

Colorado Legislative Council Staff Fiscal Note
NO FISCAL IMPACT

Drafting Number: LLS 07-0451**Date:** January 23, 2007**Prime Sponsor(s):** Rep. Looper
Sen. Gordon**Bill Status:** House Business Affairs & Labor**Fiscal Analyst:** Bill Goosmann (303-866-3561)

TITLE: CONCERNING THE DISCLOSURE OF WATER SOURCES IN CONNECTION WITH
THE SALE OF RESIDENTIAL REAL PROPERTY.

Summary of Assessment

This bill requires that the seller in a residential real estate transaction must provide information regarding the property's source of water and the water provider's contact information. If the source of water is a well, the following additional information must be provided:

- (1) well permit number, authorization date, and water court decree;
- (2) the depth of the well and the source aquifer; and
- (3) the anticipated life of the well.

The bill also specifies that the purchaser may not claim relief against the seller related to the inadequacy of the water supply. This bill becomes effective upon signature of the Governor.

Information does not currently exist regarding the number of residential real estate transactions that involve residential water wells, so it is not possible to accurately estimate the number of such transactions that will be affected by this legislation. However,

- there were about 88,000 residential real estate transactions in Colorado during 2004, the most recent year for which statewide information is available;
- there are about 105,000 valid residential water wells in Colorado; and
- there are a little over 2,000 water providers in Colorado.

This bill will not affect state or local government revenue or expenditures, and is assessed as having no fiscal impact. It will require minor changes to state-approved real estate transaction forms and information requests regarding residential well permits are expected to increase, at least initially. Neither condition is expected to significantly impact the workload of any state or local government agency. For local water providers, any impact will depend on the extent of local real estate activity and the size of and the resources available to each water provider.

Departments Contacted

Local Affairs
Regulatory AgenciesNatural Resources
Judicial