



**Colorado
Legislative
Council
Staff**

HB16-1005

**FINAL
FISCAL NOTE**

FISCAL IMPACT: State Local Statutory Public Entity Conditional No Fiscal Impact

Drafting Number: LLS 16-0094 **Date:** June 14, 2016
Prime Sponsor(s): Rep. Esgar; Danielson **Bill Status:** Signed into Law
 Sen. Merrifield **Fiscal Analyst:** Clare Pramuk (303-866-2677)

BILL TOPIC: RESIDENTIAL PRECIPITATION COLLECTION

Fiscal Impact Summary	FY 2016-2017	FY 2017-2018
State Revenue		
State Expenditures	Workload increase.	
Appropriation Required: None.		
Future Year Impacts: Ongoing workload increase.		

Summary of Legislation

The bill allows the collection of precipitation from the roof of a home in up to two rain barrels with a combined storage capacity of 110 gallons or less if the following conditions are met:

- the building is a single-family residence or a multi-family residence with up to four units;
- the precipitation collected is used for outdoor purposes on the residential property where the precipitation is collected, including irrigation of lawns and gardens;
- the precipitation must not be used for drinking water or indoor household purposes; and
- the State Engineer in the Department of Natural Resources (DNR) may curtail rain barrel usage if the diversion of water is causing or will cause material injury to senior water rights.

The State Engineer is required to provide information on his website on the permitted use of rain barrels for collecting precipitation from rooftops to the extent practicable within existing resources. On or before March 1, 2019 and on or before March 1, 2022, the State Engineer is required to report to the agriculture committees of the General Assembly on whether the use of rain barrels has caused any discernable injury to downstream water rights. The report may contain data from water providers, water users, or other stakeholders, data from a precipitation collection pilot project or other research, or any complaint or report of injury.

The Department of Public Health and Environment (DPHE) is required to develop best practices for nonpotable usage of collected precipitation and vector control (disease prevention) to the extent practicable within existing resources. The DPHE will post the best practices on its website and the State Engineer will either post the best practices on his website or include a link to the best practices.

The bill requires homeowners' associations to allow the use of rain barrels for collection of residential rooftop precipitation with certain exceptions for leased or attached units or common areas. A homeowners' association may impose reasonable aesthetic requirements on the placement or appearance of a rain barrel.

Background

Colorado law currently allows for limited applications of rooftop precipitation collection. Certain property owners who have wells, or are legally entitled to have a well, may collect precipitation from rooftops after applying for and receiving a special permit. The DNR administers a 10-year pilot program for the collection of precipitation from rooftops for nonpotable uses. The program can include up to 10 new residential or mixed-use developments to develop data and methods to measure local precipitation, native plant consumption, and ground water flow. These projects are required to replace the water collected according to an approved substitute water supply plan.

State Expenditures

Both the DPHE and the DNR will have an increase in workload from this bill in FY 2016-17. The State Engineer's Office (SEO) in the DNR will develop a fact sheet and post it on its website. The SEO will begin collecting data and preparing reports and monitor the impact of rain barrel usage on downstream water rights. The DPHE will develop best practices for using the collected precipitation and preventing the spread of disease carried by mosquitos. This workload can be accomplished within existing appropriations.

Local Government Impact

The impact of this bill will depend on the utilization rate of rain barrels to collect precipitation. A high usage rate of rain barrels in concentrated areas will result in a reduction in municipal water usage, particularly for landscape application, and corresponding revenue reduction. This may be offset by a reduction in the cost to purchase and purify drinking water by municipal water providers. Municipal water providers may have an increase in workload to collect and report data to the SEO. Data collection is at the discretion of the water providers and is not expected to create a significant workload increase.

Effective Date

The bill was signed into law by the Governor on May 12, 2016, and it takes effect August 10, 2016, assuming no referendum petition is filed.

State and Local Government Contacts

Judicial Civil

Natural Resources

Research Note Available

An LCS Research Note for House Bill 16-1005 is available online and through the iLegislate app. Research notes provide additional policy and background information about the bill and summarize action taken by the General Assembly concerning the bill.