



HB22-1092

SHORT TITLE: Loans from Irrigation Districts to Landowners

LONG TITLE: Concerning the issuance of loans by irrigation districts to landowners for certain purposes

SPONSORS: Representatives Soper and Roberts/Senators Bridges and Coram

COMMITTEES: House Agriculture, Livestock, & Water Committee

PURPOSE OF THE BILL: To allow an irrigation district to apply for a single loan and use the money to fund individual loans to landowners to fund water efficiency measures, using property tax assessments to repay the original loan

PROPOSERS OF THE BILL: Orchard Mesa Irrigation District

POTENTIAL STAKEHOLDERS: Irrigation districts, landowners/irrigators, lenders such as the CWCB, Water and Power Authority, , federal agencies (such as farm credit agencies or federal reclamation districts), other entities that may hold liens on ag properties within the district; county assessors, county clerks, State Engineer

BACKGROUND: Proponents state that the bill is needed because entities like the CWCB do not currently make loans to large groups of private landowners, and many irrigation systems currently in use by private landowners are in need of improvements. Irrigation districts own the infrastructure up to the turn outs to privately held laterals, and many of these laterals are inefficient. There are many individual private landowners on laterals which makes it infeasible for the CWCB to loan to dozens of individuals to fund improvements. This bill would allow certain irrigation districts to borrow money and work with the individual landowners to construct the improvements, and the loan would be paid back to the district via property assessments.

Is this bill necessary this year? No deadlines exist

How does the bill change current law? It enables irrigation districts to obtain loans and use those funds to become direct lenders to district members as opposed to acting as guarantors of loans benefitting large district projects.

Does the bill affect the prior appropriations system? No

How is the bill implemented? If approved, an irrigation district would pass a resolution authorizing the borrowing of money from CWCB for the stated purpose, establish criteria by which it would lend funds to individual district members for improvements, and once the money is obtained, make the loans for those projects. A separate assessment would be placed on the property tax rolls for landowners seeking the loans from the irrigation district. The assessments collected by the irrigation district would then be used to pay back CWCB. An amendment is proposed for the committee hearing that would delete



language directed to the assessor to assess the additional amount due on each tract as a result of the loan obligation, and substitute a clarification that in case of default on an installment of the loan the county treasurer may only assess a tax lien for the amount of the unpaid installment and may not assess a lien against the real property for the landowner's share of the entire loan made by the irrigation district.

Practical Considerations: Does an irrigation district incur any additional legal and financial obligations?
How will these obligations be discharged if a landowner does not satisfy the tax assessment?

Fiscal Impact: None identified

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