



**FINAL
FISCAL NOTE**

Drafting Number: LLS 12-0130**Date:** August 14, 2012**Prime Sponsor(s):** Sen. Hodge**Bill Status:** Signed into Law

Rep. Swerdfeger

Fiscal Analyst: Alex Schatz (303-866-4375)

TITLE: CONCERNING THE CONSOLIDATION OF CASH FUNDS ADMINISTERED BY THE DIVISION OF WATER RESOURCES, AND, IN CONNECTION THEREWITH, MAKING AND REDUCING APPROPRIATIONS.

Fiscal Impact Summary	FY 2012-2013	FY 2013-2014
State Revenue		
Cash Funds - (parentheses show reduction)		
Water Resources Cash Fund	\$ 716,434	No net change
Div. of Water Resources Groundwater Management Cash Fund*	(597,810)	See State Revenue and Expenditures section
Gravel Pit Lakes Augmentation Fund*	(44,440)	
Well Enforcement Cash Fund*	(1,489)	
Various cash funds**	(72,735)	
State Expenditures		
Cash Funds	See State Revenue and Expenditures section	
Water Resources Cash Fund		
FTE Position Change		
Effective Date: The bill was signed into law by the Governor on May 24, 2012, and took effect July 1, 2012.		
Appropriation Summary for FY 2012-2013: None required.		
Local Government Impact: None.		

* The six cash funds eliminated under SB12-009 will cease to collect state revenue as of July 1, 2012. Revenue previously collected into these individual funds will thereafter be collected by the Water Resources Cash Fund. See further discussion in the State Appropriations section.

** Various cash funds identified in the 2012 Long Bill include the Water Data Bank Cash Fund, the Division of Water Resources Publication Cash Fund, and the Groundwater Publication Fund.

Summary of Legislation

This bill was recommended by the Water Resources Review Committee during the 2011 interim.

The bill creates the water resources cash fund, intended primarily for administrative uses by the Division of Water Resources (DWR) in the Department of Natural Resources (DNR). The bill consolidates into the water resources cash fund six existing cash funds—the Water Data Bank Cash Fund, the Division of Water Resources Publication Cash Fund, the Division of Water Resources Groundwater Management Cash Fund, the Groundwater Publication Fund, the Gravel Pit Lakes Augmentation Fund, and the Well Enforcement Cash Fund—eliminating those existing cash funds.

State Revenue and Expenditures

The bill is assessed as having minimal fiscal impact.

There is no net change to state revenue or expenditures. For FY 2012-13, \$716,434 in Long Bill cash fund appropriations to the DWR will rely on the Water Resources Cash Fund. For FY 2012-13 and future fiscal years, on-going combined revenue from current fees and funding sources will flow to the Water Resources Cash Fund.

DWR will adjust its budgeting and accounting practices to reflect the streamlined organization of its cash funds. Set up of the new cash fund, along with discontinuation and balance transfer from obsolete funds, will require a one-time effort by DNR budget staff and the Office of the State Controller in the Department of Personnel and Administration. Administrative tasks to implement the bill will be accomplished within existing resources.

On-going fiscal effects of the bill include reduction in the number of cash fund reports that must be produced by DNR and reviewed within the executive branch, and greater efficiency and flexibility in the allocation of DWR resources. Savings cannot be quantified but are expected to offset any costs to implement the bill.

State Appropriations

The bill contains offsetting appropriations for FY 2012-13, resulting in a net zero change to the 2012 Long Bill. The negative appropriation for DNR totals \$716,434 from the six discontinued cash funds. This \$716,434 is instead appropriated from the Water Resources Cash Fund. In effect, this bill reduces to zero all appropriations in the 2012 Long Bill that use one of the six discontinued funds as a source. These appropriations are restored by the bill with the Water Resources Cash Fund as a source.

Departments Contacted

Law Natural Resources Personnel and Administration Treasury