



**Colorado
Legislative
Council
Staff**

SB17-026

FISCAL NOTE

FISCAL IMPACT: State Local Statutory Public Entity Conditional No Fiscal Impact

Drafting Number: LLS 17-0123 **Date:** January 12, 2017
Prime Sponsor(s): Sen. Sonnenberg **Bill Status:** Senate Agriculture
 Rep. Arndt **Fiscal Analyst:** Josh Abram (303-866-3561)

BILL TOPIC: STATE ENGINEER STATUTES CLEANUP

Fiscal Impact Summary	FY 2017-2018	FY 2018-2019
State Revenue	Fee revenue change. See State Revenue section.	
State Expenditures	Minimal expenditure and workload increase. See State Expenditures section.	
Appropriation Required: None required.		
Future Year Impacts: Ongoing fee revenue change.		

Summary of Legislation

This bill, **recommended by the Water Resources Review Committee**, makes several, mostly non substantive changes to state statutes related to the State Engineer and the Division of Water Resources (DWR) in the Department of Natural Resources (DNR). In addition to removing obsolete provisions and modernizing language, this bill:

- removes the existing requirement that the State Engineer, the Deputy State Engineer, and any other appointed deputies of the State Engineer, post a surety bond as a condition of accepting the appointment;
- expands the allowable sources of grant funding the DWR may use for investigations, contracting projects, or general operations;
- anticipates the likely replacement of satellite- or telemetry-based monitoring systems and directs the DWR to replace these existing monitoring technologies if more cost-effective technologies emerge;
- eliminates most statutorily defined fee amounts for various services performed by the DWR but maintains the existing fee structure for the examination and filing of plans for dam projects;
- replaces the \$25 per day fee with a single, flat fee of \$75 for rating any pipe, ditch, canal, or reservoir inlet or outlet;
- authorizes the DWR to disallow any additional water to be taken into, or diverted from a reservoir, if the reservoir's owners fail to maintain required monitoring equipment, or if the owners fail to make a contour survey of the reservoir within 35 days following plan approval by the DWR;
- clarifies that departments and agencies of the state that own and operate wells on state land are exempt from paying fees to the DWR for groundwater use applications or well permits;

- repeals the requirement that the State Engineer survey, layout and locate a ditch in the Arkansas River Basin; and
- modifies the conditions by which the State Engineer may approve the temporary operation of a plan for augmentation, a rotational crop management contract, or a change of water rights.

Background

The DWR, also known as the Office of the State Engineer, administers water rights, issues water well permits, represents Colorado in interstate water compact proceedings, monitors streamflow and water use, approves construction and repair of dams, performs dam safety inspections, issues licenses for well drillers, and assures the safe and proper construction of water wells.

State Revenue

The bill restructures the fees that are charged by the State Engineer by eliminating the variable fee amounts and replacing them with a single, flat fee of \$75, principally for the rating of reservoir inlets and outlets. Altering the structure of the fee will change the amount of revenue collected; however, the change in the amount of fee revenue collected pursuant to this law, compared with the amount collected under current law, is anticipated to be negligible. The variable fee structure eliminated by the bill is typically only assessed 5 to 10 times annually and generates not more than \$500 in fee revenue in any fiscal year. Transitioning to a flat fee is anticipated to simplify processes in the DWR, but is not anticipated to reduce fee revenue below the amount necessary for the division to provide services.

State Expenditures

The bill is anticipated to increase workload by a minimal amount for the Office of Information Technology (OIT) to update the Enterprise Global Information System Database. For FY 2017-18, this effort is estimated at 8 hours of OIT work performed by a Geographic Information Systems Database Manager at the contractual rate of \$98.50 per hour, with a total expenditure of \$788. The OIT can accomplish this work within existing appropriations.

Effective Date

The bill takes effect August 9, 2017, if the General Assembly adjourns on May 10, 2017, as scheduled, and no referendum petition is filed.

State and Local Government Contacts

Agriculture
Local Affairs
Special District Association

Counties
Municipalities

Information Technology
Natural Resources