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Nonpartisan Services for Colorado's Legislature

Fiscal Note

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| Drafting Number: | LLS 24-0539 | Date: | April 8, 2024 |
| Prime Sponsors: | Sen. Roberts; Will Rep. McCluskie | Bill Status: | Senate Ag. & Natural Resources |
| | | Fiscal Analyst: | Josh Abram 303-866-3561 josh.abram@coleg.gov |

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| Bill Topic: | WATER CONSERVATION MEASURES |
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| Summary of Fiscal Impact: | <input type="checkbox"/> State Revenue | <input type="checkbox"/> State Transfer | <input type="checkbox"/> Local Government |
| | <input checked="" type="checkbox"/> State Expenditure | <input type="checkbox"/> TABOR Refund | <input type="checkbox"/> Statutory Public Entity |

The bill implements recommendations of the Colorado River Drought Task Force. Beginning FY 2024-25, the bill minimally impacts workload in the Department of Natural Resources.

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| Appropriation Summary: | No appropriation is required. |
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| Fiscal Note Status: | The fiscal note reflects the introduced bill. |
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Summary of Legislation

The bill implements several recommendations of the Colorado River Drought Task Force, created by Senate Bill 23-295. Among its many changes, this bill:

- allows the owner of a decreed storage water right to loan water to the Colorado Water Conservation Board (CWCB) in the Department of Natural Resources (DNR) for stretches of streams for which the CWCB does not hold a decreed instream flow water right;
- requires the CWCB to establish an agricultural water protection program for all water divisions;
- allows a water right to be tolled for the time an electric utility in Water Division 6 decreases or does not use the water right if the decrease or nonuse occurs between January 1, 2020, and December 31, 2050, and prohibits a water judge from considering this decrease when determining the utility's historical consumptive use of the water right;
- adds supportive evidence a water judge may consider when entertaining a finding of reasonable diligence for a conditional water right; and,
- allows the CWCB to reduce or waive fund matching requirements for water conservation grants to the Ute Mountain Ute Tribe or the Southern Ute Indian Tribe.

State Expenditures

The bill increases workload for the CWCB to revise rules for the Instream Flow Program, with legal hours estimated at up to 100 hours in FY 2024-25. This work assumes one or two new instream flow leases annually and a corresponding increase in program management activities, which can be accomplished within existing appropriations. The CWCB must also update the Water Plan Grant Program criteria to allow for reduced or eliminated grant match requirements for certain applications. The board will have a slight increase in both applications and a corresponding workload for review and evaluation of those requests.

Workload may also decrease minimally for the Division of Water Resources in the DNR until 2050 from no longer having to determine abandonment status of water rights owned by an electric utility in Water Division 6. No change in appropriation is required.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

State and Local Government Contacts

Judicial

Law

Natural Resources

The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit the [General Assembly website](#).