

**JBC STAFF FISCAL ANALYSIS
SENATE APPROPRIATIONS COMMITTEE**

CONCERNING A STUDY REGARDING THE CREATION OF ADDITIONAL WATER STORAGE IN THE SOUTH PLATTE RIVER BASIN, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.

Prime Sponsors: Representative Brown
Senator Sonnenberg

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Fiscal Impact of Bill as Amended to Date

The most recent Legislative Council Staff Revised Fiscal Note (attached) reflects the fiscal impact of the bill as of 03/24/16.

XXX	No Change: Attached LCS Fiscal Note accurately reflects the fiscal impact of the bill
	Update: Fiscal impact has changed due to <i>new information or technical issues</i>
	Update: Fiscal impact has changed due to <i>amendment adopted</i> after LCS Fiscal Note was prepared
	Non-Concurrence: JBC Staff and Legislative Council Staff disagree about the fiscal impact of the bill

The House Appropriations Committee Report (04/07/16), adopted by the House on Second Reading, includes amendments to the bill that: (1) added an appropriations clause to the bill for FY 2016-17; (2) authorized the expenditure of any unused funds from FY 2016-17 in FY 2017-18; and (3) aligned the amount of the General Fund transfer in the bill with the cost of the study identified in the LCS Revised Fiscal Note, dated March 24, 2016. The House also adopted an amendment on Second Reading that added "alluvial aquifer storage" to the list of considerations included in the cost benefit analysis required by the bill. Legislative Council Staff and JBC Staff agree that these amendments do not change the fiscal impact of the bill.

The Senate Agriculture, Natural Resources, & Energy Committee Report (4/21/16) includes an amendment to the bill that reverses the Second Reading amendment adopted by the House. Legislative Council Staff and JBC Staff agree that the committee amendment does not change the fiscal impact of the bill

Amendments in This Packet for Consideration by Appropriations Committee

Amendment	Description
None.	

Current Appropriations Clause in Bill

The bill includes an appropriations clause that appropriates \$211,168 cash funds from the Colorado Water Conservation Board (CWCB) Construction Fund to the Department of Natural Resources for

HB16-1256

JBC Staff Analysis

FY 2016-17. Any money not expended prior to July 1, 2017, is further appropriated to the CWCB for FY 2017-18. The original source of this appropriation the Water Supply Reserve Fund. A provision in the bill establishes a transfer from the Water Supply Reserve Fund to the CWCB Construction Fund in statute.

Points to Consider

Related Budget Information

Pursuant to Section 39-29-109.3 (2) (a) (I), C.R.S., the Water Supply Reserve Fund is authorized to receive a transfer of up to \$10.0 million from Tier II of the Severance Tax Operational Fund each year. However, this transfer is subject to proportional reductions if there is insufficient revenue for authorized distributions to Tier II programs. Based on the March 2016 Legislative Council Staff revenue forecast, the Water Supply Reserve Fund is projected to receive \$1.7 million in the upcoming fiscal year assuming the proposed budget package for FY 2016-17 passes as introduced. This reflects projected proportional reductions of 82.4 percent to Tier II programs in FY 2016-17. Any transfer of revenue out of the Water Supply Reserve Fund will reduce the amount available for grants and loans funded by the Water Supply Reserve Account Grant Program.