

First Regular Session  
Seventieth General Assembly  
STATE OF COLORADO  
UNOFFICIAL PREAMENDED VERSION

LLS NO. 15-0696.01 Esther van Mourik x4215

HOUSE BILL 15-1159

## HOUSE SPONSORSHIP

Arndt,

## SENATE SPONSORSHIP

Donovan,

With Agriculture  
Committee Report  
and L.004, L.005,  
and L.006

**House Committees**

Agriculture, Livestock, & Natural Resources  
Finance  
Appropriations

**Senate Committees**

## A BILL FOR AN ACT

101 CONCERNING THE INSTREAM FLOW INCENTIVE TAX CREDIT FOR  
102 WATER RIGHTS HOLDERS.

**Bill Summary**

*(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/bills/summaries>.)*

In 2009, the general assembly enacted the instream flow incentive tax credit for water rights holders for 6 years. When enacted, the tax credit included a trigger that made the credit unavailable if total general fund revenues for a particular fiscal year would not be sufficient to grow the total state general fund appropriations by 6% over the previous fiscal year's appropriations.

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.  
*Capital letters indicate new material to be added to existing statute.*  
*Dashes through the words indicate deletions from existing statute.*

The bill extends the instream flow incentive tax credit for water rights holders for an additional 5 income tax years. The bill also makes a change to the requirements of the donation, specifying that the donation may either preserve or improve the environment, rather than requiring that the donation only preserve the environment as originally enacted.

Additionally, the bill removes the application of the trigger to the tax credit.

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1 *Be it enacted by the General Assembly of the State of Colorado:*

2           **SECTION 1. Legislative declaration.** The general assembly  
3 hereby finds and declares that the purpose of this tax expenditure is to  
4 extend the instream flow incentive tax credit because an incentive to  
5 encourage voluntary water rights donations helps to preserve Colorado's  
6 streams and lakes.

7           **SECTION 2.** In Colorado Revised Statutes, 39-22-533, **amend**  
8 ~~(2) (a), (2) (b), (2) (d), (5) introductory portion, and (9); and repeal (6)~~ as  
9 follows:

10           **39-22-533. Instream flow incentive tax credit for water rights**  
11 **holders - rules - definitions - repeal.** ~~(2) (a) Except as provided in~~  
12 ~~subsection (6) of this section,~~ For income tax years commencing on or  
13 after January 1, 2009, but prior to ~~January 1, 2015~~ JANUARY 1, 2018, there  
14 may, at the discretion of the board, be allowed to any person an instream  
15 flow incentive tax credit with respect to the income taxes imposed by this  
16 article in the amount determined by the board pursuant to paragraph (b)  
17 of this subsection (2).

18           (b) The board shall have the exclusive authority to approve any  
19 instream flow incentive tax credits allowed pursuant to paragraph (a) of  
20 this subsection (2). The credit shall only be available for permanent  
21 transfers of water rights acquired pursuant to the board's public review  
22 process specified in 2 CCR 408-2, paragraphs 6m. and 11., and upon a



1 prepared. The credit certificate shall remain valid for the next tax year in  
2 which the revenue estimate prepared by the staff of the legislative council  
3 indicates that the amount of the total general fund revenues will be  
4 sufficient to grow the total state general fund appropriations by six  
5 percent over such appropriations for the previous fiscal year.

6 (9) This section is repealed, effective ~~December 31, 2024~~  
7 ~~DECEMBER 31, 2027~~.

8 **SECTION 3. Safety clause.** The general assembly hereby finds,  
9 determines, and declares that this act is necessary for the immediate  
10 preservation of the public peace, health, and safety.