

**STATE and LOCAL
FISCAL IMPACT**

Drafting Number: LLS 13-0112

Date: January 22, 2013

Prime Sponsor(s): Sen. Brophy
Rep. Sonnenberg

Bill Status: Senate Agriculture

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

TITLE: CONCERNING SAFEGUARDS TO PREVENT THE MODIFICATION OF A FINAL DESIGNATED GROUND WATER PERMIT BASED ON REDUCTIONS IN THE USE OF DESIGNATED GROUND WATER.

Fiscal Impact Summary	FY 2013-2014	FY 2014-2015
State Revenue		
State Expenditures	See State Expenditures section.	
FTE Position Change		
Effective Date: August 7, 2013, if the General Assembly adjourns on May 8, 2013, as scheduled, and no referendum petition is filed.		
Appropriation Summary for FY 2013-2014: None required.		
Local Government Impact: Potential for minimal savings.		

Summary of Legislation

This bill is recommended by the **Water Resources Review Committee**. Under current law, for each final well permit authorizing the withdrawal of designated groundwater, the state engineer specifies the priority date, location, maximum annual withdrawal volume, maximum pumping rate, and the maximum number of acres irrigated by the well. The bill clarifies that the specified maximums for annual withdrawal volume, pumping rate, and irrigated acreage are not to be reduced due to conservation measures undertaken by the well user.

State Expenditures

The Judicial Branch may experience minimal savings as a result of the bill. By providing greater certainty for well owners seeking to implement conservation measures, the bill may deter litigation involving marginal quantities of conserved water. The number of such cases is expected to be limited, both under current law and as proposed by the bill. Thus, the potential savings are estimated to be minimal.

Various sources of water contribute to Colorado's obligations under interstate water compacts. The reduction in downstream flows reaching interstate waters could require additional effort by state authorities to comply with compact terms; however, the fiscal note assumes that, under the bill, affected groundwater permit holders will maintain current conservation efforts rather than curtailing flows based on historic usage.

Local Government Impact

The bill may result in savings to local governments that operate water supply systems. For municipal governments that use designated groundwater resources as part of their water supply portfolio, the bill provides greater certainty that permitted groundwater will be available when conservation measures have not reliably reduced demand.

Departments Contacted

Agriculture
Law
Corrections

Natural Resources
Local Affairs
Public Health and Environment

Judicial Branch
Property Taxation