



Colorado Legislative Council Staff Fiscal Note
**STATE and LOCAL
 FISCAL IMPACT**

Drafting Number: LLS 08-0572
Prime Sponsor(s): Rep. Curry
 Sen. Bacon

Date: February 4, 2008
Bill Status: House Local Government
Fiscal Analyst: David Porter (303-866-4375)

TITLE: CONCERNING SUFFICIENT WATER SUPPLIES FOR LAND USE APPROVAL.

Fiscal Impact Summary	FY 2008-2009	FY 2009-2010
State Revenue		
State Expenditures		
General Fund	\$ 315,579	\$ 301,759
FTE Position Change	4.0 FTE	4.0 FTE
Effective Date: The bill becomes effective upon signature of the Governor or upon becoming law without his signature.		
Appropriation Summary for FY 2008-2009: See State Appropriations section.		
Local Government Impact: See Local Government Impact section.		

Summary of Legislation

HB08-1141 requires that in order for a developer to receive a building permit for a development of greater than 50 units or single-family equivalents, it must be established that it will have a sufficient and sustainable water supply. This is defined as one that is capable of meeting the estimated peak daily, monthly, and yearly water demand.

The bill requires the developer to submit the following information to the local government as part of the permit application:

- the proposed water source;
- a report, prepared by a professional engineer, indicating that the proposed water source is sufficient and sustainable for the development;
- a letter from the State Engineer that comments on the professional engineer's report;
- if applicable, a letter from the water supply entity containing specified information indicating its commitment to provide water and the proposed water source; and
- any other information or analyses requested by the local government.

The local government is required to review these application documents to ensure that the developer has demonstrated that a sufficient water supply exists.

State Expenditures

Total expenditures required by HB08-1141 are \$315,579 and 4.0 FTE in FY 2008-09 and \$301,759 and 4.0 FTE in FY 2009-10. Expenditures are within the Division of Water Resources, Department of Natural Resources.

Department of Natural Resources, Division of Water Resources. This bill requires each development's permitting application be accompanied by a letter from the State Engineer. The letter is to address the professional engineer's report required of the application. Based on the number of water supply reviews currently being processed for counties, the division will process an estimated 350 water supply reviews. Past experience indicates that reviews take roughly 24 hours to process, resulting in the need for 4.0 FTE. Table 1 provides the cost components of HB08-1141. The Professional Engineer I's will review most applications. The Professional Engineer II will oversee the general operations of the unit and review applications.

Table 1. Total Costs Under HB08-1141		
Cost Components	FY 2008-09	FY 2009-10
Personal Services	\$297,959	\$297,959
<i>FTE - Professional Engineer I</i>	3.0	3.0
<i>FTE - Professional Engineer II</i>	1.0	1.0
Operating and Capital Expenditures	17,620	3,800
General Fund Total	\$315,579	\$301,759
FTE	4.0	4.0

Expenditures Not Included

Pursuant to a Joint Budget Committee policy, funding for the items noted below will not be included in fiscal note expenditure estimates. However, indirect costs are calculated for the purpose of identifying the "per applicant" cost of a new or revised fee to reflect the total direct and indirect costs required to support a particular program.

- group health, life and dental insurance
- inflation indices
- amortization equalization disbursements
- supplemental amortization equalization disbursements
- short-term disability
- leased space
- indirect costs

Local Government Impact

This bill adds review requirements to the real estate development application process. Any local government that does not already comply with the bill's requirements will need to change its application process to incorporate the new requirements. The cost to local governments will depend on the number of applications processed, the complexity of the development's water sourcing, and

the magnitude of change the new procedures bring to the review process. Any costs may be absorbed by the government's existing resources - potentially prolonging the review process. Or, costs may be defrayed by raising development review fees and hiring additional personnel to process applications.

State Appropriations

HB08-1141 requires a General Fund appropriation of \$315,579 and 4.0 FTE to the Department of Natural Resources for FY 2008-09.

Departments Contacted

Natural Resources

Local Affairs

Public Health and Environment