



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

FISCAL NOTE

Drafting Number: LLS 20-0369
Prime Sponsors: Rep. Young; Arndt

Date: February 10, 2020
Bill Status: House Rural Affairs
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Bill Topic: CONNECTED MUNICIPAL USE NO CHANGE IF ALREADY QUANTIFIED

- Summary of Fiscal Impact: State Revenue, State Expenditure, State Transfer, TABOR Refund, Local Government, Statutory Public Entity

The bill allows water decreed for use in a domestic or municipal water supply system to be used in an interconnected domestic or municipal system if certain conditions are met. It both increases and decreases state and local government workload on an ongoing basis.

Appropriation Summary: No appropriation is required.

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

Summary of Legislation

Current law limits water that is decreed for use in a treated domestic or municipal water supply system to only that system. The bill allows that water to be used in an interconnected domestic or municipal water supply system if certain conditions are met, which are specified in the bill.

The owner of the water right must give notice to all parties on the substitute water supply plan notification list. The Division of Water Resources in the Department of Natural Resources (DNR) must review any comments received on the proposed accounting and make a determination whether the accounting is adequate. The determination may be appealed to a water judge.

State Expenditures

The bill will affect workload for multiple state agencies.

Department of Natural Resources. The fiscal note assumes there will be about two requests per year to use water in an interconnected system as permitted by the bill. For each request, DNR staff will review the proposed accounting, verify accounting records monthly for the first year, and conduct at least one field visit. This workload increase can be accomplished within existing appropriations.

**Judicial Department.** To the extent that the process created by this bill is used as an alternative to water court, workload for the Judicial Department will decrease. However, a determination by the Division of Water Resources may be appealed to a water judge and must be heard on an expedited basis, which may offset the decrease in whole or part. The net workload impact is assumed to be minimal and does not require a change in appropriations.

## Local Government

Similar to the Judicial Department, to the extent that the process created by the bill is used as an alternative to water court, local governments that choose to use this option may experience a decrease in costs and workload.

## Effective Date

The bill takes effect August 5, 2020, if the General Assembly adjourns on May 6, 2020, as scheduled, and no referendum petition is filed. It applies to conduct occurring on or after the bill's effective date.

## State and Local Government Contacts

Agriculture

Judicial

Municipalities

Natural Resources