



**STATE
REVISED FISCAL IMPACT**

(replaces fiscal impact dated January 31, 2006)

Drafting Number: LLS 06-0416
Prime Sponsor(s): Rep. Hodge
 Sen. Owen

Date: March 20, 2006
Bill Status: Senate Agriculture
Fiscal Analyst: Marc Carey (303-866-4102)

TITLE: CONCERNING THE ADJUDICATION OF A ROTATIONAL CROP MANAGEMENT CONTRACT.

Fiscal Impact Summary	FY 2006/07	FY 2007/08
State Revenues		
Cash Funds - Div. of Water Resources Groundwater Mgmt. Cash Fund	\$13,872	\$18,808
State Expenditures		
Cash Funds - Div. of Water Resources Groundwater Mgmt. Cash Fund	\$13,157	\$17,414
FTE Position Change	0.2 FTE	0.2 FTE
Effective Date: Upon signature of the Governor.		
Appropriation Summary for FY 2006/07: Department of Natural Resources, Division of Water Resources: \$13,157 CF.		
Local Government Impact: None		

This fiscal note is revised to make a technical correction in personal services calculations.

Summary of Legislation

This reengrossed bill allows a water judge to approve a rotational crop management contract. The contract would allow a water rights owner or group of owners to agree to implement a new use of water by forgoing irrigation of a portion of lands that have been historically irrigated. The fallowed land would be rotated on an annual basis as long as there is no injurious effect to other water rights.

The bill applies the same approval criteria to rotational crop management contracts that are currently applied to changes of water rights and plans for augmentation, including plans for water exchange. The bill requires applicants for approval of a rotational crop management contract to pay an application fee of \$1,734 and an annual administrative fee of \$617 until a decree is made, and \$300 thereafter. Fee revenue is intended to cover the administrative costs of the contract for the State Engineer's Office.

State Revenues

Cash Funds. It is anticipated the amended bill will result in the collection of \$13,872 in fee revenue in FY 2006-07 and \$18,808 in FY 2007-08. This amount assumes that the State Engineer's Office will receive and review eight applications annually for approval of a rotational crop management contract, and each application will include an application fee of \$1,734. In addition, an annual fee of \$617 is due each year until the decree is made to cover the administrative costs of the contract. Fee revenue will be deposited in the Division of Water Resources Groundwater Management Cash Fund.

State Expenditures

Department of Natural Resources, Division of Water Resources. The division will incur costs of \$13,157 and 0.2 FTE in FY 2006-07 and \$17,414 FY 2007-08 to comply with the bill's requirements. For both fiscal years, the division will require 0.2 FTE to process both new and renewal application contracts. The total FTE need is comprised of six separate positions/classifications in the personnel system. In addition to personal services for the contract review and approval process, marginal copying, mailing, and mileage costs are anticipated.

Judicial Branch. This fiscal note assumes the Water Court will receive eight new applications for approval of rotational crop management contracts. A caseload increase of this magnitude is absorbable within existing resources.

State Appropriations

The Department of Natural Resources, Division of Water Resources will require an appropriation of \$13,157 and 0.2 FTE from the Water Resources Groundwater Management Cash Fund for FY 2006-07.

Departments Contacted

Judicial Natural Resources