

**JBC STAFF FISCAL ANALYSIS
SENATE APPROPRIATIONS COMMITTEE**

CONCERNING THE ESTABLISHMENT OF AN INCENTIVE FOR THE DONATION OF WATER RIGHTS TO THE COLORADO WATER CONSERVATION BOARD FOR USE AS INSTREAM FLOW RIGHTS.

Prime Sponsors: Representative Pommer
Senator White

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Summary of Amendments Made to the Bill After the 1/19/09 Legislative Council Staff Fiscal Note Was Prepared (Amended by the House Agriculture, Livestock, and Natural Resources Committee 1/20/09; the House Finance Committee 2/3/09; the House Appropriations Committee 4/15/09; and amended by the Senate Agriculture and Natural Resources Committee 4/29/09)

The House Agriculture, Livestock, and Natural Resources Committee Report made a correction to a reference relating to the Colorado Water Conservation Board's public review process rule and replaced the word "offered" with "accepted" to state that the Board shall approve a credit in the tax year in which a donation is accepted.

The House Finance Committee Report made the instream flow credit refundable and non-transferable.

The House Appropriations Committee Report adopted a correction to the House Finance Committee Report.

The Senate Agriculture and Natural Resources Committee: (1) made changes to the rules that the Colorado Water Conservation Board has to use to determine the value of the proposed water right donation; (2) made changes to Section 39-29-531 (6), C.R.S., which make H.B. 09-1067 conform with S.B. 09-228; and (3) made changes to the effective date clause such that if S.B. 09-228 passes, then, Section 39-29-531 (6), C.R.S., is amended to conform with the changes made by S.B. 09-228.

These amendments do not change the fiscal impact of the bill. Legislative Council staff concurs with this JBC staff assessment.

JBC Staff Concurrence with Legislative Council Staff Fiscal Note

Concurs

Does Not Concur

Updated Analysis

Amendments/Appropriation Status

The bill neither requires nor contains an appropriation clause for FY 2009-10.

The fiscal note shows that the Department of Revenue will incur additional reprogramming expenses of \$23,796 General Fund for FY 2010-11 to implement the new income-tax credit for the donation of water rights. Additional programming costs in the Department of Revenue to implement session legislation are shown in the Long Bill.

Bill Sponsor Amendments

Staff is not aware of any sponsor amendments to be offered.

Points to Consider

The Legislative Council staff fiscal note assumes that General Fund revenue growth will be sufficient to fund a 6.0 percent General Fund appropriation growth for FY 2009-10 and FY 2010-11. Staff notes that the March, 2009, Legislative Council staff Revenue Forecast projects a negative 0.15 percent growth for FY 2009-10 and a 4.46 percent growth for FY 2010-11. According to the Legislative Council staff General Fund revenue projections, the instream flow incentive state income tax credit will not be available for FY 2009-10 and FY 2010-11.