


Colorado Legislative Council Staff Fiscal Note
STATE
FISCAL IMPACT

Drafting Number: LLS 11-0332	Date: February 1, 2011
Prime Sponsor(s): Rep. Fischer	Bill Status: House Agriculture
Sen. Giron; Schwartz	Fiscal Analyst: Lauren Ris (303-866-3264)

TITLE: CONCERNING THE STATE ENGINEER'S AUTHORITY TO APPROVE TEMPORARY AGRICULTURAL WATER TRANSFER AGREEMENTS.

Fiscal Impact Summary	FY 2011-2012	FY 2012-2013
State Revenue Cash Funds Ground Water Management Cash Fund	See State Revenue	
State Expenditures	See State Expenditures	
FTE Position Change		
Effective Date: August 10, 2011, if the General Assembly adjourns on May 11, 2011, as scheduled, and no referendum petition is filed.		
Appropriation Summary for FY 2011-2012: Not required.		
Local Government Impact: None.		

Summary of Legislation

This bill authorizes the State Engineer in the Department of Natural Resources to approve temporary agricultural water transfer agreements between the owner of an irrigation water right in the lower Arkansas River Basin and a municipal user. Under such an agreement, the water right owner will stop his or her use of irrigation water and the acquiring water right user may divert and beneficially use the water right for municipal purposes. The agreements may be for periods up to 40 years and may be reapproved using the same process for one additional period up to 40 years.

State Revenue

Applicants for temporary water transfer agreements are required to pay a fee to the State Engineer's Office. The amount of the fee is to be established by the State Engineer's Office through a rule-making process and will be deposited in the Ground Water Management Cash Fund.

State Expenditures

The bill is expected to increase workload in the State Engineer's Office and the Judicial Branch beginning in FY 2011-12, but not to the extent that an additional appropriation is required.

State Engineer's Office, Department of Natural Resources. The State Engineer's Office expects only 1 transfer agreement to be filed with the office. The office estimates that reviewing a temporary water transfer agreement will take approximately 290 hours of existing staff time in FY 2011-12, which can be absorbed with existing resources. The tasks surrounding reviewing and processing the application will be spread across 7 positions with no position spending more than 30 hours during the year on the process. The rule-making process to set the amount of the fee for agreement applicants can also be absorbed with existing resources.

The State Engineer's Office estimates that administering the transfer agreement in FY 2012-13 will take approximately 340 hours of staff time. These tasks will also be spread across 7 positions with no position spending more than 80 hours administering the agreement during the year.

Water Courts, Judicial Branch. The application for a temporary water transfer agreement must be included in the monthly water resume prepared by the water clerk in Water Division 2, which will occur in FY 2011-12. The resume includes a list of all the water right applications made with the water court in that division in the preceding month and is published on the Judicial Branch's website. Additionally, the final decision of the state engineer may be appealed to the Division 2 Water Court. However, because only 1 application is expected, and such an application may last up to 40 years, the fiscal impact of these responsibilities is expected to be minimal and can be absorbed within existing resources.

Departments Contacted

Natural Resources

Judicial