

SENATE BILL NO. 350

INTRODUCED BY FORRESTER, MILLS

IN THE SENATE

FEBRUARY 10, 1993	INTRODUCED AND REFERRED TO COMMITTEE ON AGRICULTURE, LIVESTOCK, & IRRIGATION. FIRST READING.
FEBRUARY 16, 1993	COMMITTEE RECOMMEND BILL DO PASS. REPORT ADOPTED. PRINTING REPORT.
FEBRUARY 18, 1993	ON MOTION, CONSIDERATION PASSED FOR THE DAY.
FEBRUARY 19, 1993	SECOND READING, DO PASS.
FEBRUARY 20, 1993	ENGROSSING REPORT. THIRD READING, PASSED. AYES, 49; NOES, 1. TRANSMITTED TO HOUSE.

IN THE HOUSE

FEBRUARY 23, 1993	INTRODUCED AND REFERRED TO COMMITTEE ON AGRICULTURE, LIVESTOCK, & IRRIGATION. FIRST READING.
MARCH 11, 1993	COMMITTEE RECOMMEND BILL BE CONCURRED IN AS AMENDED. REPORT ADOPTED.
MARCH 13, 1993	SECOND READING, CONCURRED IN.
MARCH 16, 1993	THIRD READING, CONCURRED IN. AYES, 92; NOES, 7.
MARCH 17, 1993	RETURNED TO SENATE WITH AMENDMENTS.

IN THE SENATE

MARCH 18, 1993	RECEIVED FROM HOUSE.
MARCH 19, 1993	SECOND READING, AMENDMENTS

MARCH 20, 1993

CONCURRED IN.

THIRD READING, AMENDMENTS
CONCURRED IN.

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

1 Senate BILL NO. 350
2 INTRODUCED BY Forrester
3 aka
4 A BILL FOR AN ACT ENTITLED: "AN ACT INCREASING THE MAXIMUM
5 ADMINISTRATIVE FEE THAT MAY BE CHARGED BY AN IRRIGATION
6 DISTRICT; CLARIFYING THAT THE ADMINISTRATIVE FEE IS IN
7 ADDITION TO THE ANNUAL TAX LEVY; AMENDING SECTIONS 85-7-2103
8 AND 85-7-2104, MCA; AND PROVIDING AN EFFECTIVE DATE."
9

10 WHEREAS, the development of subdivided farm units has
11 greatly increased irrigation district costs to administer
12 water, including the costs of splitting irrigated acres,
13 establishing and operating new land and water accounts,
14 revising maps and assessment lists, administering water in
15 brief duration to multiple users who share a common point of
16 delivery, instructing small tract landowners on policies and
17 procedures, and settling disputes related to water delivery
18 and accounting; and

19 WHEREAS, the \$25 maximum administrative charge on
20 irrigated property is not enough to make the delivery of
21 water to a small acreage economically feasible; and

22 WHEREAS, the \$25 maximum administrative charge was
23 established in 1979, with no consideration given to the
24 future rate of inflation.
25

1 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

2 **Section 1.** Section 85-7-2103, MCA, is amended to read:

3 **"85-7-2103. All irrigable lands chargeable alike. (1)**

4 All irrigable lands in each irrigation district and all
5 lands in each subdistrict of the district, except those
6 lands that are included within the district because of the
7 exchange or substitution of water under the provisions of
8 85-7-1912, shall pay at the same rate for all purposes for
9 which the lands are charged, except as otherwise provided by
10 law. There may be an administrative charge of \$5 to \$25 \$75
11 against each separately owned tract of land regardless of
12 its size, as provided in 85-7-2104. The administrative
13 charge is in addition to the annual tax levied under
14 85-7-2104.

15 (2) Whenever water used for the irrigation of any lands
16 within an irrigation district or subdistrict is obtained by
17 pumping to different elevations, the cost of maintenance,
18 operation, and pumping to each separate elevation ~~shall~~ must
19 be apportioned and levied upon the lands lying under the
20 ditch or ditches running from that particular elevation, in
21 a manner ~~as may be~~ determined fair and equitable by the
22 board of commissioners after considering the facts in each
23 case. This apportionment must be made by the board of
24 commissioners and included each year in the assessment
25 provided for by 85-7-2104. The amount of the assessment for

1 maintenance, operation, and pumping of water to each
2 separate elevation, whenever there are different elevations,
3 must be determined by the board in a manner and upon notice
4 to the persons interested in the district or subdistrict as
5 the board in its rules may provide.

6 (3) Whenever a contract has been made with the United
7 States, the lands within the district or of a subdistrict if
8 the contract substantially benefits the subdistrict, whether
9 originally included or later annexed to the district or
10 subdistrict, ~~shall~~ must pay in accordance with the federal
11 reclamation laws and the public notices, orders, and
12 regulations issued under the reclamation laws and in
13 compliance with any contracts made by the United States with
14 the owners of the lands and in compliance with the contract
15 between the districts and the United States.

16 (4) Whenever a contract has been made with the state of
17 Montana, the lands within the district or of a subdistrict
18 if the contract substantially benefits the subdistrict,
19 whether originally included or later annexed to the district
20 or subdistrict, ~~shall~~ must pay in accordance with state laws
21 and public notices and rules issued under the laws and in
22 compliance with any contract made by the state with the
23 owners of the lands and in compliance with the contract
24 between the district and the state.

25 (5) Whenever the works necessary for the completed

1 project are constructed progressively over a period of years
2 and whenever a portion of the lands within the district are
3 or can be irrigated 1 year or more before the completion of
4 the entire project, those lands irrigated or that can be
5 irrigated through the built portion of the project ~~shall~~
6 must pay for the cost of operating that portion of the
7 project serving them with irrigation water and must also
8 ~~shall~~ pay the portion of the interest charges as its
9 irrigable area bears to the irrigable area of the entire
10 project.

11 (6) Whenever lands have appurtenant thereto to the land
12 a partial water right or partial rights in a system of
13 irrigation other than that of the district or subdistrict,
14 the amounts payable must be equitably apportioned.

15 (7) Whenever the owners of a portion of the lands
16 within an irrigation district choose to install a gravity
17 system to irrigate those lands, the cost of constructing the
18 gravity system must be apportioned among and levied upon the
19 lands irrigated by the gravity system in a manner determined
20 to be equitable by the board. The levy must be included each
21 year in the assessment charged under 85-7-2104."

22 **Section 2.** Section 85-7-2104, MCA, is amended to read:

23 "85-7-2104. Annual tax levy -- apportionment when
24 tracts divided. (1) (a) On or before the second Monday in
25 July each year, the board of commissioners of each

1 irrigation district organized under parts 1 and 15 shall
2 ascertain:

3 (i) the total amount required to be raised in that year
4 for the general administrative expenses of the district,
5 including the cost of maintenance and repairs; and

6 (ii) the total amount to be raised that year for
7 interest on and principal of the outstanding bonded or other
8 indebtedness of the district for which bonds of the district
9 have not been deposited with the United States as provided
10 in 85-7-1906.

11 (b) The board shall levy against each 40-acre tract or
12 fractional lot, as designated by United States government
13 survey, or platted lot if land is subdivided in lots and
14 blocks (or where land is owned in less than 40-acre tracts
15 or in less than the platted lot, against each tract) of land
16 in the district, that portion of the respective total
17 amounts to be raised which the total irrigable area of any
18 tract or lot bears to the total irrigable area of the lands
19 in the district, so that each acre of irrigable land in the
20 district ~~must be~~ is assessed and required to pay the same
21 amount as every other acre of irrigable land ~~therein in the~~
22 district, unless otherwise specifically provided by the
23 board. The board may charge \$5 to \$25 against each
24 separately owned tract of land, regardless of its size, and
25 the administrative charge authorized in 85-7-2103(1).

1 (c) Indebtedness under subsection (1) includes debt
2 incurred under any contract between the district and the
3 United States but excludes any indebtedness incurred by the
4 district on behalf of a subdistrict.

5 (2) (a) On or before the second Monday in July each
6 year, the board of commissioners of each irrigation district
7 organized under parts 1 and 15 for which a subdistrict has
8 been created pursuant to 85-7-404 shall determine the total
9 amount to be raised that year for interest and principal
10 payments on the outstanding bonded or other indebtedness of
11 the district incurred on behalf of the subdistrict.

12 (b) The board shall levy against each 40-acre tract or
13 fractional lot, as designated by United States government
14 survey, or platted lot if land is subdivided in lots and
15 blocks (or where land is owned in less than 40-acre tracts
16 or in less than the platted lot, against each tract) in the
17 subdistrict, the portion of the total amount to be raised
18 apportioned according to the ratio of the total irrigable
19 area of the tract or lot to the total irrigable area of the
20 lands in the subdistrict, so that each acre of irrigable
21 land in the subdistrict is assessed and required to pay the
22 same amount as every other acre of irrigable land in the
23 subdistrict, unless otherwise specifically provided by the
24 board. The board may charge \$5 to \$25 against each
25 separately owned tract or lot of land, regardless of its

size, and the administrative charge authorized in
85-7-2103(1).

(3) In the event that the ownership of any 40-acre tract or other subdivision of land in the district or subdistrict is divided after a special tax or assessment against the land has been levied, each of the owners of a tract or subdivision is entitled to have the special tax or assessment equitably apportioned to and against the divisions of the tract or subdivision, so that each owner is enabled to pay a special tax or assessment against his the owner's portion of the tract or subdivision and have the land discharged from the lien. ~~in no event shall the~~ The charge against any separately owned tract of land may not be less than \$5."

NEW SECTION. **Section 3.** Effective date. [This act] is effective July 1, 1993.

-End-

APPROVED BY COMMITTEE
ON AGRICULTURE LIVESTOCK
& IRRIGATION

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2 INTRODUCED BY Forrester
3 Wells
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11 greatly increased irrigation district costs to administer
12 water, including the costs of splitting irrigated acres,
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14 revising maps and assessment lists, administering water in
15 brief duration to multiple users who share a common point of
16 delivery, instructing small tract landowners on policies and
17 procedures, and settling disputes related to water delivery
18 and accounting; and

19 WHEREAS, the \$25 maximum administrative charge on
20 irrigated property is not enough to make the delivery of
21 water to a small acreage economically feasible; and

22 WHEREAS, the \$25 maximum administrative charge was
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24 future rate of inflation.
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22 board of commissioners after considering the facts in each
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13 compliance with any contracts made by the United States with
14 the owners of the lands and in compliance with the contract
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16 (4) Whenever a contract has been made with the state of
17 Montana, the lands within the district or of a subdistrict
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5 irrigated through the built portion of the project ~~shall~~
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21 year in the assessment charged under 85-7-2104."

22 **Section 2.** Section 85-7-2104, MCA, is amended to read:

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25 July each year, the board of commissioners of each

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6 year, the board of commissioners of each irrigation district
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1 size, and the administrative charge authorized in
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3 (3) In the event that the ownership of any 40-acre
4 tract or other subdivision of land in the district or
5 subdistrict is divided after a special tax or assessment
6 against the land has been levied, each of the owners of a
7 tract or subdivision is entitled to have the special tax or
8 assessment equitably apportioned to and against the
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11 owner's portion of the tract or subdivision and have the
12 land discharged from the lien. ~~in-no-event-shall-the~~ The
13 charge against any separately owned tract of land may not be
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15 NEW SECTION. Section 3. Effective date. [This act] is
16 effective July 1, 1993.

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18 tract or lot bears to the total irrigable area of the lands
19 in the district, so that each acre of irrigable land in the
20 district ~~must-be~~ is assessed and required to pay the same
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13 charge against any separately owned tract of land may not be
14 less than \$5."

15 NEW SECTION. **Section 3.** Effective date. [This act] is
16 effective July 1, 1993.

-End-

HOUSE STANDING COMMITTEE REPORT

March 10, 1993

Page 1 of 1

Mr. Speaker: We, the committee on Agriculture, Livestock, and Irrigation report that Senate Bill 350 (third reading copy -- blue) be concurred in as amended .

Signed: _____

Vern Keller

Vern Keller, Chair

And, that such amendments read:

Carried by: Rep. Rose

1. Page 5, line 23.

Following: "may"

Insert: "also"

2. Page 5, lines 23 and 24.

Following: "charge" on line 23

Strike: the remainder of line 23 through "and" on line 24

3. Page 6, line 24.

Following: "may"

Insert: "also"

4. Page 6, line 24 through page 7, line 1.

Following: "charge" on page 6, line 24

Strike: the remainder of line 24

through "and" on page 7, line 1

-END-

HOUSE

SB 350

Committee Vote:

SENATE BILL NO. 350

INTRODUCED BY FORRESTER, MILLS

A BILL FOR AN ACT ENTITLED: "AN ACT INCREASING THE MAXIMUM ADMINISTRATIVE FEE THAT MAY BE CHARGED BY AN IRRIGATION DISTRICT; CLARIFYING THAT THE ADMINISTRATIVE FEE IS IN ADDITION TO THE ANNUAL TAX LEVY; AMENDING SECTIONS 85-7-2103 AND 85-7-2104, MCA; AND PROVIDING AN EFFECTIVE DATE."

WHEREAS, the development of subdivided farm units has greatly increased irrigation district costs to administer water, including the costs of splitting irrigated acres, establishing and operating new land and water accounts, revising maps and assessment lists, administering water in brief duration to multiple users who share a common point of delivery, instructing small tract landowners on policies and procedures, and settling disputes related to water delivery and accounting; and

WHEREAS, the \$25 maximum administrative charge on irrigated property is not enough to make the delivery of water to a small acreage economically feasible; and

WHEREAS, the \$25 maximum administrative charge was established in 1979, with no consideration given to the future rate of inflation.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 85-7-2103, MCA, is amended to read:

"85-7-2103. All irrigable lands chargeable alike. (1)

All irrigable lands in each irrigation district and all lands in each subdistrict of the district, except those lands that are included within the district because of the exchange or substitution of water under the provisions of 85-7-1912, shall pay at the same rate for all purposes for which the lands are charged, except as otherwise provided by law. There may be an administrative charge of \$5 to \$25 \$75 against each separately owned tract of land regardless of its size, as provided in 85-7-2104. The administrative charge is in addition to the annual tax levied under 85-7-2104.

(2) Whenever water used for the irrigation of any lands within an irrigation district or subdistrict is obtained by pumping to different elevations, the cost of maintenance, operation, and pumping to each separate elevation ~~shall~~ must be apportioned and levied upon the lands lying under the ditch or ditches running from that particular elevation, in a manner ~~as may be~~ determined fair and equitable by the board of commissioners after considering the facts in each case. This apportionment must be made by the board of commissioners and included each year in the assessment provided for by 85-7-2104. The amount of the assessment for

1 maintenance, operation, and pumping of water to each
 2 separate elevation, whenever there are different elevations,
 3 must be determined by the board in a manner and upon notice
 4 to the persons interested in the district or subdistrict as
 5 the board in its rules may provide.

6 (3) Whenever a contract has been made with the United
 7 States, the lands within the district or of a subdistrict if
 8 the contract substantially benefits the subdistrict, whether
 9 originally included or later annexed to the district or
 10 subdistrict, ~~shall~~ must pay in accordance with the federal
 11 reclamation laws and the public notices, orders, and
 12 regulations issued under the reclamation laws and in
 13 compliance with any contracts made by the United States with
 14 the owners of the lands and in compliance with the contract
 15 between the districts and the United States.

16 (4) Whenever a contract has been made with the state of
 17 Montana, the lands within the district or of a subdistrict
 18 if the contract substantially benefits the subdistrict,
 19 whether originally included or later annexed to the district
 20 or subdistrict, ~~shall~~ must pay in accordance with state laws
 21 and public notices and rules issued under the laws and in
 22 compliance with any contract made by the state with the
 23 owners of the lands and in compliance with the contract
 24 between the district and the state.

25 (5) Whenever the works necessary for the completed

1 project are constructed progressively over a period of years
 2 and whenever a portion of the lands within the district are
 3 or can be irrigated 1 year or more before the completion of
 4 the entire project, those lands irrigated or that can be
 5 irrigated through the built portion of the project ~~shall~~
 6 must pay for the cost of operating that portion of the
 7 project serving them with irrigation water and must also
 8 ~~shall~~ pay the portion of the interest charges as its
 9 irrigable area bears to the irrigable area of the entire
 10 project.

11 (6) Whenever lands have appurtenant thereto to the land
 12 a partial water right or partial rights in a system of
 13 irrigation other than that of the district or subdistrict,
 14 the amounts payable must be equitably apportioned.

15 (7) Whenever the owners of a portion of the lands
 16 within an irrigation district choose to install a gravity
 17 system to irrigate those lands, the cost of constructing the
 18 gravity system must be apportioned among and levied upon the
 19 lands irrigated by the gravity system in a manner determined
 20 to be equitable by the board. The levy must be included each
 21 year in the assessment charged under 85-7-2104."

22 **Section 2.** Section 85-7-2104, MCA, is amended to read:

23 "85-7-2104. Annual tax levy -- apportionment when
 24 tracts divided. (1) (a) On or before the second Monday in
 25 July each year, the board of commissioners of each

1 irrigation district organized under parts 1 and 15 shall
2 ascertain:

3 (i) the total amount required to be raised in that year
4 for the general administrative expenses of the district,
5 including the cost of maintenance and repairs; and

6 (ii) the total amount to be raised that year for
7 interest on and principal of the outstanding bonded or other
8 indebtedness of the district for which bonds of the district
9 have not been deposited with the United States as provided
10 in 85-7-1906.

11 (b) The board shall levy against each 40-acre tract or
12 fractional lot, as designated by United States government
13 survey, or platted lot if land is subdivided in lots and
14 blocks (or where land is owned in less than 40-acre tracts
15 or in less than the platted lot, against each tract) of land
16 in the district, that portion of the respective total
17 amounts to be raised which the total irrigable area of any
18 tract or lot bears to the total irrigable area of the lands
19 in the district, so that each acre of irrigable land in the
20 district ~~must be~~ is assessed and required to pay the same
21 amount as every other acre of irrigable land ~~therein in the~~
22 district, unless otherwise specifically provided by the
23 board. The board may ALSO charge \$5-to-\$25-against-each
24 ~~separately-owned-tract-of-land, regardless of its size, and~~
25 the administrative charge authorized in 85-7-2103(1).

1 (c) Indebtedness under subsection (1) includes debt
2 incurred under any contract between the district and the
3 United States but excludes any indebtedness incurred by the
4 district on behalf of a subdistrict.

5 (2) (a) On or before the second Monday in July each
6 year, the board of commissioners of each irrigation district
7 organized under parts 1 and 15 for which a subdistrict has
8 been created pursuant to 85-7-404 shall determine the total
9 amount to be raised that year for interest and principal
10 payments on the outstanding bonded or other indebtedness of
11 the district incurred on behalf of the subdistrict.

12 (b) The board shall levy against each 40-acre tract or
13 fractional lot, as designated by United States government
14 survey, or platted lot if land is subdivided in lots and
15 blocks (or where land is owned in less than 40-acre tracts
16 or in less than the platted lot, against each tract) in the
17 subdistrict, the portion of the total amount to be raised
18 apportioned according to the ratio of the total irrigable
19 area of the tract or lot to the total irrigable area of the
20 lands in the subdistrict, so that each acre of irrigable
21 land in the subdistrict is assessed and required to pay the
22 same amount as every other acre of irrigable land in the
23 subdistrict, unless otherwise specifically provided by the
24 board. The board may ALSO charge \$5-to-\$25-against-each
25 ~~separately-owned-tract-or-lot-of--land,--regardless--of--its~~

1 ~~sizey---and~~ the administrative charge authorized in
2 85-7-2103(1).

3 (3) In the event that the ownership of any 40-acre
4 tract or other subdivision of land in the district or
5 subdistrict is divided after a special tax or assessment
6 against the land has been levied, each of the owners of a
7 tract or subdivision is entitled to have the special tax or
8 assessment equitably apportioned to and against the
9 divisions of the tract or subdivision, so that each owner is
10 enabled to pay a special tax or assessment against ~~his~~ the
11 owner's portion of the tract or subdivision and have the
12 land discharged from the lien. ~~In no event shall the~~ The
13 charge against any separately owned tract of land may not be
14 less than \$5."

15 NEW SECTION. **Section 3.** Effective date. [This act] is
16 effective July 1, 1993.

-End-