

Colorado Legislative Council Staff Fiscal Note

**STATE
FISCAL IMPACT**

Drafting Number: LLS 15-0863	Date: March 10, 2015
Prime Sponsor(s): Sen. Crowder Rep. Vigil	Bill Status: Senate Agriculture
	Fiscal Analyst: Clare Pramuk (303-866-2677)

BILL TOPIC: EXPAND FOLLOWING PILOT PROGRAM NONMUNICIPAL USES

Fiscal Impact Summary*	FY 2015-2016	FY 2016-2017
State Revenue		
State Expenditures	Increased workload. See State Expenditures section.	
FTE Position Change		
Appropriation Required: None.		

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

Summary of Legislation

House Bill 13-1248 established a procedure for the Colorado Water Conservation Board (CWCB) to approve up to 10 pilot projects that temporarily transfer agricultural water rights to municipal water users. An agricultural water rights owner can lease the agriculture water to a municipality for up to 3 out of 10 years, during which time the owner follows the affected agricultural land.

This bill expands the program to add leases for temporary agricultural, environmental, industrial, or recreational use. The bill also reduces the comment period for pilot project applications from 75 days to 60 days. Within 15 days after receiving a report from a conference between a pilot project applicant, the State Engineer, and objectors to the project, or within 30 days after the comment period ends if the CWCB does not receive any comments on an application, the State Engineer is required to make a determination on the issues of injury and compact compliance.

Background

To date, one pilot project has been approved under HB 13-1248, so up to nine more can be approved. The CWCB approved the Catlin Pilot Project in January 2015. One additional application was submitted, but was later voluntarily withdrawn by the applicant in March 2014.

There is a \$500 fee for pilot project applications, but no review fee for approved projects. The revenue estimate for up to 40 pilot project applications included in the fiscal note for HB13-1248 accounted for all potential revenue.

State Expenditures

The CWCB will have a minimal increase in workload to update the criteria and guidelines for the Following Pilot Program in FY 2015-16 only. Because the bill does not increase the number of pilot projects, there is no increase in workload over what was indicated in the fiscal note for HB 13-1248. The increase in workload for updating program criteria and guidelines can be addressed with existing appropriations.

Effective Date

The bill takes effect August 5, 2015, if the General Assembly adjourns on May 6, 2015, as scheduled, and no referendum petition is filed.

State and Local Government Contacts

Judicial

Natural Resources