

**JBC STAFF FISCAL ANALYSIS
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING ADDITIONAL FINANCIAL SUPPORT FOR WATER PROJECTS.

Prime Sponsors: Senator Isgar
Representative Penry

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Date Prepared: April 17, 2006

Summary of Amendments Made to the Bill After the 02/27/06 Legislative Council Staff Revised Fiscal Note was Prepared (Amended by the Senate Appropriations Committee 03/17/06, on Senate Second Reading 03/30/06, and by the House Agriculture, Livestock, and Natural Resources Committee 04/10/06)

1. The Senate Appropriations Committee amendment changed the annual transfer from the Operational Account of the Severance Tax Trust Fund from "up to \$10 million" of the "available" moneys to a flat (direct) \$10 million per year.
2. The Senate Second Reading amendment specified that the unencumbered and unexpended balance of the account shall revert on June 30, 2010, back to the Operational Account of the Severance Tax Trust Fund.
3. The House Agriculture, Livestock, and Natural Resources Committee amendment required the Colorado Water Conservation Board and the Interbasin Compact Committee to jointly establish criteria and guidelines for allocating the moneys.

JBC Staff Concurrence with Legislative Council Staff Fiscal Note

Concurs

Does Not Concur

Updated Analysis

Reason for Update

The Senate Appropriations Committee amendment changed the annual transfer from the Operational Account of the Severance Tax Trust Fund from "up to \$10 million" of the "available" moneys to a flat (direct) \$10 million per year.

Amendments/Appropriation Status

The bill provides for continuous appropriation authority. As such, the bill neither contains, nor requires, an appropriation. [Please see Points to Consider #1, below.]

Sponsor Amendments

Staff is not aware of any amendment(s) to be offered.

Points to Consider

1. Does the General Assembly wish the \$10,000,000 cash funds exempt to be subject to annual appropriation (and thus review) by the General Assembly?

2. The bill (reengrossed bill, page 3, lines 1 through 5) provides for the annual transfer of \$10,000,000 from the Operational Account of the Severance Tax Trust Fund to the Water Supply Reserve Account, contingent upon meeting the Operational Account's two-year reserve requirement for the Department of Natural Resources' programs. However, the bill does not also make the transfer contingent upon meeting the reserve requirement added in H.B. 06-1200 which became law earlier this session (signed February 3rd). House Bill 06-1200 added Section 39-29-109 (1.5) (f) (I), C.R.S., which requires that the moneys appropriated for LEAP be held in reserve available for said appropriation. Senate Bill 06-179 is silent on this reserve; as such, this omission could create a conflict for the Treasurer's Office as it implements the bill.