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FISCAL NOTE

Drafting Number: LLS 19-0918
Prime Sponsors: Sen. Rankin, Rep. Esgar

Date: March 25, 2019
Bill Status: Senate Appropriations
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Bill Topic: APPROPRIATE GENERAL FUND IMPLEMENT STATE WATER PLAN

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

The bill codifies the Water Plan Implementation Grant Program in the Department of Natural Resources and makes an appropriation to the program.

Appropriation Summary: For FY 2019-20, the bill requires and includes an appropriation of \$10,000,000 to the Department of Natural Resources.

Fiscal Note Status: The fiscal note reflects the introduced bill and is recommended by the Joint Budget Committee.

Table 1
State Fiscal Impacts Under SB 19-212

Table with 3 columns: Category, FY 2019-20, FY 2020-21. Rows include Revenue, Expenditures (General Fund), Transfers, and TABOR Refund.

Summary of Legislation

The bill codifies the Water Plan Implementation Grant Program and establishes criteria for expenditures. The program is administered by the Colorado Water Conservation Board (CWCB) in the Department of Natural Resources (DNR). Grants are available to private entities and certain governmental entities, as listed in the bill. Grant funding can amount to no more than 50 percent of total cost for an individual project, and the total money from all CWCB sources cannot exceed 75 percent of the total cost of any individual project. Projects will be evaluated based on criteria for state support as described in Colorado's Water Plan; alignment with the applicable basin implementation plan; the impact of the proposed project, with preference given to projects with multiple benefits and stakeholders; and the start date. The following projects types are eligible for grants:

- water storage and supply;
- conservation and land use;
- engagement and innovation;
- agricultural; and
- environmental and recreation, including watershed health.

The bill appropriates \$10 million from the General Fund to the DNR for FY 2019-20. Of this total, \$8.3 million is for grants to be awarded by the board, and is available until the completion of the projects financed by the grants or the close of FY 2021-22, whichever comes first. The remaining funding, \$1.7 million, is for stakeholder outreach and technical analysis to develop a water resources demand management program, and is available for FY 2019-20 only.

State Expenditures

The bill will increase state expenditures by \$10 million between FY 2019-20 and FY 2021-22 by the CWCB.

Local Government

Various local government entities are eligible recipients of grants from the program, including counties, municipalities, and water utilities. Local government revenue will increase to the extent that the CWCB awards grants to these entities.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State Appropriations

For FY 2019-20, the bill requires and includes a General Fund appropriation of \$10,000,000 to the DNR.