

IN THE SENATE

SENATE BILL NO. 1276, As Amended

BY RESOURCES AND ENVIRONMENT COMMITTEE

AN ACT

1 RELATING TO IRRIGATION AND CANAL COMPANIES; AMENDING SECTION 42-2401, IDAHO  
2 CODE, TO REVISE PROVISIONS REGARDING NOTICE AND TO MAKE TECHNICAL COR-  
3 RECTIONS; AND DECLARING AN EMERGENCY AND PROVIDING AN EFFECTIVE DATE.  
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5 Be It Enacted by the Legislature of the State of Idaho:

6 SECTION 1. That Section 42-2401, Idaho Code, be, and the same is hereby  
7 amended to read as follows:

8 42-2401. ADDITIONAL RIGHTS AND POWERS GRANTED IRRIGATION OR CANAL  
9 COMPANIES. Any corporation heretofore organized or any corporation that  
10 shall hereafter be organized for the operation, control or management of an  
11 irrigation project or canal system, or for the purpose of furnishing water  
12 to its shareholders and not for profit or hire, shall have and exercise all  
13 the rights, powers, and privileges in addition to those already granted and  
14 existing.

15 (1-) To divide into districts the territory included in such project or  
16 system and to change from time to time the number and boundaries of such dis-  
17 tricts-;

18 (2-) To elect its directors from such districts by a vote in which all  
19 the stockholders of the corporation may participate, determine the number  
20 of directors to be elected from each district, fix their terms of office and  
21 prescribe the times and manner of choosing their successors-;

22 (3-) To hold regular annual meetings at which the stockholders who are  
23 represented in person or by proxy shall constitute a quorum for the transac-  
24 tion of business and shall have the power by a majority vote of the stock so  
25 represented to elect directors and transact any other business of the corpo-  
26 ration proper to be done-;

27 (4-) To provide for the appointment of an executive committee from the  
28 board of directors, to be composed of not less than three (3) thereof. Such  
29 committee shall have all the powers, rights and privileges of the board of  
30 directors and may meet at such times and places as the bylaws may provide or  
31 the board of directors may determine, and the acts of such committee shall in  
32 all matters be valid as against the corporation-;

33 (5-) To provide by amendment to its articles of incorporation or by  
34 adopting new articles of incorporation for the treatment and eradication of  
35 noxious weeds growing on the lands within the boundaries of said irrigation  
36 project and adjacent thereto and to drain excess water from said lands-;

37 (6-) To change or amend its articles of incorporation or bylaws or adopt  
38 new articles or new bylaws, by a two-thirds (2/3) vote of the stock repre-  
39 sented, at any regular meeting of the stockholders, or at any special meet-  
40 ing duly called for that purpose in accordance with the provisions of sec-  
41 tions 30-310 and 30-311, Idaho Code-; provided, that any proposed changes  
42 in the articles of incorporation or bylaws or any new articles of incorpora-

1 tion or bylaws shall be either proposed at a meeting of the stockholders or  
 2 approved by at least one-third (1/3) of the board of directors, ~~and before.~~  
 3 Before being finally adopted, ~~the board of directors shall cause such pro-~~  
 4 ~~posed articles, bylaws, or changes therein (or a summary of them) to be pub-~~  
 5 ~~lished in a newspaper of general circulation published in the county in which~~  
 6 ~~the main office of the canal company is situated, for at least once each week~~  
 7 ~~for four (4) weeks prior to the meeting at which such articles, bylaws, or~~  
 8 ~~changes therein are finally adopted and said notice shall state the time and~~  
 9 ~~place at which the vote on final adoption will be taken. notice of such pro-~~  
 10 ~~posed articles, bylaws, or changes therein, or a summary of them, shall be~~  
 11 ~~given by an advertisement thereof for two (2) weeks in a newspaper of general~~  
 12 ~~circulation within the canal company service area and the county in which the~~  
 13 ~~principal place of business of the corporation is located or by written no-~~  
 14 ~~tice, placed in the United States mail, postage prepaid, and addressed to the~~  
 15 ~~stockholder at his last known post office address;~~

16 (7-) To prohibit any officer, director, manager or employee of the  
 17 corporation from acting as proxy for any other person at any meeting of the  
 18 stockholders-;

19 (8-) To prescribe by its articles of incorporation or bylaws the manner  
 20 in which the powers given by law shall be exercised-;

21 (9-) To provide by amendment to its articles of incorporation or by  
 22 adoption of new articles of incorporation that the directors be divided into  
 23 two (2) or three (3) classes, each class to be as nearly equal in number as  
 24 possible; the term of office of directors of the first class to expire at the  
 25 first annual meeting of directors after their election, that of the second  
 26 class to expire at the second annual meeting after their election, and that  
 27 of the third class, if any, to expire at the third annual meeting after their  
 28 election. At each annual meeting after such classification, the number of  
 29 directors equal to the number of the class whose term expires at the time  
 30 of such meeting shall be elected to hold office until the second succeeding  
 31 annual meeting, if there be two (2) classes, or until the third succeeding  
 32 annual meeting, if there be three (3) classes. Immediately after the first  
 33 election following such amendment or adoption as ~~herein~~ provided in this  
 34 subsection, each such class shall be selected by lot by the elected directors  
 35 at their organizational meeting-; and

36 (10-) To provide for a notice of a meeting of the stockholders or the  
 37 election of directors ~~which notice may be given~~ by an advertisement thereof  
 38 for two (2) weeks in a newspaper of general circulation within the canal com-  
 39 pany service area and the county in which the principal place of business  
 40 of the corporation is located or ~~which notice may be given~~ by written no-  
 41 tice, placed in the United States mail, postage prepaid, and addressed to the  
 42 stockholder at his last known post office address.

43 SECTION 2. An emergency existing therefor, which emergency is hereby  
 44 declared to exist, this act shall be in full force and effect on and after  
 45 July 1, 2022.