



# Legislative Council Staff

## Research Note

Version: Final

Date: 4/18/2016

### Bill Number

**Senate Bill 16-145**

### Sponsors

**Senators Baumgardner  
& Donovan  
Representatives Mitsch Bush  
& Willett**

### Short Title

**Colorado River District  
Subdistrict Formation**

### Research Analyst

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### Status

This research note reflects the final version of the bill and becomes effective August 10, 2016, if no referendum petition is filed.

### Summary

This bill provides an alternative method for the Colorado River Water Conservation District to form subdistricts. Current law requires that a petition signed by 50 percent of the property owners in the proposed subdistrict be presented to and approved by a court. The bill allows for a petition process which requires:

- majority approval by the district's board of directors;
- unanimous approval by the members of the board of directors from the counties within the proposed subdistrict;
- the petition to be signed by 10 percent or 200 electors in the proposed subdistrict;
- the petition to be presented to court for approval;
- upon approval, the petition to be put to an election of voters within the proposed subdistrict; and
- if approved by majority vote, the court to declare the subdistrict organized and gives it the corporate name designated by the petition.

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The bill also specifies that a subdistrict or subdivision does not have regulatory authority over a water conservation district, water conservancy district, irrigation district, or other water user outside its geographic boundaries. It also allows a subdistrict or subdivision to enter into a voluntary contract, stipulation, or other agreement with a water conservation district, water conservancy district, irrigation district, or other water user outside its geographic boundaries.

## Background

**Water conservation districts.** Water conservation districts are political subdivisions of the state formed in statute to address water supply issues in a specific river basin or basins. Since 1937, the legislature has authorized four water conservation districts:

- Colorado River Water Conservation District was formed in 1937 to develop the water resources of the Colorado River and its tributaries that define the district's boundaries;
- Southwestern Colorado Water Conservation District was formed in 1941 to develop the water resources of the San Juan and Dolores rivers and their tributaries that define the district's boundaries;
- Rio Grande Water Conservation District was formed in 1967 to develop the water resources of the Rio Grande River and its tributaries that define the district's boundaries; and
- Republican River Water Conservation District was formed in 2004 to help Colorado comply with its water delivery obligations under the Republican River Compact by reducing water depletions in the basin. The Republican River Basin includes Sedgewick, Phillips, Yuma, Washington, Kit Carson, Logan, and Lincoln counties in northeastern Colorado.

**Powers of water conservation districts.** According to their legislative declarations, the four water conservation districts were created to promote the conservation, use, and development of waters within the district and to assure that Colorado receives an equitable share of its rivers. State law grants the water conservation districts many of the same powers. For example, the four conservation districts have the power to: acquire property; construct projects; appropriate water; contract for water; exercise eminent domain; cooperate with federal, state, and local governments on water development projects and other activities; collect service charges; and issue revenue and general obligation bonds. The General Assembly also granted unique powers to certain water conservation districts. For example, only the Colorado River and the Republican River water conservation districts may impose an ad valorem tax (commonly known as a property tax), and only the Republican River Water Conservation District may impose a sales and use tax.

**Subdistricts of water conservation districts.** State law authorizes the boards of the Colorado, Southwestern, and Rio Grande water conservation districts to petition the district court to form subdistricts to construct ditches, reservoirs, and other water works that benefit a portion of the conservation district. For example, two subdistricts have been formed within the Rio Grande Water Conservation District to help restore a balance between available water supplies and current ground water levels in the subdistricts. These districts were formed after a petition was filed by the Board of the Rio Grande Water Conservation District and approved by the Alamosa and Rio Grande District Courts. Efforts are underway to form subdistricts in four other areas of the Rio Grande Water Conservation District for similar purposes. Subdistricts in the Colorado, Southwestern, and Rio Grande water conservation districts may also be formed if petitions to form a subdistrict are signed by at least 50 percent of the property owners in the proposed subdistrict.

## Senate Action

**Senate Agriculture, Natural Resources, and Energy Committee (March 17, 2016).** At the hearing, representatives of the Colorado River Water Conservation District, the Colorado Water Congress, and the Northern Colorado Water Conservancy District spoke in support of the bill. The committee adopted an Amendment L.002 that specifies that a subdistrict or subdivision does not have regulatory authority over a water conservation district, water conservancy district, irrigation district, or other water user outside its geographic boundaries. It also allows a subdistrict or subdivision to enter into a voluntary contract, stipulation, or other agreement with a water conservation district, water conservancy district, irrigation district, or other water user outside its geographic boundaries. The committee also adopted Amendment L.001 that removed provisions specifying how the court must determine whether the requisite number of landowners have signed the petition to form a subdistrict or subdivision, and made other technical changes. The bill was referred to the Committee of the Whole with a recommendation that it be placed on the consent calendar.

**Senate second reading (March 22, 2016).** The Senate adopted the Senate Agriculture, Natural Resources, and Energy Committee report. The Senate passed the bill on second reading consent calendar, as amended.

**Senate third reading (March 24, 2016).** The Senate passed the bill on third reading consent calendar with no amendments.

## House Action

**House Agriculture, Livestock, and Natural Resources Committee (April 6, 2016).** At the hearing, representatives of the Colorado River Water Conservation District and the Colorado Water Congress spoke in support of the bill. The committee adopted Amendment L.003 concerning the description of the subdistrict in the formation petition. The bill was referred to the Committee of the Whole.

**House second reading (April 11, 2016).** The House adopted the House Agriculture, Livestock, and Natural Resources Committee report. The House passed the bill on second reading as amended.

**House third reading (April 14, 2016).** The House passed the bill on third reading with no amendments.