

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

REENGROSSED

*This Version Includes All Amendments
Adopted in the House of Introduction*

LLS NO. 17-0120.01 Thomas Morris x4218

HOUSE BILL 17-1030

HOUSE SPONSORSHIP

Arndt and Becker J.,

SENATE SPONSORSHIP

Sonnenberg and Baumgardner, Coram

House Committees

Agriculture, Livestock, & Natural Resources

Senate Committees

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.

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 (1), (3), (4), (5), and (6) 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~~ THE
18 irrigation district and ~~shall be~~ IS liable upon his OR HER official bond and
19 to indictment and criminal prosecution for malfeasance, misfeasance, or
20 failure to perform any duty prescribed in this ~~article~~ ARTICLE 42, either as
21 county treasurer or as district treasurer, as is provided by law in like or
22 other cases as county treasurer. ~~Said~~ THE treasurer shall collect, receive,
23 and ~~PROVIDE A~~ receipt for all ~~moneys~~ ASSESSMENTS belonging to the
24 district.

25 (3) ~~In the case of irrigation district assessments, such county~~
26 ~~treasurer shall receive, in payment of the general fund assessment for the~~
27 ~~year in which taxes are payable, warrants drawn against said general fund~~

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

18 (4) The county treasurer of each county comprising ALL OR a
19 portion only of an irrigation district ~~excepting the county treasurer of the~~
20 ~~county in which the office of said district is located,~~ SHALL, on the first
21 Monday of each month, ~~shall~~ remit to the district treasurer all moneys,
22 warrants, coupons, or bonds ~~therefore~~ collected or received by him OR
23 HER on account of ~~said~~ THE district. Every county treasurer shall keep a
24 general fund account, a bond fund account, and, in the case of a contract
25 with the United States, a United States contract fund account. THE
26 COUNTY TREASURER SHALL PLACE in the bond fund account ~~shall be~~
27 ~~placed~~ all ~~moneys~~ MONEY received from taxation for the payment of

1 bonds and the interest thereon. THE COUNTY TREASURER SHALL PLACE in
2 the United States contract fund account ~~shall be placed all moneys~~ MONEY
3 received for payments due or to become due the United States under any
4 contract between the district and the United States.

5 (5) EVERY DISTRICT TREASURER SHALL KEEP A GENERAL FUND
6 ACCOUNT, A BOND FUND ACCOUNT, AND, IN THE CASE OF A CONTRACT
7 WITH THE UNITED STATES, A UNITED STATES CONTRACT FUND ACCOUNT.
8 THE DISTRICT TREASURER SHALL PLACE IN THE BOND FUND ACCOUNT ALL
9 MONEY RECEIVED FROM TAXATION FOR THE PAYMENT OF BONDS AND THE
10 INTEREST THEREON. THE DISTRICT TREASURER SHALL PLACE IN THE
11 UNITED STATES CONTRACT FUND ACCOUNT ALL MONEY RECEIVED FOR
12 PAYMENTS DUE OR TO BECOME DUE THE UNITED STATES UNDER ANY
13 CONTRACT BETWEEN THE DISTRICT AND THE UNITED STATES. THE
14 DISTRICT TREASURER SHALL PLACE all other district ~~moneys~~ MONEY from
15 whatever sources ~~shall be placed~~ in the general fund, and SHALL KEEP the
16 three funds ~~kept~~ separate at all times. The district treasurer shall pay out
17 of ~~said~~ THE bond FUND and United States contract fund, when due, the
18 interest and principal of the bonds of ~~said~~ THE district, at the time and
19 place specified in ~~said~~ THE bonds, or all payments due to the United
20 States under any contract between the district and the United States, at the
21 time and in the manner provided in ~~said~~ THE contract, and shall pay out
22 of the general fund only ~~upon warrants signed by the person duly~~ THE
23 MONEY authorized by the board of directors of ~~said~~ THE district. ~~as~~
24 ~~provided in this section.~~

25 (6) The district treasurer ~~on the fifteenth day of each month,~~
26 ~~unless excused therefrom by order of the board of directors,~~ shall report
27 MONTHLY to the ~~secretary~~ BOARD OF DIRECTORS of the district the amount

1 of money in his hands to the credit of the respective funds, the amount of
2 warrants MONEY paid FROM THE RESPECTIVE FUNDS during the previous
3 month, and the amount of registered warrants, if any, together with an
4 account of bonds retired or United States contract payments made, if any.

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

7 **37-42-129. Warrants - interest - call.** Except with respect to
8 claims coming within the provisions of article 10 of title 24, C.R.S., no
9 warrants shall be issued except upon a verified claim first audited and
10 allowed by the board, and each warrant shall be signed by the person duly
11 authorized by the board of directors; and, if the district treasurer has
12 insufficient money in the general fund to pay any warrant when presented
13 for payment, he shall enter such warrant, with its number, amount, date,
14 and the name and address of holder, in a register kept for that purpose and
15 shall endorse upon said warrant "presented and not paid for want of
16 funds", with the date of presentation. Such warrant shall draw interest at
17 the rate of six percent per annum from such date of presentation until
18 called for payment. When money sufficient to pay such warrant, or
19 sufficient to allow a credit of not less than one hundred dollars thereon is
20 in the general fund, such treasurer shall mail notice thereof to the holder
21 of record at his address of record, and interest thereon shall thereupon
22 cease. Warrants shall be paid in the order of their presentation for
23 payment.

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

26 **37-42-131. Payment of general expenses.** (1) If any money in
27 excess of one hundred dollars remains in the general fund in any year

1 after the payment of all district warrants or other indebtedness properly
2 chargeable against such fund and due and payable within such fiscal year,
3 the board shall apply such surplus to the payment of the warrants of
4 preceding years, if any, in the order of their registration and thereafter, in
5 its discretion, by resolution, may authorize the transfer of such money
6 from the general fund to the bond fund, and a certified copy of such
7 resolution, signed by the president and attested by the secretary of the
8 district, shall be sufficient warrant to the treasurer for making such
9 transfer.

10 (2) (a) For the purposes of defraying the expenses of the
11 organization of the district and the care, operation, management, repair,
12 and improvement of all canals, ditches, reservoirs, and works, including
13 salaries of officers and employees, the board may: either

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

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

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

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

27 **SECTION 12.** In Colorado Revised Statutes, **amend** 37-42-135

1 as follows:

2 **37-42-135. District to lease surplus water.** Whenever any
3 irrigation district organized under ~~the provisions of this article~~ ARTICLE
4 42 acquires water in excess of its own needs or becomes the owner of
5 water or rights capable of use for other purposes than those for which it
6 was organized, without impairing or injuring such use, it may lease ~~such~~
7 ~~THE~~ water or rights for use within or without the district for ~~domestic,~~
8 ~~agricultural, power, or mechanical purposes~~ ANY BENEFICIAL USE
9 PERMITTED BY DECREE OR APPLICABLE LAW, upon affirmative vote of the
10 ~~district~~ BOARD OF DIRECTORS authorizing ~~such~~ THE lease, and the rentals
11 derived from ~~such~~ THE lease shall be paid into the general fund of the
12 district. ~~Such rentals shall become due and payable semiannually, in~~
13 ~~advance, on March 1 and August 1 of each year, and shall bear interest at~~
14 ~~the rate of one percent per month from due date until paid.~~ At its option
15 the board of directors may cancel any lease upon which any rental is past
16 due and unpaid. ~~and no lease shall extend beyond the term of twenty years~~
17 ~~from the date of its execution.~~

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

20 **37-42-137. Sale of surplus water - proceeds.** The board of
21 directors may sell property or assets of the district not needed for district
22 use nor essential to its operation from time to time as it ~~shall direct by~~
23 ~~resolution, at public auction,~~ DIRECTS and upon such notice as it ~~shall~~
24 ~~designate~~ DESIGNATES, and shall cause the proceeds thereof to be placed
25 in the bond fund or United States contract fund of the district. If ~~such~~ THE
26 district has no bonded or United States contract indebtedness, then ~~such~~
27 THE proceeds shall be placed in the general fund.

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

3 **37-42-140. Districts organized after April 7, 1921.** This ~~article~~
4 ~~shall apply~~ ARTICLE 42 APPLIES only to irrigation districts organized after
5 April 7, 1921, and no existing laws in any manner relating to irrigation
6 districts ~~shall~~ apply to or affect irrigation districts organized after ~~said~~
7 THAT date, but ~~said~~ existing laws and all amendments thereto made after
8 ~~said~~ THAT date ~~shall be and~~ remain in and have full force and effect as to
9 all irrigation districts organized prior to April 7, 1921. However,
10 whenever ~~resident freeholders, representing~~ LANDOWNERS OF a majority
11 of the number of acres of the irrigable land in any irrigation district
12 organized prior to April 7, 1921, ~~shall~~ petition the board of directors to
13 call a special election for the purpose of submitting to the ~~qualified~~
14 ~~electors of said irrigation district, who for the purpose of this section are~~
15 ~~defined as the owners or entrymen of agricultural or horticultural land~~
16 ~~within said district exclusive of lands platted or subdivided into residence~~
17 ~~or business lots,~~ LANDOWNERS ENTITLED TO VOTE AT ELECTIONS OF THE
18 IRRIGATION DISTRICT a proposition to vote, at any regular or any special
19 election called and notice given for such purpose, upon the question
20 whether ~~or not such~~ THE irrigation district shall thereafter operate under
21 ~~the provisions of this article~~ ARTICLE 42, and if two-thirds of ~~said~~
22 ~~qualified electors~~ THE LANDOWNERS of ~~such~~ THE irrigation district voting
23 upon ~~such~~ THE question ~~shall~~ vote in favor of coming under ~~the~~
24 ~~provisions of this article~~ ARTICLE 42, upon the filing of a statement of the
25 results of ~~such~~ THE election in the manner provided by section 37-41-112,
26 ~~such~~ THE irrigation district ~~shall~~ IS thereafter ~~be~~ governed by ~~the~~
27 ~~provisions of this article but~~ ARTICLE 42. The election of ~~such~~ THE district

1 to come under ~~the provisions of this article shall~~ ARTICLE 42 DOES not
2 invalidate any act or proceeding ~~therefore~~ PREVIOUSLY done under the
3 laws governing ~~such~~ THE irrigation district prior to ~~such~~ THE election and
4 ~~shall~~ DOES not impair any obligation of ~~such~~ THE irrigation district or any
5 right thereunder.

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

8 **37-42-141. Ratification of irrigation district.** If the ~~qualified~~
9 ~~voters~~ LANDOWNERS of an irrigation district ENTITLED TO VOTE AT
10 ELECTIONS have authorized the dissolution of ~~such~~ THE district in the
11 manner provided by section 37-42-139 but the plan of dissolution so
12 authorized has not been implemented and the district has continued to
13 function as an irrigation district, ~~such~~ THE district may submit the
14 question of ratification of the district to the qualified voters in a district
15 election as specified in section 37-42-112. If a majority of the votes cast
16 at ~~such~~ THE election are in favor of the ratification of the district, the prior
17 authorization of dissolution shall be deemed null and void. The directors
18 shall file their certificate of ~~such~~ THAT fact with the county clerk and
19 recorder of the county wherein such district is situated, and the district
20 shall be deemed, for all purposes, to be a de jure irrigation district.

21 **SECTION 16. Act subject to petition - effective date -**
22 **applicability.** (1) This act takes effect at 12:01 a.m. on the day following
23 the expiration of the ninety-day period after final adjournment of the
24 general assembly (August 9, 2017, if adjournment sine die is on May 10,
25 2017); except that, if a referendum petition is filed pursuant to section 1
26 (3) of article V of the state constitution against this act or an item, section,
27 or part of this act within such period, then the act, item, section, or part

1 will not take effect unless approved by the people at the general election
2 to be held in November 2018 and, in such case, will take effect on the
3 date of the official declaration of the vote thereon by the governor.

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