


 Colorado *Legislative Council Staff*
STATE
FISCAL IMPACT

Drafting Number: LLS 06-0416
Prime Sponsor(s): Rep. Hodge
 Sen. Owen

Date: January 20, 2006
Bill Status: House Agriculture
Fiscal Analyst: Marc Carey (303 866-4102)

TITLE: CONCERNING THE ADJUDICATION OF A ROTATIONAL CROP MANAGEMENT CONTRACT.

Fiscal Impact Summary	FY 2006/07	FY 2007/08
State Revenues		
Cash Funds - Div. of Water Resources Groundwater Mgmnt. Cash Fund	\$10,744	\$10,744
State Expenditures		
Cash Funds - Div. of Water Resources Groundwater Mgmnt. Cash Fund	\$11,524	\$13,268
FTE Position Change	0.2 FTE	0.2 FTE
Effective Date: Upon signature of the Governor.		
Appropriation Summary for FY 2006/07: Department of Natural Resources, Division of Water Resources: \$11,524 CF.		
Local Government Impact: None		

Summary of Legislation

This bill allows a water judge to approve a rotational crop management contract. The contract would allow a water rights owner or group of owners to agree to implement a new use of water by forgoing irrigation of a portion of lands that have been historically irrigated. The fallowed land would be rotated on an annual basis as long as there is no injurious effect to other water rights.

The bill applies the same approval criteria to rotational crop management contracts that are currently applied to changes of water rights and plans for augmentation, including plans for water exchange. The bill requires applicants for approval of a rotational crop management contract to pay a fee of \$1,343 for the first three years of the contract and \$300 annually thereafter. Fee revenue is intended to cover the administrative costs of the contract for the State Engineer's Office.

State Revenues

Cash Funds. It is anticipated the bill will result in the collection of \$10,744 in fee revenue beginning in FY 2006-07. This amount assumes that the State Engineer's Office will receive and review eight applications annually for approval of a rotational crop management contract, and each

application will include \$1,343 to cover the administrative costs of the first three years of the contract. Fee revenue will be deposited in the Division of Water Resources Groundwater Management Cash Fund.

State Expenditures

Department of Natural Resources, Division of Water Resources. The division will incur costs of \$11,524 and 0.2 FTE in FY 2006-07 and \$13,268 FY 2007-08 to comply with the bill's requirements. For both fiscal years, the division will require 0.2 FTE to process both new and renewal application contracts. The total FTE need is comprised of six separate positions/classifications in the personnel system. In addition to personal services for the contract review and approval process, marginal copying, mailing, and mileage costs are anticipated.

Judicial Branch. This fiscal note assumes the Water Court will receive eight new applications for approval of rotational crop management contracts. A caseload increase of this magnitude is absorbable within existing resources.

State Appropriations

The Department of Natural Resources, Division of Water Resources will require an appropriation of \$11,524 and 0.2 FTE from the Water Resources Groundwater Management Cash Fund for FY 2006-07.

Departments Contacted

Judicial Natural Resources