


Colorado Legislative Council Staff Fiscal Note
STATE
REVISED FISCAL IMPACT
(replaces fiscal note dated March 3, 2009)

Drafting Number: LLS 09-0068
Prime Sponsor(s): Rep. Loper
 Sen. Romer

Date: April 14, 2009
Bill Status: Senate Appropriations
Fiscal Analyst: David Porter (303-866-4375)

TITLE: CONCERNING AN AUTHORIZATION OF PILOT PROJECTS FOR THE BENEFICIAL USE OF CAPTURED PRECIPITATION IN NEW REAL ESTATE DEVELOPMENTS, AND MAKING AN APPROPRIATION IN CONNECTION THEREWITH.

Fiscal Impact Summary	FY 2009-2010	FY 2010-2011
State Revenue		
Cash Funds		
Colorado Water Conservation Board Construction Fund	\$ 4,080	\$ 14,960
State Expenditures		
Cash Funds		
Colorado Water Conservation Board Construction Fund	\$ 14,280	\$ 14,960
FTE Position Change		
Effective Date: The bill becomes effective upon signature of the governor or upon becoming law without his signature.		
Appropriation Summary for FY 2009-2010: See State Appropriations section.		
Local Government Impact: None.		

This fiscal note is revised based on new information provided by the Department of Natural Resources.

Summary of Legislation

This *reengrossed* bill establishes a 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. The program goal is to provide the following:

- ▶ an evaluation of the technical ability to determine how much precipitation returns to the natural stream system;
- ▶ a baseline set of data and methods to measure local precipitation patterns and ground water flow information;
- ▶ an evaluation of precipitation harvesting designs;
- ▶ the point at which precipitation harvesting causes injury to water rights; and
- ▶ data to adjudicate permanent augmentation plans.

The pilot program is effective until July 1, 2020.

The pilot program will be carried out by the Colorado Water Conservation Board. The board will establish criteria and guidelines for the selection of pilot program applicants and will then select applicants. Program participants must submit an annual preliminary report to the board and the state engineer that summarizes findings regarding the program's goals. The office of the state engineer in the Department of Natural Resources will act in an advisory capacity.

State Revenue

Total state revenue is anticipated to be \$4,080 in FY 2009-10 and \$14,960 in FY 2010-11. Revenue is from fees charged of pilot program applicants and participants.

Fee Impact on Individuals, Families or Business. Section 2-2-322, C.R.S., requires legislative service agency review of measures which create or increase any fee collected by a state agency. The table below identifies the fee impact of this bill.

Table 1. Fee Impact on Individuals, Families or Business			
Type of Fee	Proposed Fee	Number Affected	Total Fee Impact
<i>FY 2009-10</i>			
FY 2009-10 Application Fee	\$4,080	1	\$4,080
FY 2009-10 Total			\$4,080
<i>FY 2010-11</i>			
FY 2010-11 Application Fee	\$4,080	2	\$8,160
FY 2010-11 Annual Report Review Fee	\$6,800	1	\$6,800
FY 2010-11 Total			\$14,960

This fiscal note assumes that the council will have between 1 and 3 applicants each year that the program is active. Fees are set to cover the cost of reviewing applications and reviewing each participant's preliminary annual report of findings and are credited to the Colorado Water Conservation Board Construction Fund. Review of annual reports will occur in the fiscal year after the initial application.

State Expenditures

Total state expenditures are anticipated to be \$14,280 in FY 2009-10 and \$14,960 in FY 2010-11. Expenditures are in the Department of Natural Resources, Colorado Water Conservation Board, to develop the program, review pilot program applications, and review pilot site annual reports. All costs are based on the use of contract services at \$170 per hour. Cost components under HB09-1129 are shown in Table 2 on page 3 and discussed below.

Table 2. Expenditures under HB09-1129		
Cost Components	FY 2009-10	FY 2010-11
Program Development	\$10,200	
Application Review	4,080	\$8,160
Annual Review		6,800
TOTAL	\$14,280	\$14,960

Program Development (\$10,200). Program development is anticipated to require 60 hours of contracted services and includes the following items:

- ▶ assisting the board in developing criteria and guidelines for the program;
- ▶ evaluating technical plans; and
- ▶ reviewing substitute water supply plans for the pilot participants.

Program development costs will come from the fund balance of the Colorado Water Conservation Board Construction Fund. The FY 2009-10 fund balance is approximately \$4.0 million.

Application and Annual Review (\$4,080). As shown in the State Revenue section of the fiscal note, 1 applicant is expected in FY 2009-10 and 2 applicants and 1 annual review are expected in FY 2010-11. Applications are anticipated to require 24 hours to complete and annual reviews are expected to require 40 hours. Application costs will be offset by fees.

State Appropriations

The Department of Natural Resources requires a \$14,280 appropriation from the Colorado Water Conservation Board Construction Fund in FY 2009-10.

Departments Contacted

Agriculture
Judicial

Natural Resources

Local Affairs