

CHAPTER 16

WATER AND IRRIGATION

HOUSE BILL 17-1030

BY REPRESENTATIVE(S) Arndt and Becker J., Danielson, Esgar, Hamner, Hooton, Kraft-Tharp, Lontine, McKean, Mitsch Bush, Salazar, Valdez, Wilson, Duran;
also SENATOR(S) Sonnenberg and Baumgardner, Coram, Crowder, Priola, Scott.

AN ACT

CONCERNING UPDATES TO THE 1921 LAW GOVERNING IRRIGATION DISTRICTS.

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

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

~~**37-42-106. Notice of organization meeting and election.** (2) At all elections held under the provisions of this article, every owner of agricultural land within said district who is eighteen years of age or older, is a citizen of the United States or has declared his or her intention to become a citizen of the United States, is a resident of the state of Colorado, and has paid real property taxes upon the property located within said district on an area in excess of one acre during the year preceeding the date of said election if a resident of the district or on an area of forty acres or more if a resident of the state outside the district or who is an entryman upon public lands of the United States and is residing thereon, shall be entitled to vote at such election in the precinct where he or she resides or, if a nonresident of the precinct, in the precinct within which the greater portion of his or her land is located. Any person so qualified to vote, and who resides in any county into which said district extends, is eligible for election as a director in and for the division in such district in which he or she is entitled to vote. All lands platted or subdivided into residence or business lots shall not be considered agricultural land.~~

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

~~**37-42-107. Organization - meeting - voting.** (1) The board of county commissioners shall attend at the time and place of such THE meeting SPECIFIED IN SECTION 37-42-106 and shall certify to the meeting a list of the landowners of said THE proposed district, taking no account of those who have prosecuted appeals from~~

Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.

the order of the board of county commissioners fixing and determining boundaries, together with the number of acres within ~~said~~ THE proposed district, owned or represented by each, the total of which acreage, for the purposes of this meeting, shall be considered the total acres of the district. The board of county commissioners shall also act as a credentials committee of ~~said~~ THE meeting and shall decide AND CREATE A WRITTEN CERTIFICATION REGARDING who are eligible voters ~~thereat making a certificate concerning the same, and~~ AT THE MEETING. The ~~chairman~~ CHAIR of the board shall preside at ~~said~~ THE meeting until ~~such time as~~ temporary officers are elected from among those present. ~~The unit of voting power shall be the acre within said district or proposed district, each landowner being entitled to cast as many votes as he has acres of land within the district or proposed district, and, in casting such votes, such landowner may vote in person or by proxy, and, in the election of directors, the practice known as cumulative voting shall be allowed. Any person desiring to act as proxy for another must file written authority therefor before being allowed to vote, which authority shall be retained as part of the proceedings of the meeting at which such vote is cast and shall be subject to use at no other meeting.~~

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

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

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

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

(3) As compensation for ~~such~~ service as directors, each person so acting ~~shall~~ IS ENTITLED TO receive ~~ten~~ ONE HUNDRED dollars for each day necessarily spent in the discharge of district business and such expenses as are necessarily incurred in the conduct of its affairs; except that, after the first year, the landowners may fix other compensation by vote at any annual OR SPECIAL election.

(4) ~~Each member of the board of directors shall execute an official bond in the sum of three thousand dollars, which shall be approved by the county judge of the county wherein such organization was effected, and the bond shall be recorded in~~

the office of the county clerk and recorder thereof. Such official bond may be signed by a surety company authorized to do business in the state of Colorado, in which case the district shall be liable for and shall pay the premium on said bond.

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

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

37-42-111. Meetings of directors - notice. The board of directors shall hold its regular meetings at least four times each year, which may be immediately following the general election and on the first Tuesday of April, July, and October of each year, or, in the alternative, at such other times as may be designated in the bylaws, RULES, OR REGULATIONS adopted by the board, and such special meetings as ~~shall~~ ~~be~~ ARE called, on at least five days' notice, by a majority of the board. All special and regular meetings must be held where practicable within the district or, if not so practicable, within the boundaries of any county in which the district is located, in whole or in part, or in any county so long as the meeting location ~~does not exceed~~ IS WITHIN twenty miles ~~from~~ OF the district boundaries. The provisions of this section governing the location of meetings may be waived only if the proposed change of location of a meeting of the board appears on the agenda of a regular or special meeting of the board and if a resolution is adopted by the board stating the reason for which a meeting of the board is to be held in a location other than under ~~the provisions of this section and further stating the date, time, and place of such~~ THE meeting. In calling special meetings, the call must state specifically the business to be transacted, and none other shall be considered, but, at regular meetings, any business ~~which~~ THAT the board of directors may legally transact may be acted upon. A majority of all members of the board ~~shall~~ MUST concur in order to bind the district or the board in any matter. All board meetings ~~shall~~ MUST be public, EXCEPT FOR EXECUTIVE SESSIONS TO DISCUSS CONFIDENTIAL MATTERS AND TO RECEIVE LEGAL ADVICE ON SPECIFIC LEGAL QUESTIONS, and the records thereof, EXCEPT CONFIDENTIAL RECORDS, ARE open to general public inspection during business hours. IRRIGATION DISTRICTS MAY DEFINE CONFIDENTIAL RECORDS AND MATTERS SUBJECT TO EXECUTIVE SESSION IN THE BYLAWS, RULES, OR REGULATIONS USING SECTION 24-6-402 (4) AS GUIDANCE.

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

37-42-112. District elections - definition. (1) Elections are of two kinds, general and special. A general election shall be held once each year in the month of January, at a date, time, and place designated by the board. Any business requiring or permitting a vote of the landowners may be transacted at ~~such~~ THE election, including always the election of a board of directors for the ensuing year. A special election may be called at any time by the board of directors by resolution duly passed and entered of record in the minutes of the proceedings of the board. Notice of a general ~~elections shall~~ ELECTION MUST call attention to the date and place of ~~such~~ THE election. In addition, notice of a special ~~elections shall~~ ELECTION MUST state the nature of the business to be transacted at ~~such~~ THE election, and no

business shall be transacted ~~thereat~~ AT THE SPECIAL ELECTION other than that mentioned in the call. In either case, notice shall be ~~mailed~~ DELIVERED ELECTRONICALLY OR BY UNITED STATES MAIL to each landowner of the district at ~~his~~ WHO IS QUALIFIED TO VOTE IN DISTRICT ELECTIONS AT THE LANDOWNER'S last address as shown by the records of the district at least thirty days prior to the date of ~~such~~ THE election and also published once each week for four consecutive weeks immediately preceding ~~such~~ THE election in a newspaper designated by the board and of general circulation within ~~said~~ THE district.

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

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

(b) A LANDOWNER THAT IS NOT A NATURAL PERSON AND THAT HAS PAID OR IS OBLIGATED TO PAY PROPERTY TAXES UPON REAL PROPERTY LOCATED WITHIN THE DISTRICT FOR THE CALENDAR YEAR PRECEDING THE ELECTION. IN ORDER TO VOTE AT AN ELECTION, THE LANDOWNER MUST AUTHORIZE AN AGENT WHO SATISFIES THE RESIDENCY AND AGE REQUIREMENTS SET FORTH IN SUBSECTION (2)(a) OF THIS SECTION TO VOTE ON ITS BEHALF AT THE ELECTION AND MUST PROVIDE WRITTEN NOTICE OF THE AUTHORIZED AGENT TO THE DISTRICT IN A FORM SATISFACTORY TO THE DISTRICT.

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

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

(b) IS NOT VALID AT ANY OTHER MEETING.

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

ESTABLISHED.

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

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

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

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

(c) Any contract purporting to bind the district to the payment of any sum in excess of ~~twenty~~ FIVE HUNDRED thousand dollars ~~shall~~ MUST first be ratified by a majority of all the votes cast at a general or special election called for that purpose before it ~~shall become so~~ BECOMES binding, and all contracts entered into by the board of directors agreeing to a payment in excess of ~~such~~ THAT amount shall be construed as ~~made~~ BEING expressly subject to this ~~provision~~ SUBSECTION (1)(c) and ~~shall~~ DO not become binding upon the district until authorized and ratified at an election called and held for that purpose; EXCEPT THAT, ON JULY 1, 2022, AND ON JULY 1 OF EVERY FIVE-YEAR PERIOD THEREAFTER, THE BOARD OF DIRECTORS SHALL ADJUST THE DOLLAR AMOUNT SPECIFIED IN THIS SUBSECTION (1)(c) IN ACCORDANCE WITH THE PERCENTAGE CHANGE OVER THE PREVIOUS FIVE-YEAR PERIOD IN THE UNITED STATES DEPARTMENT OF LABOR, BUREAU OF LABOR STATISTICS, CONSUMER PRICE INDEX FOR DENVER-BOULDER-GREELEY, ALL ITEMS, ALL URBAN CONSUMERS, OR ITS SUCCESSOR INDEX. THE BOARD OF DIRECTORS SHALL POST THE ADJUSTED AMOUNT ON ITS WEBSITE AND IN ITS ANNUAL REPORTS.

(2) Where the compensation to be paid by the district to the owners of any property ~~which~~ THAT the board of directors of an irrigation district ~~are~~ IS authorized to take by proceedings in eminent domain has been finally determined to be in excess of ~~twenty~~ FIVE HUNDRED thousand dollars, THE COURTS SHALL GIVE sufficient time ~~shall be given by the courts~~ for the submission to and determination by the landowners of the district, at a regularly called general or special election, of the ~~questions~~ QUESTION of whether the district shall pay ~~said~~ THE compensation or ~~shall~~ abandon ~~such~~ THE condemnation proceedings; EXCEPT THAT, ON JULY 1, 2022, AND ON JULY 1 OF EVERY FIVE-YEAR PERIOD THEREAFTER, THE BOARD OF DIRECTORS SHALL ADJUST THE DOLLAR AMOUNT SPECIFIED IN THIS SUBSECTION (2)

IN ACCORDANCE WITH THE PERCENTAGE CHANGE OVER THE PREVIOUS FIVE-YEAR PERIOD IN THE UNITED STATES DEPARTMENT OF LABOR, BUREAU OF LABOR STATISTICS, CONSUMER PRICE INDEX FOR DENVER-Boulder-Greeley, ALL ITEMS, ALL URBAN CONSUMERS, OR ITS SUCCESSOR INDEX. THE BOARD OF DIRECTORS SHALL POST THE ADJUSTED AMOUNT ON ITS WEBSITE AND IN ITS ANNUAL REPORTS. If the landowners, by majority vote of all the votes cast at ~~such~~ THE election, shall vote for the payment of ~~such~~ THE compensation, the COURTS SHALL GIVE THE DISTRICT THE NECESSARY ADDITIONAL ~~times shall be given the district wherein~~ TIME TO pay ~~such~~ THE compensation either by levy and collection of assessments against the lands of the district, or by the issuance and sale of bonds of the district, or by both such methods, as may be determined at a district election.

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

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

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

(1) ~~"Landowners" "LANDOWNER", as used in this article, shall include any persons, natural or artificial, resident or nonresident, who are citizens of the United States and owners~~ ARTICLE 42, MEANS AN OWNER in fee of lands within the boundaries of any irrigation district organized or proposed to be organized, ~~or holders of incomplete title under contracts to purchase state or Carey act lands, or the state board of land commissioners in care of agricultural college or public school lands, including also entrymen or purchasers of public lands of the United States under any of the agricultural public land laws, or the secretary of the interior in care of unentered public lands subject to this article under the terms of an act of congress entitled "An Act to promote reclamation of arid lands.", approved August 11, 1916, and all acts amendatory thereof or supplemental thereto~~ WHETHER A RESIDENT OR NONRESIDENT OF THE DISTRICT, WHO OR THAT IS A CITIZEN OF, OR AN ENTITY OR ARRANGEMENT CREATED OR ORGANIZED WITHIN, THE UNITED STATES.

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

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

37-42-128. Collection of assessments. (1) ~~The county treasurer of the county wherein the office of an irrigation district is located shall be and is hereby constituted ex officio district treasurer of such irrigation district and shall be liable upon his official bond and to indictment and criminal prosecution for malfeasance, misfeasance, or failure to perform any duty prescribed in this article, either as county treasurer or as district treasurer, as is provided by law in like or other cases~~

as county treasurer. Said treasurer shall collect, receive, and receipt for all moneys belonging to the district.

(3) ~~In the case of irrigation district assessments, such county treasurer shall receive, in payment of the general fund assessment for the year in which taxes are payable, warrants drawn against said general fund the same as so much lawful money of the United States, if such warrant does not exceed the amount of the general fund assessment which the person tendering the same owes. Such county treasurer shall receive, in payment of the district bond fund assessment for the year in which said taxes are payable, interest coupons or bonds of said irrigation district maturing within the year said assessments are payable the same as so much lawful money of the United States, if such interest coupons or bonds do not exceed the amount of district bond fund assessment which the person tendering the same owes. Payment of irrigation district assessments shall be receipted for upon the same receipt required in the collection of general real estate taxes, but, in the case of payment of only general tax or irrigation district assessment and the nonpayment of the other, such nonpayment shall be clearly indicated upon such receipt so issued; and the payment of the one shall in no way affect the lien or obligation of the unpaid tax or assessment, but each shall exist and be enforceable separately.~~

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

37-42-140. Districts organized after April 7, 1921. This ~~article shall apply~~ ARTICLE 42 APPLIES only to irrigation districts organized after April 7, 1921, and no existing laws in any manner relating to irrigation districts ~~shall apply to or affect~~ irrigation districts organized after ~~said~~ THAT date, but ~~said~~ existing laws and all amendments thereto made after ~~said~~ THAT date ~~shall be and~~ remain in and have full force and effect as to all irrigation districts organized prior to April 7, 1921. However, whenever ~~resident freeholders, representing~~ LANDOWNERS of a majority of the number of acres of the irrigable land in any irrigation district organized prior to April 7, 1921, ~~shall~~ petition the board of directors to call a special election for the purpose of submitting to the ~~qualified electors of said irrigation district, who for the purpose of this section are defined as the owners or entrymen of agricultural or horticultural land within said district exclusive of lands platted or subdivided into residence or business lots,~~ LANDOWNERS ENTITLED TO VOTE AT ELECTIONS OF THE IRRIGATION DISTRICT a proposition to vote, at any regular or any special election called and notice given for such purpose, upon the question whether ~~or not such~~ THE irrigation district shall thereafter operate under ~~the provisions of this article~~ ARTICLE 42, and if two-thirds of ~~said qualified electors~~ THE LANDOWNERS of ~~such~~ THE irrigation district voting upon ~~such~~ THE question ~~shall~~ vote in favor of coming under ~~the provisions of this article~~ ARTICLE 42, upon the filing of a statement of the results of ~~such~~ THE election in the manner provided by section 37-41-112, ~~such~~ THE irrigation district ~~shall~~ IS thereafter ~~be~~ governed by ~~the provisions of this article but~~ ARTICLE 42. The election of ~~such~~ THE district to come under ~~the provisions of this article shall~~ ARTICLE 42 DOES not invalidate any act or proceeding ~~theretofore~~ PREVIOUSLY done under the laws governing ~~such~~ THE irrigation district prior to ~~such~~

THE election and ~~shall~~ DOES not impair any obligation of ~~such~~ THE irrigation district or any right thereunder.

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

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

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

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

Approved: March 8, 2017