



Legislative Council Staff

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Fiscal Note

Drafting Number:	LLS 22-0337	Date:	February 2, 2022
Prime Sponsors:	Rep. Soper; Roberts Sen. Bridges; Coram	Bill Status:	House Agriculture
		Fiscal Analyst:	Josh Abram 303-866-3561 Josh.Abram@state.co.us

Bill Topic: LOANS FROM IRRIGATION DISTRICTS TO LANDOWNERS

Summary of Fiscal Impact:

<input type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
<input type="checkbox"/> State Expenditure	<input checked="" type="checkbox"/> Local Government
<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

The bill permits an irrigation district to enter into contractual commitments in order to make loans to private landowners without voter approval. The bill increases expenditures and workload for district boards choosing to exercise this authority.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: The fiscal note reflects the introduced bill.

Summary of Legislation

Under current law, the board of directors of an irrigation district may only enter into a contract to commit payments in excess of \$500,000 if the contract is first ratified at a general or special election. This bill permits a board of directors to enter into any obligation or contract to borrow money, which the irrigation district may use to issue loans to landowners to make improvements to private water delivery systems, or for other types of projects that improve water delivery, drainage, conservation, or efficiencies on landowner property. The board may not assess district land in order to raise money to issue the loans; however, the board may use other sources of money to issue loans.

The irrigation district's annual appropriation resolution to county commissioners must include the amounts needed to meet loan obligations and the amounts payable by landowners to the irrigation district. When assessing land within an irrigation district, the bill requires that the county assessor apply the information in the annual appropriation resolution concerning loans to landowners and assess the additional amount payable for each tract for which the landowner has received a loan.

Background

Currently, there are 16 irrigation districts in Colorado. Irrigation districts are created to raise money for large irrigation and drainage projects, and controlled by local landowners. A district may lease its excess water for use within or without the district for any beneficial use permitted by decree or applicable law.

Local Government

The bill increases workload and expenditures for irrigation boards choosing to exercise this new authority. The overall value of these loans is not expected to impact the assessed values of land in an irrigation district, or the amount of property taxes collected by a county or other taxing jurisdiction.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

State and Local Government Contacts

Counties

County Assessors

Natural Resources