

**STATE
FISCAL IMPACT**

Drafting Number: LLS 14-0955
Prime Sponsor(s): Rep. Vigil

Date: March 26, 2014
Bill Status: House Agriculture
Fiscal Analyst: Clare Pramuk (303-866-2677)

SHORT TITLE: INCREASE WATER RIGHT DILIGENCE FROM 6 TO 10 YEARS

Fiscal Impact Summary*	FY 2014-2015	FY 2015-2016
State Revenue Cash Funds	(\$68,335)	(\$74,547)
State Expenditures	Minimal workload decrease.	
FTE Position Change		
Appropriation Required: None.		

* This summary shows changes from current law under the bill for each fiscal year. Parentheses indicate a decrease in funds.

Summary of Legislation

Under current law, the owner of a conditional water right decree must file an application for a finding of reasonable diligence with a state water judge every six years or the conditional water right is considered abandoned. This bill extends the required frequency for filing an application to 10 years.

State Revenue

Beginning in FY 2014-15, filing fees will be delayed by four years, and the water courts in the Judicial Branch will see a reduction in fee revenue.

Assumptions. The fiscal note assumes an average of 333 filings for a finding of reasonable diligence are made annually at a cost of \$224 per filing.

Average annual fee revenue for diligence filings based on the above assumptions is \$74,547. Revenue to the Judicial Stabilization Cash Fund is reduced by \$68,335 in FY 2014-15 to account for the August effective date of the bill and \$74,547 per year between FY 2015-16 and FY 2017-18. Fees from diligence filings will resume at their current level in FY 2018-19.

State Expenditures

For FY 2014-15 through FY 2017-18, the Division of Water Resources in Department of Natural Resources (DWR) and the water courts in the Judicial Branch will experience a minimal reduction in workload. The DWR currently reviews all water court applications; water courts review and adjudicate water court applications. Workload reductions of 305 diligence filings in FY 2014-15 and 333 diligence filings in FY 2015-16 through FY 2017-18 do not indicate the need for a reduction in appropriations for either agency.

Effective Date

The bill takes effect August 6, 2014, if the General Assembly adjourns on May 7, 2014, as scheduled, and no referendum petition is filed.

State and Local Government Contacts

Natural Resources

Judicial