



Legislative
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SB 19-221

FINAL FISCAL NOTE

Drafting Number: LLS 19-1006
Prime Sponsors: Sen. Donovan
Rep. Roberts

Date: August 6, 2019
Bill Status: Signed into Law
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Bill Topic: CO WATER CONSERVATION BOARD CONSTRUCTION FUND PROJECTS

**Summary of
Fiscal Impact:**

- State Revenue (*minimal*)
- State Expenditure
- State Transfer
- TABOR Refund
- Local Government
- Statutory Public Entity

The bill appropriates funds from the Colorado Water Conservation Board Construction Fund in the Department of Natural Resources for specified water-related projects in FY 2019-20 and makes several cash fund transfers. All appropriations are for made for FY 2019-20, though funds are available until fully expended.

Appropriation Summary: For FY 2019-20, the bill includes appropriations of \$19,355,000 to the Department of Natural Resources.

Fiscal Note Status: The fiscal note reflects the enacted bill.

**Table 1
State Fiscal Impacts Under SB 19-221**

		FY 2018-19 (current)	FY 2019-20	FY 2020-21
Revenue		-	-	-
Expenditures	Cash Funds	-	\$19,355,000	-
Transfers	CWCB Construction Fund	(\$2.5 million)	(\$3 million)	(\$11 million)
	Severance Tax Perpetual Base Fund	-	-	\$10 million
	Other Cash Funds	\$2.5 million	\$3 million	\$1 million
	Total	\$0	\$0	\$0
TABOR		-	-	-

Summary of Legislation

The bill appropriates funds from the Colorado Water Conservation Board (CWCB) Construction Fund in the Department of Natural Resources (DNR) to the CWCB and the Division of Water Resources for specific water-related projects in FY 2019-20 and makes several cash fund transfers. The bill also:

- authorizes the CWCB to make loans of up to \$15,150,000 for the Walker Recharge Project, a water supply effort that uses the alluvial aquifer of the South Platte River to increase irrigation opportunities for agricultural production;
- extends the availability of an existing \$8.0 million appropriation for Republican River matters until the money is fully expended; and
- repeals an annual transfer from the Severance Tax Perpetual Base Fund to the CWCB Construction Fund.

Background

The CWCB Construction Fund was created in 1971 to provide low-interest loans for water projects. Revenue for this revolving loan fund comes from interest earned on outstanding loans and the fund's cash balance and distribution of royalties from federal mineral leases.

State Revenue

Because this bill authorizes new loans, revenue from the interest generated on water project loans will increase, but that amount will depend on the terms of the loans and cannot be determined at this time.

State Transfers

In the current FY 2018-19, the bill transfers \$2.5 million from the CWCB Construction Fund to the Water Supply Reserve Fund.

In FY 2019-20, the bill transfers up to \$2.0 million from the CWCB Construction Fund to the Litigation Fund, to restore a \$2.0 million fund balance. In FY 2019-20 and future years, the bill transfers up to \$1.0 million from the CWCB Construction Fund as follows:

- up to \$500,000 to the Feasibility Study Small Grant Fund, to restore a balance of \$500,000; and
- up to \$500,000 to the Flood and Drought Response Fund, to restore a balance of \$500,000.

In FY 2020-21 and future years, the bill eliminates an annual \$10 million transfer from the Severance Tax Perpetual Base Fund to the CWCB Construction Fund for implementation of the state water plan.

State Expenditures

For FY 2019-20, the bill increases state expenditures by \$19,355,000 from the CWCB Construction Fund. The funds are appropriated in the bill and remain available for the designated purposes until fully expended. The projects to be funded are shown in Table 2.

Table 2
FY 2019-20 Appropriations for Water-Related Projects in SB 19-221

Projects	FY 2019-20
Satellite Monitoring System Maintenance - to renovate existing gauging stations; replace outdated collection platforms; upgrade transmission components of the satellite monitoring system; fund stream gauge flood hardening projects; and fund data collection efforts related to flood forecasting and warning.	\$380,000
Colorado Floodplain Map Modernization Program - to continue assistance to communities to revise and improve floodplain studies and maps.	\$500,000
Weather Modification Program - to continue to assist water conservation and conservancy districts and water providers with the development of cloud seeding programs that provide benefits to recreation, streams, and reservoirs through snowpack enhancement.	\$175,000
Continuation of Colorado Mesonet Project - to support the project at the Colorado Climate Center at Colorado State University.	\$150,000
Continuation of Instream Flow Engineering Support - to conduct technical analysis and provide testimony to resolve or defend existing instream flow water rights, establish new instream flow appropriations, and change the use of acquired water rights for instream flow use.	\$250,000
Acquisition of LIDAR data - to acquire light detection and ranging data to develop accurate flood hazard, debris flow, and fluvial hazard mapping.	\$200,000
Colorado River Storage Project - to provide technical assistance grants to aid beneficiaries of the federal "Colorado River Storage Project Act" with the aim of advancing these projects through the design phase.	\$200,000
Colorado Water Plan - to fund studies, grant-making, programs, or projects that assist in implementing the state water plan.	\$17,500,000
Total	\$19,355,000

Local Government

The majority of projects funded under this bill will benefit local water districts or water providers.

Effective Date

This bill was signed into law by the Governor and took effect on June 3, 2019.

State Appropriations

For FY 2019-20, the bill includes appropriations of \$19,355,000 to the Department of Natural Resources.

State and Local Government Contacts

Natural Resources