

STATE and LOCAL FISCAL IMPACT

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| Drafting Number: LLS 14-0781 | Date: February 24, 2014 |
| Prime Sponsor(s): Sen. Hodge; Roberts Rep. Fischer; Coram | Bill Status: Senate Agriculture |
| | Fiscal Analyst: Clare Pramuk (303-866-2677) |

SHORT TITLE: WATER CONSERVATION INCENTIVES

| Fiscal Impact Summary* | FY 2014-2015 | FY 2015-2016 |
|-------------------------------|----------------------------|--------------|
| State Revenue | | |
| State Expenditures | Minimal workload increase. | |
| FTE Position Change | | |
| Appropriation Required: None. | | |

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

Summary of Legislation

This bill prohibits subdivision regulations from including mandated minimum percentages of irrigated space. It requires that counties, municipalities, and special districts that supply water consider whether tap fees should be reduced if a subdivision developer commits to implementing water efficiency and conservation measures.

The Colorado Water Conservation Board (CWCB) in the Department of Natural Resources, is authorized to annually expend \$500,000 from the Colorado Water Conservation Board Construction Fund for promoting water efficiency and conservation measures through incentive grants of up to \$50,000 each to public agencies for water efficiency and conservation measures. The CWCB will give priority to local governments that require new subdivisions to implement water efficiency and conservation measures, including water-smart home landscaping.

State Expenditures

This bill requires the CWCB to apply a specific priority system when considering grant awards from the CWCB Construction Fund, but does not increase the overall grant funding available. The CWCB routinely reviews grant applications; applying a priority system will create a minimal increase in workload and is not expected to require new appropriations. The bill does not increase the overall amount of grant funds available. See the Technical or Mechanical Defects section below regarding the use of the CWCB Construction Fund as a funding source for the bill.

Local Government Impact

Local governments that currently have subdivision regulations with mandated minimum requirements for irrigated space will have an increase in workload to amend these regulations. Also, with increased funding available, local governments will have a greater opportunity to receive grant funding for implementing water efficiency and conservation measures for new subdivisions.

Technical or Mechanical Defects

The CWCB Construction Fund no longer funds water efficiency grants. Changing the reference in the bill to the Water Efficiency Grant Program is assumed to correct this defect.

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
Counties

Municipalities
Special Districts