IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 608

BY RESOURCES AND CONSERVATION COMMITTEE

AN ACT

2 RELATING TO STOCKWATER; AMENDING SECTION 42-224, IDAHO CODE, TO REVISE PRO
3 VISIONS REGARDING THE FORFEITURE OF STOCKWATER RIGHTS; AND DECLARING AN

EMERGENCY.

Be It Enacted by the Legislature of the State of Idaho:

SECTION 1. That Section 42-224, Idaho Code, be, and the same is hereby amended to read as follows:

- 42-224. FORFEITURE OF STOCKWATER RIGHTS. (1) Whenever Within thirty (30) days of receipt by the director of the department of water resources receives of a petition making a prima facie showing, or finds, on his own initiative based on available information, or other information that a stockwater right has not been put to beneficial use for a term of five (5) years, the director must determine whether the petition or other information, or both, presents prima facie evidence that the stockwater right has been lost through forfeiture pursuant to section 42-222(2), Idaho Code. If the director determines the petition or other information, or both, is insufficient, he shall expeditiously issue an order to the stockwater right owner to show cause before the director why the stockwater right has not been lost through forfeiture pursuant to section 42-222(2), Idaho Code notify the petitioner of his determination, which shall include a reasoned statement in support of the determination, and otherwise disregard for the purposes of this subsection the other, insufficient, information.
- (2) If the director determines the petition or other information, or both, contains prima facie evidence of forfeiture due to nonuse, the director must within thirty (30) days issue an order to the stockwater right owner to show cause before the director why the stockwater right has not been lost through forfeiture pursuant to section 42-222(2), Idaho Code. Any order to show cause shall must contain the director's findings of fact and a reasoned statement in support of the determination.
- (3) The director shall <u>must</u> serve a copy of any order to show cause on the stockwater right owner by personal service or by certified mail <u>with return receipt</u>. Personal service may be completed by department personnel or a person authorized to serve process under the Idaho rules of civil procedure. Service by certified mail shall be complete upon receipt of the certified mail. If reasonable efforts to personally serve the order fail, or if the certified mail is returned unclaimed, the director may serve the order by publication by publishing a summary of the order once a week for two (2) consecutive weeks in a newspaper of general circulation in the county in which the point of diversion is located. Service by publication shall be complete upon the date of the last publication.
- (4) If the order affects a stockwater right where <u>all or a part of</u> the place of use is <u>a on federal or state</u> grazing <u>allotment</u> <u>lands</u>, the director

shall provide must mail by certified mail with return receipt a copy of the order to show cause to the holder or holders of any livestock grazing permit or lease for said allotment lands. However, the director shall not issue an order to show cause where the director has or receives written evidence signed by the principal and the agent, prior to issuance of said order, that a principal/agent relationship existed during the five (5) year term mentioned in subsection (1) of this section or currently exists between the owner of the water right as principal and a permittee or lessee as agent for the purpose of obtaining or maintaining the water right.

- (5) The stockwater right owner shall have twenty-one (21) days from completion of service to request in writing a hearing pursuant to section 42-1701A, Idaho Code. If the stockwater right owner fails to timely respond to the order to show cause, the stockwater right shall be considered forfeited, and the director shall issue an order declaring the stockwater right to be forfeited pursuant to section 42-222(2), Idaho Code.
- (6) The director may consider multiple stockwater rights held by a single owner in a single order to show cause.
- $\underline{\text{(6)}}$ The stockwater right owner has twenty-one (21) days from completion of service of the order to show cause to request in writing a hearing pursuant to section 42-1701A(1) and (2), Idaho Code.
- (7) If the stockwater right owner <u>fails to</u> timely <u>requests a hearing</u>, the hearing shall be in accordance with section 42-1701A, Idaho Code, and the rules of procedure promulgated by the director. If, after the hearing, the director confirms that the water right has been lost and forfeited pursuant to section 42-222(2), Idaho Code, the director shall issue an order declaring the water right forfeited. Judicial review of any decision of the director shall be in accordance with section 42-1701A, Idaho Code. respond to the order to show cause, the director must issue an order within fourteen (14) days regarding forfeiture stating the stockwater right has been forfeited pursuant to section 42-222(2), Idaho Code.
- [8] If the stockwater right owner timely requests a hearing, the hearing shall be in accordance with section 42-1701A(1) and (2), Idaho Code, and the rules of procedure promulgated by the director. Following the hearing, the director must issue an order regarding forfeiture that sets forth findings of fact, conclusions of law, and a determination of whether the stockwater right has been forfeited pursuant to section 42-222(2), Idaho Code. The director must issue the order regarding forfeiture no later than forty-five (45) days after completion of the administrative proceeding.
- (9) Any order determining that a stockwater right has been forfeited pursuant to subsection (7) or (8) of this section shall have no legal effect except as provided for in subsection (11) of this section. No judicial challenge to an order determining that a stockwater right has been forfeited pursuant subsection (7) or (8) of this section shall be allowed except within the civil action authorized in subsections (10) and (11) of this section.
- (10) Within sixty (60) days after issuance of an order by the director determining that a stockwater right has been forfeited, the state of Idaho, by and through the office of the attorney general, must initiate a civil action by electronically filing in the district court for the fifth judicial district, Twin Falls county, the following: a complaint requesting a declaration that the stockwater right is forfeited; certified copies of the or-

der regarding forfeiture; and the record of the administrative proceeding. A copy of the complaint and accompanying documents shall be served on the stockwater right holder who shall be named as the defendant in the action, all parties to the administrative proceeding, and any holder or holders of livestock grazing permits or leases for the place of use of the stockwater right for which the director possesses an address. Any person may move to intervene in the action pursuant to the Idaho rules of civil procedure, but only if such a motion is filed at least twenty-one (21) days before the date set for the hearing under the scheduling order.

- (11) After the initiation of the civil action required by this section, the proceedings in the district court shall be like those in a civil action triable without right to a jury, provided that the department of water resources shall not be a party to the civil action but may appear as a witness to explain the basis for the director's forfeiture determination. In any such proceeding, the director's order determining forfeiture shall constitute prima facie evidence that the right has been forfeited but shall not change the standard of proof for forfeiture of the water right established by section 42-222(2), Idaho Code.
- (12) At the conclusion of the action, the district court shall issue an order determining whether the stockwater right has been forfeited pursuant to section 42-222, Idaho Code. If the district court determines that the stockwater right has been forfeited, the court shall also enter a judgment that the stockwater right has been forfeited.
- $(\frac{8}{13})$ For purposes of this section, the following terms have the following meanings:
 - (a) "Stockwater right" means water rights for the watering of livestock meeting the requirements of section 42-1401A(11), Idaho Code.
 - (b) "Stockwater right owner" as used in this section means the owner of the stockwater right shown in the records of the department of water resources at the time of service of the order to show cause.
- $(9\underline{14})$ This section applies to all stockwater rights except those stockwater rights decreed to the United States based on federal law.
- (10) The director shall not issue an order to show cause, and shall not proceed under the provisions of this section, where the holder or holders of any livestock grazing permit or lease on a federal grazing allotment asserts a principal/agent relationship with the federal agency managing the grazing allotment.
- SECTION 2. An emergency existing therefor, which emergency is hereby declared to exist, this act shall be in full force and effect on and after its passage and approval.