

**First Regular Session
Seventy-fifth General Assembly
STATE OF COLORADO**

REVISED

*This Version Includes All Amendments Adopted
on Second Reading in the Second House*

LLS NO. 25-0744.01 Richard Sweetman x4333

HOUSE BILL 25-1211

HOUSE SPONSORSHIP

Stewart R. and Lieder, Woodrow

SENATE SPONSORSHIP

Bridges and Kirkmeyer,

House Committees

Transportation, Housing & Local Government

Senate Committees

Local Government & Housing

A BILL FOR AN ACT

101 **CONCERNING THE PROVISION OF WATER SERVICE BY SPECIAL**
102 **DISTRICTS, AND, IN CONNECTION THEREWITH, REQUIRING A**
103 **SPECIAL DISTRICT TO SATISFY CERTAIN REQUIREMENTS WHEN**
104 **ESTABLISHING THE AMOUNT OF A TAP FEE.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)

A tap fee is a fee that is paid by a developer or property owner in order to connect a property to a public water or sewer system. Current law allows the board (board) of any sanitation, water and sanitation, or water

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words or numbers indicate deletions from existing law.

SENATE
Amended 2nd Reading
April 11, 2025

HOUSE
3rd Reading Unamended
March 17, 2025

HOUSE
Amended 2nd Reading
March 14, 2025

district (water district) to impose and set the amount of a tap fee.

The bill states that a board has a duty to provide water service if the water district has the capacity to do so. The bill also requires a board, in determining the amount of a tap fee, to:

- Ensure that the amount of the tap fee is reasonably related to the costs incurred by the water district in providing water service, which may include costs relating to the acquisition of water rights; and
- Take into consideration as supporting a reduced or proportional tap fee at least 2 of the following factors:
 - Expected long-term water usage, both indoor and outdoor;
 - The square footage of the unit;
 - The presence of low-water-usage appliances, if applicable;
 - The number of bedrooms and bathrooms; and
 - The presence of graywater treatment works, if applicable.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, 32-1-1006, **amend**
3 (1)(g); and **add** (9) as follows:

4 **32-1-1006. Water and sanitation or water districts - additional**
5 **powers - special provisions - definition.** (1) In addition to the powers
6 specified in section 32-1-1001, the board of any sanitation, water and
7 sanitation, or water district has the following powers for and on behalf of
8 such district:

9 (g) To fix and ~~from time to time to~~ ON OCCASION increase or
10 decrease tap fees IN ACCORDANCE WITH SUBSECTION (9) OF THIS SECTION.
11 The board may pledge ~~such~~ revenue RAISED FROM THE IMPOSITION OF TAP
12 FEES for the payment of any indebtedness of the special district.

13 (9) (a) THE BOARD OF A WATER AND SANITATION OR WATER
14 DISTRICT HAS A DUTY TO PROVIDE WATER SERVICE IF THE SPECIAL
15 DISTRICT HAS THE CAPACITY TO DO SO; EXCEPT THAT THIS SUBSECTION

1 (9)(a) DOES NOT APPLY TO SERVICE THAT IS PROVIDED OUTSIDE A
2 DISTRICT'S BOUNDARIES OR SERVICE AREA, INCLUDING PURSUANT TO A
3 CONTRACT. THE TERMS OF SUCH A CONTRACT GOVERN THE TERMS OF
4 SUCH EXTRATERRITORIAL SERVICE. AS USED IN THIS SUBSECTION (9)(a),
5 "CAPACITY" INCLUDES CONSIDERATION OF THE PHYSICAL CAPACITY OF A
6 DISTRICT'S EXISTING INFRASTRUCTURE; THE LEGAL CAPACITY OF THE
7 DISTRICT, INCLUDING BUT NOT LIMITED TO THE SUFFICIENCY OF A
8 DISTRICT'S EXISTING WATER RIGHTS PURSUANT TO THE PROVISIONS OF ANY
9 RELEVANT DECREES TO PROVIDE WATER OR SEWER SERVICE TO NEW
10 CUSTOMERS; AND A DISTRICT'S FINANCIAL CAPACITY TO FUND ALL
11 REQUIRED INFRASTRUCTURE AND WATER RIGHTS WITHOUT CREATING
12 DETRIMENT OR HARM TO EXISTING CUSTOMERS.

13 (b) IN DETERMINING THE AMOUNT OF A TAP FEE AS DESCRIBED IN
14 SUBSECTION (1)(g) OF THIS SECTION, THE BOARD OF A WATER AND
15 SANITATION OR WATER DISTRICT SHALL:

16 (I) ENSURE THAT THE AMOUNT OF THE TAP FEE IS REASONABLY
17 RELATED TO ALL COSTS INCURRED BY THE DISTRICT IN FUNDING AND
18 PROVIDING WATER OR SANITATION SERVICE, WHICH COSTS MAY INCLUDE
19 COSTS RELATING TO INFRASTRUCTURE CONSTRUCTION AND ACQUISITION,
20 INCLUDING PERMITTED CAPACITIES FOR SUCH INFRASTRUCTURE, AS WELL
21 AS COSTS ASSOCIATED WITH WATER RIGHTS PLANNING AND THE
22 ACQUISITION AND DEVELOPMENT OF WATER RIGHTS, BUT WHICH COSTS DO
23 NOT INCLUDE COSTS RELATED TO ONGOING OPERATIONS, MAINTENANCE,
24 AND USAGE THAT IS CONSIDERED ROUTINE MONTHLY BILLING; AND

25 (II) BASED ON APPLICABLE PLUMBING CODES AND LAND USE
26 JURISDICTIONAL REQUIREMENTS, AND SUBJECT TO ANY CONTRACTS
27 RELATED TO THE PROVISION OR EXPANSION OF WATER OR SEWER SERVICE,

1 WHICH CONTRACTS EXIST ON THE EFFECTIVE DATE OF THIS SUBSECTION
2 (9), APPLY AT LEAST ONE OF THE FOLLOWING FACTORS IN SUPPORTING THE
3 CALCULATION AND SETTING OF PROPORTIONAL OR REDUCED FEES:

4 (A) EXPECTED LONG-TERM WATER USAGE, BOTH INDOOR AND
5 OUTDOOR, INCLUDING THE EXISTENCE OF NONNATIVE TURF GRASS AND
6 USE OF WATER-WISE LANDSCAPING, WITH AN EMPHASIS ON NATIVE
7 PLANTS;

8 (B) THE SQUARE FOOTAGE OF THE UNIT OR THE NUMBER OF
9 BEDROOMS IN THE UNIT;

10 (C) THE SQUARE FOOTAGE OF THE LOT OR THE EQUIVALENT
11 RESIDENTIAL UNIT;

12 (D) THE PRESENCE OF LOW-WATER-USAGE APPLIANCES, IF
13 APPLICABLE;

14 (E) PER-UNIT FIXTURE COUNTS IN BATHROOMS, KITCHENS, AND
15 OTHER SPACES, INTERIOR AND EXTERIOR, THAT PROVIDE WATER OR
16 SANITATION SERVICE; AND

17 (F) THE PRESENCE OF GRAYWATER TREATMENT WORKS, AS
18 DEFINED IN SECTION 25-8-103 (8.4) AND AS MAY BE AUTHORIZED WITHIN
19 THE DISTRICT BOUNDARIES.

20 (c) NOTHING IN THIS SUBSECTION (9) PROHIBITS A DISTRICT FROM
21 CONDITIONING A REDUCED OR PROPORTIONAL TAP FEE ON LONG-TERM
22 COMPLIANCE WITH THE FACTORS DESCRIBED IN SUBSECTION (9)(b)(II) OF
23 THIS SECTION, WHICH FACTORS SERVE AS THE BASIS FOR THE TAP FEE. IN
24 THE EVENT THAT THE WATER DEMANDS OF A PROPERTY EXPAND AFTER
25 THE ISSUANCE OF A TAP FEE BECAUSE OF INCREASED IRRIGATION,
26 INCREASED UNIT SIZE, INCREASED FIXTURE COUNTS, OR OTHER CHANGES
27 THAT INCREASE WATER DEMAND, THE DISTRICT MAY REQUIRE A

1 SUPPLEMENTAL TAP FEE BASED ON THE EXPANDED WATER DEMAND.

2 **SECTION 2. Act subject to petition - effective date.** This act
3 takes effect at 12:01 a.m. on the day following the expiration of the
4 ninety-day period after final adjournment of the general assembly; except
5 that, if a referendum petition is filed pursuant to section 1 (3) of article V
6 of the state constitution against this act or an item, section, or part of this
7 act within such period, then the act, item, section, or part will not take
8 effect unless approved by the people at the general election to be held in
9 November 2026 and, in such case, will take effect on the date of the
10 official declaration of the vote thereon by the governor.