

**STATE
FISCAL IMPACT**

Drafting Number: LLS 14-0446
Prime Sponsor(s): Rep. Fischer

Date: February 24, 2014
Bill Status: House Agriculture
Fiscal Analyst: Clare Pramuk (303-866-2677)

SHORT TITLE: REPLACE GROUNDWATER DEPLETIONS WITH SURFACE WATER

Fiscal Impact Summary*	FY 2014-2015	FY 2015-2016
State Revenue		
State Expenditures	<u>\$87,691</u>	
Cash Funds	81,277	
Centrally Appropriated Costs**	6,414	
FTE Position Change	0.7 FTE	
Appropriation Required: None, the pilot project will be funded with existing appropriations.		

* This summary shows changes from current law under the bill for each fiscal year.

** These costs are not included in the bill's appropriation. See the State Expenditures section for more information.

Summary of Legislation

This bill allows the use of surface water to replace or augment out-of-priority groundwater depletions without the necessity of filing an application for a change of water right if:

- both the surface water and the well (groundwater) are decreed or permitted for use on the same parcel of land;
- the use of the surface water does not result in any enlargement in the use of water; and
- the use complies with a rule adopted by the state engineer.

In addition, the bill alters the definition of a change of a water right, amends the augmentation and replacement statute for tributary water, and authorizes, but does not require, the State Engineer to adopt a pilot program to implement the bill by rule, by July 1, 2015. The rule may include up to five water divisions or sub-basins.

State Expenditures

This bill is expected to increase expenditures by \$87,691 and 0.7 FTE in FY 2014-15 only for the Division of Water Resources (DWR) in the Department of Natural Resources. Although the workload is quantified in Table 1 below, it will not require additional appropriations because the pilot program will be developed and implemented by existing senior staff. Thus, this effort will displace or delay other work by these senior staff.

Assumptions. The fiscal note assumes that rulemaking will be conducted for Water Divisions 1 and 2 and include 16 public meetings and one public hearing. An estimated 288 hours of legal services are needed for rulemaking and includes attendance by an assistant attorney general at the public meetings, and hearing. The DWR is expected to have sufficient appropriations for legal services; if not, the DWR will request additional funds through the annual budget process.

Table 1. Expenditures Under HB14-1218		
Cost Components	FY 2014-15	FY 2015-16
Personal Services	\$51,319	
FTE	0.7	
Operating Expenses and Capital Outlay Costs	3,727	
Legal Services	26,231	
Centrally Appropriated Costs*	6,414	
TOTAL	\$87,691	\$0

* Centrally appropriated costs are not included in the bill's appropriation.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State and Local Government Contacts

Natural Resources

Judicial

Law