

**STATE
FISCAL IMPACT**

Drafting Number: LLS 10-0115
Prime Sponsor(s): Rep. Curry
 Sen. Brophy

Date: January 15, 2010
Bill Status: House Agriculture
Fiscal Analyst: Lauren Ris (303-866-3264)

TITLE: CONCERNING INCREASED FUNDING FOR THE DIVISION OF WATER RESOURCES FROM THE OPERATIONAL ACCOUNT OF THE SEVERANCE TAX TRUST FUND.

Fiscal Impact Summary	FY 2010-2011	FY 2011-2012
State Revenue		
State Expenditures		
Division of Wildlife Cash Fund	(1,618,264)	(1,618,264)
Division of Water Resources Cash Fund	1,618,264	1,618,264
FTE Position Change		
Effective Date: Upon signature of the Governor, or upon becoming law without his signature.		
Appropriation Summary for FY 2010-2011: See State Appropriation section.		
Local Government Impact: None.		

Summary of Legislation

This bill, recommended by the Water Resources Review Committee, switches the allowable allocation from the Operational Account of the Severance Tax Trust Fund to the Department of Natural Resources (DNR) beginning in FY 2010-11 as follows:

- authorizes the Division of Water Resources (DWR) to receive up to 5 percent of the moneys in the Operational Account; and
- eliminates the authorization for the Division of Wildlife (DOW) to receive up to 5 percent of available moneys in the Operational Account.

Background

Severance Tax Trust Fund - Operational Account. The Operational Account receives 25 percent of severance tax receipts. Moneys in the account have traditionally been used to fund the Oil and Gas Conservation Commission, the Geological Survey, Minerals and Geology, and the Water Conservation Board within the DNR. SB 08-13 added funding for the Division of Wildlife and the Division of Outdoor Parks and Recreation from this account. These programs are collectively referred to as Tier 1 programs. While current law caps the percentage of the account that may be allocated to Tier 1 programs, agency appropriations have generally been well below these caps.

State Expenditures

The bill will not affect state expenditures in the aggregate, but it transfers an estimated **\$1.6 million** in funding authorization from the Division of Wildlife to the Division of Water Resources beginning in FY 2010-11.

Department of Natural Resources, Division of Wildlife. The bill will reduce the DOW's funding by \$1,618,264, the division's expected FY 2010-11 appropriation from Tier 1 of the Operational Account. These moneys are currently used to study the effects of energy development on sage-grouse and mule deer in northwestern Colorado.

Department of Natural Resources, Division of Water Resources. In FY 2010-11, the bill authorizes the DWR Cash Fund to receive up to \$4,457,827 from the Operational Account, 5 percent of the \$89,156,543 estimated to be available in the Operational Account for expenditure in FY 2010-11. In FY 2011-12, the DWR Cash Fund will be authorized to receive up to \$4,120,123, based on estimates of total moneys available for expenditure in the account. Assuming the DWR receives the DOW's expected FY 2010-11 appropriation amount, the bill authorizes an increase in DWR expenditures by \$1,618,264. No specific programs have been identified for these expenditures.

State Appropriations

For FY 2010-11, the Department of Natural Resources will require:

- a cash funds appropriation of \$1,618,264 from the Division of Water Resources Cash Fund; and
- a cash funds appropriation reduction of \$1,618,264 from the Division of Wildlife Cash Fund.

Departments Contacted

Natural Resources