



Colorado
Legislative
Council
Staff

HB17-1030

FISCAL NOTE

FISCAL IMPACT: State Local Statutory Public Entity Conditional No Fiscal Impact

Drafting Number: LLS 17-0120

Date: January 13, 2017

Prime Sponsor(s): Rep. Arndt; Becker J.
Sen. Sonnenberg;
Baumgardner

Bill Status: House Agriculture
Fiscal Analyst: Clare Pramuk (303-866-2677)

BILL TOPIC: UPDATE 1921 IRRIGATION DISTRICT LAW

Summary of Legislation

This bill, *recommended by the Water Resources Review Committee*, updates the 1921 Irrigation District Act as follows:

- increases the compensation for board members and election judges from \$10 to \$100 per day and allows future increases to be decided in a district election;
- clarifies the definitions of agricultural land and landowner and specifies that the unit of voting power is one acre of land within an existing or proposed new district;
- allows an irrigation district to lease its surplus water for all beneficial uses;
- clarifies how irrigation district assessments are to be collected and held by district treasurers;
- eliminates the bonding requirement for district board members; and
- modernizes election procedures, and procedures for selling surplus property.

The bill also increases the amount of a contract or an eminent domain proceeding that requires voter ratification in a district election from \$20,000 to \$500,000. Beginning July 1, 2022, and each July 1 every five years thereafter, the bill allows the district board to adjust the dollar amounts based on the percentage change over the previous five-year period in the consumer price index for Denver-Boulder-Greeley. Finally, the powers conferred by this bill are cumulative and in addition to all other powers conferred to irrigation districts under state law.

Background

Irrigation districts are local governments established by landowners. Colorado has 16 irrigation districts statewide. Irrigation districts own water rights that are diverted from a stream and allocated to landowners in the district based on the number of acres owned. Surplus water may be leased inside or outside the district for domestic, agricultural, power, or mechanical purposes only. Irrigation districts are funded by assessments on landowners and the proceeds from water leases. Irrigation district boards hold annual elections in January and can call a special election at any time.

Local Government Impact

Because the bill increases the daily compensation rate for irrigation district board members and judges, expenditures for each irrigation district will increase. By raising the minimum amount required for a contract to require approval through an election, irrigation districts may need fewer special elections. However, by changing the unit of voting power to one vote per acre, the complexity of elections and the associated workload for tabulation increases. For counties that coordinate elections for irrigation districts, this will increase their costs which will be passed on to the irrigation districts. Finally, because the bill expands the uses for which water can be leased, irrigation districts may be able to increase revenue from those leases due to increased demand.

Effective Date

The bill takes effect August 9, 2017, if the General Assembly adjourns on May 10, 2017, as scheduled, and no referendum petition is filed.

State and Local Government Contacts

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Secretary of State

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Municipalities
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