHLY to the ~~secretary~~ BOARD OF DIRECTORS of the district the amount
15 of money in ~~his hands to the credit of the~~ respective funds DISTRICT
16 ACCOUNTS, the amount of ~~warrants~~ MONEY paid FROM THE DISTRICT
17 ACCOUNTS during the previous month, and ~~the amount of registered~~
18 ~~warrants, if any, together with an account of bonds retired or United~~
19 ~~States contract payments made, if any.~~

20 **SECTION 10.** In Colorado Revised Statutes, **repeal** 37-42-129
21 as follows:

22 **37-42-129. Warrants - interest - call.** ~~Except with respect to~~
23 ~~claims coming within the provisions of article 10 of title 24, C.R.S., no~~
24 ~~warrants shall be issued except upon a verified claim first audited and~~
25 ~~allowed by the board, and each warrant shall be signed by the person duly~~
26 ~~authorized by the board of directors; and, if the district treasurer has~~
27 ~~insufficient money in the general fund to pay any warrant when presented~~

1 for payment, he shall enter such warrant, with its number, amount, date,
2 and the name and address of holder, in a register kept for that purpose and
3 shall endorse upon said warrant "presented and not paid for want of
4 funds", with the date of presentation. Such warrant shall draw interest at
5 the rate of six percent per annum from such date of presentation until
6 called for payment. When money sufficient to pay such warrant, or
7 sufficient to allow a credit of not less than one hundred dollars thereon is
8 in the general fund, such treasurer shall mail notice thereof to the holder
9 of record at his address of record, and interest thereon shall thereupon
10 cease. Warrants shall be paid in the order of their presentation for
11 payment.

12 **SECTION 11.** In Colorado Revised Statutes, 37-42-131, **amend**
13 (2); and **repeal** (1) as follows:

14 **37-42-131. Payment of general expenses.** (1) If any money in
15 excess of one hundred dollars remains in the general fund in any year
16 after the payment of all district warrants or other indebtedness properly
17 chargeable against such fund and due and payable within such fiscal year,
18 the board shall apply such surplus to the payment of the warrants of
19 preceding years, if any, in the order of their registration and thereafter, in
20 its discretion, by resolution, may authorize the transfer of such money
21 from the general fund to the bond fund, and a certified copy of such
22 resolution, signed by the president and attested by the secretary of the
23 district, shall be sufficient warrant to the treasurer for making such
24 transfer.

25 (2) (a) For the purposes of defraying the expenses of the
26 organization of the district and the care, operation, management, repair,
27 and improvement of all canals, ditches, reservoirs, and works, including

1 salaries of officers and employees, the board may: ~~either~~

2 (I) Fix rates of tolls and charges and collect ~~the same of~~ THEM
3 FROM all persons using ~~said canal and~~ THE DISTRICT'S STRUCTURES OR
4 water for irrigation or other purposes; ~~and in addition thereto may~~

5 (II) Provide, in whole or in part, for the payment of ~~such~~ THE
6 expenditures SPECIFIED IN THIS SUBSECTION (2)(a) by levy of assessments
7 therefor, as provided in section 37-42-126; or

8 (III) ~~by~~ Both FIX tolls and LEVY assessments.

9 (b) ~~In case~~ IF the money raised by the sale of bonds issued is
10 insufficient and ~~in case~~ IF bonds are unavailable for the completion of the
11 plans of works adopted, ~~it is the duty of~~ the board of directors ~~to~~ SHALL
12 provide for the completion of ~~said~~ THE plans by levy of an assessment
13 therefor in the same manner in which levies of assessments are made for
14 ~~the~~ other purposes.

15 **SECTION 12.** In Colorado Revised Statutes, **amend** 37-42-135
16 as follows:

17 **37-42-135. District to lease surplus water.** Whenever any
18 irrigation district organized under ~~the provisions of this article~~ ARTICLE
19 42 acquires water in excess of its own needs or becomes the owner of
20 water or rights capable of use for other purposes than those for which it
21 was organized, without impairing or injuring such use, it may lease ~~such~~
22 THE water or rights for use within or without the district for ~~domestic,~~
23 ~~agricultural, power, or mechanical purposes~~ ANY BENEFICIAL USE
24 PERMITTED BY DECREE OR APPLICABLE LAW, upon affirmative vote of the
25 ~~district~~ BOARD OF DIRECTORS authorizing ~~such~~ THE lease, and the rentals
26 derived from ~~such~~ THE lease shall be paid into the general fund of the
27 district. ~~Such rentals shall become due and payable semiannually, in~~

1 advance, on March 1 and August 1 of each year, and shall bear interest at
2 the rate of one percent per month from due date until paid. At its option
3 the board of directors may cancel any lease upon which any rental is past
4 due and unpaid. and no lease shall extend beyond the term of twenty years
5 from the date of its execution.

6 **SECTION 13.** In Colorado Revised Statutes, **amend** 37-42-137
7 as follows:

8 **37-42-137. Sale of surplus water - proceeds.** The board of
9 directors may sell property or assets of the district not needed for district
10 use nor essential to its operation from time to time as it shall direct by
11 resolution, at public auction, DIRECTS and upon such notice as it shall
12 designate DESIGNATES, and shall cause the proceeds thereof to be placed
13 in the bond fund or United States contract fund of the district. If such THE
14 district has no bonded or United States contract indebtedness, then such
15 THE proceeds shall be placed in the general fund.

16 **SECTION 14.** In Colorado Revised Statutes, **amend** 37-42-140
17 as follows:

18 **37-42-140. Districts organized after April 7, 1921.** This article
19 shall apply ARTICLE 42 APPLIES only to irrigation districts organized after
20 April 7, 1921, and no existing laws in any manner relating to irrigation
21 districts shall apply to or affect irrigation districts organized after said
22 THAT date, but said existing laws and all amendments thereto made after
23 said THAT date shall be and remain in and have full force and effect as to
24 all irrigation districts organized prior to April 7, 1921. However,
25 whenever resident freeholders, representing LANDOWNERS OF a majority
26 of the number of acres of the irrigable land in any irrigation district
27 organized prior to April 7, 1921, shall petition the board of directors to

1 call a special election for the purpose of submitting to the qualified
2 electors of said irrigation district, who for the purpose of this section are
3 defined as the owners or entymen of agricultural or horticultural land
4 within said district exclusive of lands platted or subdivided into residence
5 or business lots, LANDOWNERS ENTITLED TO VOTE AT ELECTIONS OF THE
6 IRRIGATION DISTRICT a proposition to vote, at any regular or any special
7 election called and notice given for such purpose, upon the question
8 whether ~~or not such~~ THE irrigation district shall thereafter operate under
9 ~~the provisions of this article~~ ARTICLE 42, and if two-thirds of said
10 ~~qualified electors~~ THE LANDOWNERS of ~~such~~ THE irrigation district voting
11 upon ~~such~~ THE question shall vote in favor of coming under ~~the~~
12 ~~provisions of this article~~ ARTICLE 42, upon the filing of a statement of the
13 results of ~~such~~ THE election in the manner provided by section 37-41-112,
14 ~~such~~ THE irrigation district shall IS thereafter ~~be~~ governed by ~~the~~
15 ~~provisions of this article but~~ ARTICLE 42. The election of ~~such~~ THE district
16 to come under ~~the provisions of this article shall~~ ARTICLE 42 DOES not
17 invalidate any act or proceeding ~~theretofore~~ PREVIOUSLY done under the
18 laws governing ~~such~~ THE irrigation district prior to ~~such~~ THE election and
19 shall DOES not impair any obligation of ~~such~~ THE irrigation district or any
20 right thereunder.

21 **SECTION 15.** In Colorado Revised Statutes, **amend** 37-42-141
22 as follows:

23 **37-42-141. Ratification of irrigation district.** If the qualified
24 ~~voters~~ LANDOWNERS of an irrigation district ENTITLED TO VOTE AT
25 ELECTIONS have authorized the dissolution of ~~such~~ THE district in the
26 manner provided by section 37-42-139 but the plan of dissolution so
27 authorized has not been implemented and the district has continued to

1 function as an irrigation district, ~~such~~ THE district may submit the
2 question of ratification of the district to the qualified voters in a district
3 election as specified in section 37-42-112. If a majority of the votes cast
4 at ~~such~~ THE election are in favor of the ratification of the district, the prior
5 authorization of dissolution shall be deemed null and void. The directors
6 shall file their certificate of ~~such~~ THAT fact with the county clerk and
7 recorder of the county wherein such district is situated, and the district
8 shall be deemed, for all purposes, to be a de jure irrigation district.

9 **SECTION 16. Act subject to petition - effective date -**
10 **applicability.** (1) This act takes effect at 12:01 a.m. on the day following
11 the expiration of the ninety-day period after final adjournment of the
12 general assembly (August 9, 2017, if adjournment sine die is on May 10,
13 2017); except that, if a referendum petition is filed pursuant to section 1
14 (3) of article V of the state constitution against this act or an item, section,
15 or part of this act within such period, then the act, item, section, or part
16 will not take effect unless approved by the people at the general election
17 to be held in November 2018 and, in such case, will take effect on the
18 date of the official declaration of the vote thereon by the governor.

19 (2) This act applies to conduct occurring on or after the applicable
20 effective date of this act.