

**STATE
FISCAL IMPACT**

Drafting Number: LLS 13-0309
Prime Sponsor(s): Sen. Schwartz
Rep. Fischer

Date: February 13, 2013
Bill Status: Senate Agriculture
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TITLE: CONCERNING THE PROMOTION OF WATER CONSERVATION MEASURES.

Fiscal Impact Summary	FY 2012-2013	FY 2013-2014	FY 2014-2015
State Revenue			
Cash Funds			
Judicial Stabilization Fund	Possible increase.	\$41,745	\$41,745
State Expenditures			
General Fund		\$128,632	\$107,316
FTE Position Change		1.5 FTE	1.5 FTE
Effective Date: Upon signature of the Governor, or upon becoming law without his signature.			
Appropriation Summary for FY 2013-2014: See State Appropriations section.			
Local Government Impact: See Local Government Impact section.			

Summary of Legislation

The bill restricts a water judge from determining a water user's historical consumptive use based on water use reductions resulting from:

- enrollment in a federal land conservation program;
- participation in certain water conservation programs;
- participation in an approved land fallowing program or to provide water for compact compliance;
- participation in a water banking program;
- a loan of water to the Colorado Water Conservation Board (CWCB) for instream flow purposes; or
- any contract or agreement that allows the CWCB to use a water right to preserve or improve the natural environment.

State Revenue

Revenue in the Judicial Branch will increase by an estimated \$41,745 in FY 2013-14 and future years. By clarifying rights related to, and priority of, conserved water, the bill is expected to increase the number of water transactions statewide, with a resulting increase in the

caseload of the water courts. The fiscal note assumes that 115 change of water right applications will be filed annually (115 applications * \$363 per application). Application revenue is deposited in the Judicial Stabilization Cash Fund. The bill's effective date means that water courts could see an increase in water right applications filed in the current fiscal year. This number has not been estimated.

State Expenditures

Expenditures in the Judicial Branch will increase by \$128,632 and 1.5 FTE in FY 2013-14, and by \$107,316 and 1.5 FTE in FY 2014-15 and future years. The fiscal note assumes that water courts will see an additional 115 applications for a change of use each year. Based on the Judicial Branch's weighted caseload model, 0.5 FTE at the water referee level and 1.0 clerical staff are required to address this workload increase. While this fiscal note assumes the addition of a water referee, the bill explicitly states that determinations required by the bill be made by a water judge. Requests for judges must be made through separate substantive legislation. The bill's impact could create the need for one or more additional judges which, if necessary, will be requested through the required process in the future. Expenditures for the Judicial Branch under the bill are shown in Table 1.

Table 1. Expenditures Under SB13-019		
Cost Components	FY 2013-14	FY 2014-15
Personal Services	\$97,067	\$105,891
FTE	1.5	1.5
Operating Expenses and Capital Outlay	31,565	1,425
TOTAL	\$128,632	\$107,316

Department of Natural Resources. The Division of Water Resources (DWR) in DNR will experience an increase in workload as a result of the bill. DWR staff currently review all water court applications as a matter of standard practice. Applications resulting from this bill will require a division or staff engineer to consult with the water court referee or judge, and a water commissioner will perform a field inspection. The DWR also will assess an application's impact on interstate compacts. These activities will require up 17 hours per application. Under the assumption that applications will increase by 115 per year and, based on the number hours required per case, the DWR could require up to 0.9 FTE to implement the bill. While identified here, the DNR will monitor the impact of the bill and, if necessary, seek additional resources through the annual budget process.

Expenditures Not Included

Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. The centrally appropriated costs subject to this policy are summarized in Table 2.

Table 2. Expenditures Not Included Under SB13-019*		
Cost Components	FY 2013-14	FY 2014-15
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$10,116	\$10,116
Supplemental Employee Retirement Payments	6,500	7,354
TOTAL	\$16,616	\$17,470

**More information is available at: <http://colorado.gov/fiscalnotes>*

State Appropriations

For FY 2013-14, the Judicial Branch requires a General Fund appropriation of \$128,632 and 1.5 FTE.

Departments Contacted

Judicial
Natural Resources
Municipalities

Agriculture
Law
Special Districts

Local Affairs
Counties