

First Regular Session
Seventy-fourth General Assembly
STATE OF COLORADO

REREVISED

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

LLS NO. 23-0820.01 Jennifer Berman x3286

SENATE BILL 23-274

SENATE SPONSORSHIP

Winter F., Jaquez Lewis, Priola

HOUSE SPONSORSHIP

Dickson and Lindstedt, Amabile, Boesenecker, Brown, Herod, Joseph, Kipp, Lindsay, Mabrey, Marshall, McCluskie, McCormick, Michaelson Jenet, Ricks, Sharbini, Sirota, Snyder, Valdez, Vigil, Woodrow

Senate Committees
Finance

House Committees
Energy & Environment

HOUSE
3rd Reading Unamended
May 2, 2023

A BILL FOR AN ACT

101 **CONCERNING WATER QUALITY REGULATION IN THE STATE, AND, IN**
102 **CONNECTION THEREWITH, TRANSFERRING FEE-SETTING**
103 **AUTHORITY TO THE WATER QUALITY CONTROL COMMISSION**
104 **AND MODIFYING THE MEMBERSHIP OF THE COMMISSION.**

HOUSE
2nd Reading Unamended
May 1, 2023

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>.)

SENATE
Amended 3rd Reading
April 24, 2023

Section 1 of the bill increases the percent of appropriated funds that the department of public health and environment (department) may use for the administration and management of the public water systems

SENATE
Amended 2nd Reading
April 21, 2023

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.

and domestic wastewater treatment works grant program from 5% to 10%.

Section 3 modifies the composition of the water quality control commission (commission) by requiring that:

- No more than 5 members of the commission be affiliated with the same political party; and
- The commission include members with specific types of expertise, including expertise in areas of science and environmental law or policy or areas such as municipal water or wastewater treatment, industry, or labor.

Section 4 requires the commission, on or before October 31, 2025, and after engaging in stakeholder outreach, to set the following fees by rule:

- Drinking water fees assessed on public water systems;
- Commerce and industry sector permitting fees;
- Construction sector permitting fees;
- Pesticide sector permitting fees;
- Public and private utilities sector permitting fees;
- Municipal separate storm sewer systems sector permit fees;
- Review fees for requests for certification under section 401 of the federal "Clean Water Act";
- Preliminary effluent limitation determination fees;
- Wastewater site application and design review fees;
- On-site wastewater treatment system fees; and
- Biosolids management program fees.

The commission's fee-setting rules must become effective on or before January 1, 2026, and the commission may by rule authorize the division to phase in the fee-setting rules.

Section 4 also creates the clean water cash fund into which the fees collected under the commission's rules, other than the drinking water fees assessed on public water systems, are credited.

The statutory fee provisions in **sections 2, 5, 6, and 8** repeal on July 1, 2026. Before the repeal, the state treasurer is required to transfer any money remaining in the various funds into which the statutory fees are credited to the clean water cash fund; except that **section 2** specifies that drinking water fees will continue to be credited to the drinking water cash fund and that any money in the drinking water cash fund will remain in that cash fund.

Section 7 repeals the division's regulatory authority concerning nuclear and radioactive wastes.

Section 9 requires the division to include, in its annual reporting to the commission and the general assembly, information on:

- The division's implementation and enforcement of the discharge permitting program (program);
- For reports submitted before October 1, 2025, the division's

- fee revenue and direct and indirect costs associated with the program; and
- For the report submitted in 2025, the fee structure set forth in the commission's proposed or adopted fee-setting rules.

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

2 **SECTION 1.** In Colorado Revised Statutes, 25-1.5-208, **amend**
3 (1)(b) as follows:

4 **25-1.5-208. Grant program for public water systems and**
5 **domestic wastewater treatment works - small communities water and**
6 **wastewater grant fund - rules.** (1) The department has, in addition to
7 all other powers and duties imposed upon it by law, the powers and duties
8 provided in this section as follows:

9 (b) The department may use up to ~~five~~ TEN percent of the
10 appropriated funds for the administration and management of such project
11 grants.

12 **SECTION 2.** In Colorado Revised Statutes, 25-1.5-209, **amend**
13 (2); and **add** (3) as follows:

14 **25-1.5-209. Drinking water fee - drinking water cash fund -**
15 **repeal.** (2) (a) ~~All fees collected pursuant to this section shall be~~
16 ~~transmitted to the state treasurer, who shall credit them to~~ The drinking
17 water cash fund ~~which fund~~ is hereby created in the state treasury.
18 ~~Moneys so collected shall be annually appropriated by the general~~
19 ~~assembly~~ THE GENERAL ASSEMBLY SHALL ANNUALLY APPROPRIATE
20 MONEY IN THE CASH FUND to the department for allocation to the division
21 of administration to operate the drinking water program established in this
22 part 2. The general assembly shall review expenditures of ~~such moneys~~
23 THE MONEY to assure that ~~they are~~ THE MONEY IS used only for such

1 purposes. All interest earned on the investment or deposit of ~~moneys~~
2 MONEY in the cash fund and all unappropriated or unencumbered ~~moneys~~
3 MONEY in the cash fund ~~shall remain~~ REMAINS in the cash fund and ~~shall~~
4 DOES not revert to the general fund or any other fund at the end of any
5 fiscal year or any other time. ~~Any funds remaining from fees collected~~
6 ~~prior to the repeal of former section 25-1.5-209, as it existed prior to July~~
7 ~~1, 2005, shall be transmitted to the state treasurer, who shall credit the~~
8 ~~same to the cash fund.~~

9 (b) ALL FEES COLLECTED PURSUANT TO THIS SECTION BEFORE JULY
10 1, 2026, OR BEFORE THE DATE THE RULES ADOPTED UNDER SECTION
11 25-8-210 (1)(a)(I) BECOME EFFECTIVE SHALL BE CREDITED TO THE
12 DRINKING WATER CASH FUND.

13 (c) ON AND AFTER JULY 1, 2026, ALL FEES COLLECTED PURSUANT
14 TO RULES ADOPTED UNDER SECTION 25-8-210 (1)(a)(I) SHALL BE
15 CREDITED TO THE DRINKING WATER CASH FUND.

16 (3) SUBSECTIONS (1) AND (2)(b) OF THIS SECTION AND THIS
17 SUBSECTION (3) ARE REPEALED, EFFECTIVE JULY 1, 2026.

18 **SECTION 3.** In Colorado Revised Statutes, 25-8-201, **amend**
19 (1)(a) as follows:

20 **25-8-201. Water quality control commission created.**

21 (1) (a) (I) There is created in the department of public health and
22 environment a water quality control commission, which is a **type 1** entity,
23 as defined in section 24-1-105, and which exercises its powers and
24 performs its duties and functions under the department of public health
25 and environment.

26 (II) The commission consists of nine citizens of the state
27 appointed by the governor, with the consent of the senate, for terms of

1 three years; except that the terms ~~shall~~ MUST be staggered so that no more
2 than five members' terms expire in the same year. Members of the
3 commission must be appointed so as to achieve geographical
4 representation and to reflect the various interests in water in the state. At
5 least two members must reside in that portion of the state that is west of
6 the continental divide. NO MORE THAN FIVE MEMBERS OF THE COMMISSION
7 MAY BE AFFILIATED WITH THE SAME POLITICAL PARTY.

8 (III) AT LEAST ONE MEMBER OF THE COMMISSION MUST HAVE
9 AGRICULTURAL EXPERIENCE, PREFERABLY A MEMBER WITH
10 AGRICULTURAL EXPERIENCE WHO IS ALSO REGULATED BY THE DIVISION.
11 AT LEAST THREE OTHER MEMBERS OF THE COMMISSION MUST BE FROM THE
12 COMMUNITY REGULATED BY THE DIVISION, EMPLOYED BY AN ENTITY THAT
13 IS SUBJECT TO FEES SET PURSUANT TO THIS ARTICLE 8, AND, TO THE
14 EXTENT PRACTICABLE, EACH IS EMPLOYED BY AN ENTITY THAT IS SUBJECT
15 TO A DIFFERENT TYPE OF FEE PURSUANT TO THIS ARTICLE 8 THAN THE TYPE
16 OF FEE THAT THE EMPLOYERS OF THE OTHER TWO MEMBERS ARE SUBJECT.

17 (IV) A MEMBER OF THE COMMISSION MUST HAVE EXPERIENCE OR
18 TRAINING IN ONE OR MORE OF THE FOLLOWING AREAS:

- 19 (A) SCIENCE;
- 20 (B) ENGINEERING;
- 21 (C) TECHNOLOGY;
- 22 (D) INDUSTRY;
- 23 (E) CONSTRUCTION;
- 24 (F) LABOR;
- 25 (G) AGRICULTURE;
- 26 (H) ENVIRONMENTAL LAW;
- 27 (I) ENVIRONMENTAL POLICY;

- 1 (J) ENVIRONMENTAL JUSTICE;
- 2 (K) MUNICIPAL WATER TREATMENT;
- 3 (L) MUNICIPAL WASTEWATER TREATMENT;
- 4 (M) MUNICIPAL GOVERNMENT; OR
- 5 (N) COUNTY GOVERNMENT.

6 **SECTION 4.** In Colorado Revised Statutes, **add** 25-8-210 as
7 follows:

8 **25-8-210. Fees established administratively - rules -**
9 **stakeholding requirement - phase-in period - clean water cash fund**
10 **- creation - repeal.** (1) (a) ON OR BEFORE OCTOBER 31, 2025, THE
11 COMMISSION SHALL ESTABLISH THE FOLLOWING FEES BY RULE:

12 (I) DRINKING WATER FEES ASSESSED ON PUBLIC WATER SYSTEMS
13 PURSUANT TO SECTION 25-1.5-209 (1), AS THAT SECTION EXISTED PRIOR
14 TO ITS REPEAL ON JULY 1, 2026;

15 (II) COMMERCE AND INDUSTRY SECTOR PERMITTING FEES
16 ASSESSED PURSUANT TO SECTION 25-8-502 (1.1)(b), AS THAT SECTION
17 EXISTED PRIOR TO ITS REPEAL ON JULY 1, 2026;

18 (III) CONSTRUCTION SECTOR PERMITTING FEES ASSESSED
19 PURSUANT TO SECTION 25-8-502 (1.1)(c), AS THAT SECTION EXISTED PRIOR
20 TO ITS REPEAL ON JULY 1, 2026;

21 (IV) PESTICIDE SECTOR PERMITTING FEES ASSESSED PURSUANT TO
22 SECTION 25-8-502 (1.1)(d), AS THAT SECTION EXISTED PRIOR TO ITS
23 REPEAL ON JULY 1, 2026;

24 (V) PUBLIC AND PRIVATE UTILITIES SECTOR PERMITTING FEES
25 PURSUANT TO SECTION 25-8-502 (1.1)(e), AS THAT SECTION EXISTED PRIOR
26 TO ITS REPEAL ON JULY 1, 2026;

27 (VI) MUNICIPAL SEPARATE STORM SEWERS SYSTEM SECTOR

1 PERMITTING FEES PURSUANT TO SECTION 25-8-502 (1.1)(f), AS THAT
2 SECTION EXISTED PRIOR TO ITS REPEAL ON JULY 1, 2026;

3 (VII) REVIEW FEES ASSESSED PURSUANT TO SECTION 25-8-502
4 (1.2) FOR REQUESTS FOR CERTIFICATION UNDER SECTION 401 OF THE
5 FEDERAL ACT, AS THAT SECTION EXISTED PRIOR TO ITS REPEAL ON JULY 1,
6 2026;

7 (VIII) PRELIMINARY EFFLUENT LIMITATION DETERMINATION FEES
8 ASSESSED PURSUANT TO SECTION 25-8-502 (1.3)(b), AS THAT SECTION
9 EXISTED PRIOR TO ITS REPEAL ON JULY 1, 2026;

10 (IX) WASTEWATER SITE APPLICATION AND DESIGN REVIEW FEES
11 ASSESSED PURSUANT TO SECTION 25-8-502 (1.3)(c), AS THAT SECTION
12 EXISTED PRIOR TO ITS REPEAL ON JULY 1, 2026;

13 (X) ON-SITE WASTEWATER TREATMENT SYSTEM FEES ASSESSED
14 PURSUANT TO SECTION 25-10-107 (3), INCLUDING RULES ESTABLISHING
15 THE PERCENTAGE OF THE ON-SITE WASTEWATER TREATMENT SYSTEM FEES
16 COLLECTED THAT A COUNTY MAY RETAIN TO COVER THE COUNTY'S
17 ADMINISTRATIVE COSTS, AS THAT SECTION EXISTED PRIOR TO ITS REPEAL
18 ON JULY 1, 2026; AND

19 (XI) BIOSOLIDS MANAGEMENT PROGRAM FEES ASSESSED
20 PURSUANT TO SECTION 30-20-110.5 (1), AS THAT SECTION EXISTED PRIOR
21 TO ITS REPEAL ON JULY 1, 2026.

22 (b) THE COMMISSION SHALL SET THE FEES AND PERIODICALLY
23 ADJUST THE FEES, AND THE GENERAL ASSEMBLY MAY, BY BILL, ANNUALLY
24 ADJUST THE FEES, IN AN AMOUNT SUFFICIENT TO COVER THE DIVISION'S
25 DIRECT AND INDIRECT COSTS ASSOCIATED WITH ADMINISTERING AND
26 IMPLEMENTING THE FEDERAL ACT, THE FEDERAL "SAFE DRINKING WATER
27 ACT", 42 U.S.C. SEC. 300f ET SEQ., SECTION 25-1-114.1, PART 2 OF

1 ARTICLE 1.5 OF THIS TITLE 25, THIS ARTICLE 8, AND THE "ON-SITE
2 WASTEWATER TREATMENT SYSTEMS ACT", ARTICLE 10 OF THIS TITLE 25.

3 (c) (I) THE FEE-SETTING RULES ADOPTED PURSUANT TO
4 SUBSECTION (1)(a) OF THIS SECTION MUST BECOME EFFECTIVE ON OR
5 BEFORE JANUARY 1, 2026. IF THE COMMISSION ADOPTS RULES
6 AUTHORIZING THE DIVISION TO PHASE IN THE FEE-SETTING RULES, THE
7 DIVISION MAY REQUIRE PERMIT APPLICANTS, PERMIT HOLDERS, AND
8 PUBLIC WATER SYSTEMS TO PAY FEES AS SET BY THE FEE-SETTING RULES
9 INSTEAD OF THE FEES SET FORTH IN STATUTE BEFORE JULY 1, 2026.

10 (II) IF THE COMMISSION ESTABLISHES A PROCESS FOR THE
11 DIVISION'S PHASE IN OF THE FEE-SETTING RULES PURSUANT TO SUBSECTION
12 (1)(c)(I) OF THIS SECTION, THE COMMISSION'S RULES MUST ESTABLISH A
13 PROCESS FOR THE DIVISION'S PHASE IN OF THE FEE-SETTING RULES. THE
14 PROCESS ESTABLISHED BY RULE MUST INCLUDE NOTICE TO PERMIT
15 APPLICANTS, PERMIT HOLDERS, AND PUBLIC WATER SYSTEMS REGARDING
16 THE PROCESS, INCLUDING REQUIREMENTS TO POST THE PROCESS ON THE
17 DIVISION'S WEBSITE AND ENGAGE IN COMMUNITY OUTREACH REGARDING
18 THE PROCESS.

19 (III) THIS SUBSECTION (1)(c) IS REPEALED, EFFECTIVE SEPTEMBER
20 1, 2027.

21 (2) (a) BEFORE THE COMMISSION ADOPTS THE FEE-SETTING RULES
22 PURSUANT TO SUBSECTION (1)(a) OF THIS SECTION, OR ADOPTS ANY
23 SUBSEQUENT ADJUSTMENTS TO THE FEES, AND IN ACCORDANCE WITH
24 SECTION 25-8-502 (1.5)(c)(I)(B), THE DEPARTMENT OF PUBLIC HEALTH
25 AND ENVIRONMENT SHALL CONDUCT OUTREACH TO OBTAIN STAKEHOLDER
26 INPUT REGARDING THE TOTAL FUNDING FOR THE DIVISION, INCLUDING
27 FEDERAL MONEY, MONEY FROM THE GENERAL FUND, AND ALL CASH FEES.

1 (b) THROUGH THE STAKEHOLDER PROCESS, THE DEPARTMENT OF
2 PUBLIC HEALTH AND ENVIRONMENT SHALL IDENTIFY THE FEE REVENUE
3 NEEDED FOR EVALUATION OF THE FEASIBILITY OF TREATMENT METHODS
4 REQUIRED TO MEET WATER QUALITY STANDARDS AND OTHER
5 REGULATIONS ADOPTED OR PROPOSED FOR ADOPTION, INCLUDING THE
6 FUNDING NEEDED:

- 7 (I) TO SUPPORT THE DEVELOPMENT OF VARIANCES;
- 8 (II) TO IMPROVE PERMIT ISSUANCE PROCESSES TO INCREASE
9 EFFICIENCY AND FACILITATE THE TIMELY ISSUANCE OF NEW PERMITS;
- 10 (III) FOR RENEWAL PERMITS, PERMIT MODIFICATIONS, AND
11 REDUCING PERMIT BACKLOG; AND
- 12 (IV) FOR THE PREPARATION OF COST-BENEFIT ANALYSES AND
13 REGULATORY ANALYSES WHEN REQUIRED PURSUANT TO SECTION 24-4-103
14 (2.5) OR (4.5) OF THE "STATE ADMINISTRATIVE PROCEDURE ACT".

15 (c) IN CONDUCTING STAKEHOLDER OUTREACH, THE DEPARTMENT
16 OF PUBLIC HEALTH AND ENVIRONMENT SHALL DISCUSS WITH
17 STAKEHOLDERS THE OPTIONS FOR SETTING A CAP ON THE AMOUNT OF FEE
18 INCREASES.

19 (d) THROUGH THE STAKEHOLDER PROCESS, THE DEPARTMENT OF
20 PUBLIC HEALTH AND ENVIRONMENT SHALL SEEK INPUT FROM:

- 21 (I) OWNERS AND OPERATORS OF REGULATED DRINKING WATER
- 22 SYSTEMS;
- 23 (II) PERMIT HOLDERS;
- 24 (III) COUNTY REPRESENTATIVES;
- 25 (IV) REPRESENTATIVES OF OTHER LOCAL GOVERNMENTS;
- 26 (V) CONSERVATION GROUPS;
- 27 (VI) ENVIRONMENTAL JUSTICE GROUPS; AND

1 (VII) COMMUNITY MEMBERS, INCLUDING MEMBERS OF
2 DISPROPORTIONATELY IMPACTED COMMUNITIES AS DEFINED IN SECTION
3 24-4-109 (2)(b)(II).

4 (e) THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT
5 SHALL CONDUCT OUTREACH TO AND ENGAGEMENT OF
6 DISPROPORTIONATELY IMPACTED COMMUNITIES PURSUANT TO THIS
7 SUBSECTION (2) IN ACCORDANCE WITH SECTION 24-4-109 (3).

8 (3) (a) (I) UPON THE EFFECTIVE DATE OF THE RULES ADOPTED
9 PURSUANT TO SUBSECTION (1)(a) OF THIS SECTION AND UNTIL JUNE 30,
10 2026, THE DIVISION SHALL TRANSMIT:

11 (A) THE FEES COLLECTED PURSUANT TO THE COMMISSION'S
12 FEE-SETTING RULES ADOPTED UNDER SUBSECTIONS (1)(a)(II) TO (1)(a)(XI)
13 OF THIS SECTION TO THE STATE TREASURER, WHO SHALL CREDIT THE FEES
14 AS DIRECTED BY THE DIVISION, EITHER TO THE CLEAN WATER CASH FUND
15 CREATED IN SUBSECTION (4) OF THIS SECTION OR TO THE STATUTORY FUND
16 INTO WHICH SUCH FEES WERE TRANSMITTED BEFORE THE EFFECTIVE DATE
17 OF THIS SECTION; AND

18 (B) THE FEES COLLECTED PURSUANT TO THE COMMISSION'S
19 FEE-SETTING RULES ADOPTED UNDER SUBSECTION (1)(a)(I) OF THIS
20 SECTION TO THE STATE TREASURER, WHO SHALL CREDIT THE FEES TO THE
21 DRINKING WATER CASH FUND CREATED IN SECTION 25-1.5-209 (2).

22 (II) THIS SUBSECTION (3)(a) IS REPEALED, EFFECTIVE SEPTEMBER
23 1, 2026.

24 (b) ON AND AFTER JULY 1, 2026, THE DIVISION SHALL TRANSMIT:

25 (I) THE FEES COLLECTED PURSUANT TO THE COMMISSION'S
26 FEE-SETTING RULES ADOPTED UNDER SUBSECTIONS (1)(a)(II) TO (1)(a)(XI)
27 OF THIS SECTION TO THE STATE TREASURER, WHO SHALL CREDIT THE FEES

1 TO THE CLEAN WATER CASH FUND CREATED IN SUBSECTION (4) OF THIS
2 SECTION; AND

3 (II) THE FEES COLLECTED PURSUANT TO THE COMMISSION'S
4 FEE-SETTING RULES ADOPTED UNDER SUBSECTION (1)(a)(I) OF THIS
5 SECTION TO THE STATE TREASURER, WHO SHALL CREDIT THE FEES TO THE
6 DRINKING WATER CASH FUND CREATED IN SECTION 25-1.5-209 (2).

7 (4) (a) THE CLEAN WATER CASH FUND IS CREATED IN THE STATE
8 TREASURY. THE FUND CONSISTS OF:

9 (I) FEES COLLECTED PURSUANT TO THE COMMISSION'S FEE-SETTING
10 RULES ADOPTED PURSUANT TO SUBSECTIONS (1)(a)(II) TO (1)(a)(XI) OF
11 THIS SECTION;

12 (II) ANY OTHER MONEY THAT THE GENERAL ASSEMBLY MAY
13 APPROPRIATE OR TRANSFER TO THE FUND; AND

14 (III) ANY FEDERAL FUNDS CREDITED TO THE FUND.

15 (b) THE STATE TREASURER SHALL CREDIT ALL INTEREST AND
16 INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE
17 CLEAN WATER CASH FUND TO THE FUND.

18 (c) THE GENERAL ASSEMBLY SHALL ANNUALLY APPROPRIATE
19 MONEY FROM THE SOURCES SPECIFIED IN SUBSECTIONS (1)(a)(I) AND
20 (1)(a)(II) OF THIS SECTION IN THE CLEAN WATER CASH FUND TO THE
21 DEPARTMENT FOR USE BY THE DIVISION FOR THE DIVISION'S
22 ADMINISTRATION AND IMPLEMENTATION OF THE FEDERAL ACT AND THIS
23 ARTICLE 8.

24 **SECTION 5.** In Colorado Revised Statutes, 25-8-502, **amend**
25 (1.1)(c)(IV) introductory portion, (1.7)(a)(I) introductory portion, and
26 (1.7)(a)(II); **repeal** (1.7)(a)(I)(B); and **add** (1.8) as follows:

27 **25-8-502. Application - definitions - fees - funds created -**

1 **public participation - repeal.** (1.1) For each regulated activity listed in
2 this subsection (1.1), the division may assess an annual permit fee and a
3 nonrefundable permit application fee for new permits that must equal fifty
4 percent of the annual permit fee. The full amount of the application fee
5 is credited toward the annual permit fee. All such fees must be in
6 accordance with the following schedules:

7 (c) The construction sector includes annual fee schedules for
8 regulated activities associated with construction activities as follows:

9 (IV) The division shall use the CONSTRUCTION SECTOR FEE
10 revenue ~~generated by the fees set forth in subsections (1.1)(c)(H)(G) to~~
11 ~~(1.1)(c)(H)(K) and (1.1)(c)(III) of this section~~ COLLECTED PURSUANT TO
12 THIS SECTION OR, ON AND AFTER JULY 1, 2026, PURSUANT TO COMMISSION
13 RULES ADOPTED UNDER SECTION 25-8-210 (1)(a)(III), to continue to fund
14 the administration and oversight of the construction sector, ~~and shall use~~
15 ~~the increased revenue, when compared with the revenue generated by the~~
16 ~~corresponding fees as they existed on June 30, 2015, to fund new~~
17 INCLUDING services provided under the alternative compliance assurance
18 model. The division shall not use the ~~increased~~ revenue to fund additional
19 enforcement staff ~~The division may use the increased revenue for the~~
20 ~~following purposes~~ UNLESS SUCH FUNDING IS INCLUDED IN A COMMISSION
21 FEE-SETTING RULE. AN ALTERNATIVE COMPLIANCE ASSURANCE MODEL
22 INCLUDES:

23 (1.7) (a) The department of public health and environment shall
24 report annually to:

25 (I) The senate agriculture and natural resources committee and the
26 house of representatives agriculture, ~~livestock~~ WATER, and natural
27 resources committee, or their successor committees, on:

1 (B) ~~The clean water program. The report must include the number~~
2 ~~of permits processed, the number of applications pending for new and~~
3 ~~amended permits, the length of time the permits remain in the system~~
4 ~~prior to issuance, the number of inspections conducted, the number of site~~
5 ~~application and design reviews completed, the number of enforcement~~
6 ~~actions taken, the costs associated with each sector specified in~~
7 ~~subsections (1.1), (1.2), and (1.3) of this section, the number of full-time~~
8 ~~equivalents assigned to and actively processing permits, the number of~~
9 ~~full-time equivalents assigned to and actively conducting inspections, the~~
10 ~~number of full-time equivalents assigned to and actively conducting site~~
11 ~~application and design reviews, the number of full-time equivalents~~
12 ~~assigned to and actively conducting enforcement actions, and the number~~
13 ~~of full-time equivalents assigned to and actively developing rules and~~
14 ~~standards. The department shall inform the committees regarding all new~~
15 ~~standards and rules to be proposed within the subsequent year. The~~
16 ~~department shall submit the report on or before March 31 of each year.~~
17 ~~Commencing in 2017, the department shall develop baseline information~~
18 ~~for reporting. Commencing in 2018, the department shall provide~~
19 ~~information on improvements that have been made in comparison to the~~
20 ~~baseline information and information on the barriers to making~~
21 ~~improvements.~~

22 (II) The joint budget committee by November 1 of each year
23 regarding the fee revenue received from each sector specified in
24 subsections (1.1), (1.2), and (1.3) SUBSECTION (1.1)(a) of this section,
25 including expenditures by fund source and revenues by fund and sector
26 source based on the November 1 request.

27 (1.8) (a) ON JUNE 30, 2026, THE STATE TREASURER SHALL

1 TRANSFER ANY UNEXPENDED AND UNENCUMBERED MONEY REMAINING IN
2 THE FOLLOWING CASH FUNDS TO THE CLEAN WATER CASH FUND CREATED
3 IN SECTION 25-8-210 (4)(a):

4 (I) THE COMMERCE AND INDUSTRY SECTOR FUND CREATED IN
5 SUBSECTION (1.5)(a)(I) OF THIS SECTION;

6 (II) THE CONSTRUCTION SECTOR FUND CREATED IN SUBSECTION
7 (1.5)(a)(II) OF THIS SECTION;

8 (III) THE PESTICIDES SECTOR FUND CREATED IN SUBSECTION
9 (1.5)(a)(III) OF THIS SECTION;

10 (IV) THE MUNICIPAL SEPARATE STORM SEWER SYSTEM SECTOR
11 FUND CREATED IN SUBSECTION (1.5)(a)(IV) OF THIS SECTION; AND

12 (V) THE PUBLIC AND PRIVATE UTILITIES SECTOR FUND CREATED IN
13 SUBSECTION (1.5)(a)(V) OF THIS SECTION.

14 (b) SUBSECTIONS (1.1)(b), (1.1)(c), (1.1)(d), (1.1)(e), (1.1)(f),
15 (1.2), (1.3), AND (1.5) OF THIS SECTION AND THIS SUBSECTION (1.8) ARE
16 REPEALED, EFFECTIVE JULY 1, 2026.

17 **SECTION 6.** In Colorado Revised Statutes, 30-20-110.5, **add** (4)
18 as follows:

19 **30-20-110.5. Beneficial use of biosolids - water quality control**
20 **commission to set fees - fund created - repeal.** (4) (a) ON JUNE 30,
21 2026, THE STATE TREASURER SHALL TRANSFER ANY UNEXPENDED AND
22 UNENCUMBERED MONEY REMAINING IN THE BIOSOLIDS MANAGEMENT
23 PROGRAM FUND CREATED IN SUBSECTION (3) OF THIS SECTION TO THE
24 CLEAN WATER CASH FUND CREATED IN SECTION 25-8-210 (4)(a).

25 (b) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2026.

26 **SECTION 7.** In Colorado Revised Statutes, **repeal** 25-8-506 as
27 follows:

1 **25-8-506. Nuclear and radioactive wastes.** ~~(1) It is unlawful for~~
2 ~~any person to discharge, deposit, or dispose of any radioactive waste~~
3 ~~underground in liquid, solid, or explosive form unless the division, upon~~
4 ~~application of the person desiring to undertake such activity and after~~
5 ~~investigation and hearing, has first found, based upon a preponderance of~~
6 ~~the evidence, that there will be no significant pollution resulting~~
7 ~~therefrom or that the pollution, if any, will be limited to waters in a~~
8 ~~specified limited area from which there is no significant migration.~~

9 ~~(2) (a) In such case the division shall issue a permit for the~~
10 ~~proposed activity, upon the payment of a fee of one thousand dollars. The~~
11 ~~division may include in such permit issued under this subsection (2) such~~
12 ~~reasonable terms and conditions as it may from time to time require to~~
13 ~~implement this section in a manner consistent with the purposes of this~~
14 ~~article. The terms or conditions which may be imposed shall include,~~
15 ~~without limitation, those with respect to duration of use or operation;~~
16 ~~monitoring; reporting; volume of discharge or disposal; treatment of~~
17 ~~wastes; and the deposit with the state treasurer of a bond, with or without~~
18 ~~surety as the division may in its discretion require, or other security, to~~
19 ~~assure that the permitted activities will be conducted in compliance with~~
20 ~~the terms and conditions of the permit, and that upon abandonment,~~
21 ~~cessation, or interruption of the permitted activities or facilities,~~
22 ~~appropriate measures will be taken to protect the waters of the state.~~
23 ~~Other than relief from provisions of this article to the extent specified in~~
24 ~~this subsection (2), no permit issued pursuant to this subsection (2) shall~~
25 ~~relieve any person of any duty or liability to the state or to any other~~
26 ~~person existing or arising under any statute or under common law.~~

27 ~~(b) Notwithstanding the amount specified for the fee in paragraph~~

1 (a) of this subsection (2), the commission by rule or as otherwise provided
2 by law may reduce the amount of the fee if necessary pursuant to section
3 24-75-402 (3), C.R.S., to reduce the uncommitted reserves of the fund to
4 which all or any portion of the fee is credited. After the uncommitted
5 reserves of the fund are sufficiently reduced, the commission by rule or
6 as otherwise provided by law may increase the amount of the fee as
7 provided in section 24-75-402 (4), C.R.S.

8 (3) No permit for the discharge, deposit, or disposal of nuclear or
9 radioactive waste underground shall be required in any case where
10 groundwater quality regulation is conducted under article 11 of this title,
11 or under the "Uranium Mill Tailings Radiation Control Act of 1978",
12 Pub.L. 95-604, or a successor statute, where such regulation is determined
13 by the division to comply with the standard set forth in subsection (1) of
14 this section.

15 (4) (a) The provisions of this section revise and replace, in part,
16 section 25-8-505 of this article, the "Colorado Water Quality Control
17 Act", as said article existed prior to July 1, 1981. All permits issued
18 pursuant to said section 25-8-505 prior to July 1, 1981, shall be deemed
19 a permit issued pursuant to this section and subject to the standards of
20 subsection (1) of this section unless or until:

21 (I) Such permitted activities are exempted by the provisions of
22 subsection (3) of this section. In such case, all permits issued pursuant to
23 said section 25-8-505 shall terminate and have no effect whatsoever; or

24 (II) Such permitted activities are the subject of a new permit
25 issued pursuant to this section.

26 (b) Repealed.

27 **SECTION 8.** In Colorado Revised Statutes, 25-10-107, **add** (4)

1 as follows:

2 **25-10-107. Fees - repeal.** (4) SUBSECTION (3) OF THIS SECTION
3 AND THIS SUBSECTION (4) ARE REPEALED, EFFECTIVE JULY 1, 2026.

4 **SECTION 9.** In Colorado Revised Statutes, **amend** 25-8-305 as
5 follows:

6 **25-8-305. Annual report - repeal.** (1) (a) ~~Notwithstanding~~
7 ~~section 24-1-136 (11)(a)(I),~~ On or before October 1 of each year, the
8 division through the executive director shall report to the commission on
9 the effectiveness of this ~~article~~ ARTICLE 8 and shall include in such report
10 any recommendations ~~it~~ THE DIVISION may have with respect to any
11 regulatory or legislative changes that may be needed or desired. The
12 report must include the then-current MONITORING information that has
13 been obtained pursuant to section 25-8-303. ~~and information concerning~~
14 ~~the status of the division's implementation of the discharge permit~~
15 ~~program established in part 5 of this article.~~

16 (b) The EXECUTIVE DIRECTOR SHALL ALSO SUBMIT THE report ~~shall~~
17 ~~be filed with~~ TO the house OF REPRESENTATIVES agriculture, livestock
18 WATER, and natural resources committee and the senate agriculture AND
19 natural resources ~~and energy~~ committee, or ~~any~~ THEIR successor
20 committees. NOTWITHSTANDING SECTION 24-1-136 (11)(a)(I), THIS
21 REPORTING REQUIREMENT CONTINUES INDEFINITELY.

22 (2) THE ANNUAL REPORT DESCRIBED IN SUBSECTION (1) OF THIS
23 SECTION MUST INCLUDE INFORMATION ON THE DIVISION'S:

24 (a) IMPLEMENTATION OF THE DISCHARGE PERMITTING PROGRAM
25 ESTABLISHED IN PART 5 OF THIS ARTICLE 8;

26 (b) INSPECTIONS PERFORMED;

27 (c) ENFORCEMENT ACTIONS UNDER THIS ARTICLE 8;

1 (d) ESTABLISHMENT OF ANY NEW RULES AND STANDARDS;

2 (e) ASSESSMENT OF ANY EMERGING TRENDS THAT THE DIVISION
3 PERCEIVES IN ISSUES PERTAINING TO WATER QUALITY;

4 (f) THE RATIO OF GENERAL FUND APPROPRIATIONS TO CASH FUND
5 APPROPRIATIONS THAT WERE AUTHORIZED FOR THE STATE FISCAL YEAR
6 IMMEDIATELY PRECEDING THE DATE OF THE REPORT; AND

7 (g) REVENUE AND EXPENDITURES, INCLUDING FOR THE DIVISION'S
8 GENERAL ADMINISTRATION NEEDS, THE DIVISION'S ADMINISTRATION OF
9 THE CLEAN WATER AND DRINKING WATER PROGRAMS, AND THE DIVISION'S
10 ALLOCATION OF ANY INCREASED FEES ESTABLISHED THROUGH SECTION
11 25-8-210 FOR SERVICES THAT THE DIVISION PROVIDES. THE DEPARTMENT
12 SHALL PRESENT THIS INFORMATION AS PART OF THE DEPARTMENT'S
13 ANNUAL "SMART ACT" PRESENTATION PURSUANT TO SECTION 2-7-203.

14 (3) (a) FOR A REPORT THAT THE DIVISION SUBMITS ON OR BEFORE
15 OCTOBER 1, 2025, THE REPORT MUST INCLUDE THE TOTAL PERMIT FEE
16 REVENUE RECEIVED IN THE PREVIOUS TWELVE MONTHS, AND THE
17 DIVISION'S DIRECT AND INDIRECT COSTS TO ADMINISTER THE PERMITS, FOR
18 THE FOLLOWING SECTOR-SPECIFIC PERMITS, REVIEWS, OR
19 DETERMINATIONS:

20 (I) THE COMMERCE AND INDUSTRY SECTOR PURSUANT TO SECTION
21 25-8-502 (1.1)(b);

22 (II) THE CONSTRUCTION SECTOR PURSUANT TO SECTION 25-8-502
23 (1.1)(c);

24 (III) THE PESTICIDE SECTOR PURSUANT TO SECTION 25-8-502
25 (1.1)(d);

26 (IV) THE PUBLIC AND PRIVATE UTILITIES SECTOR PURSUANT TO
27 SECTION 25-8-502 (1.1)(e);

1 (V) THE MUNICIPAL SEPARATE STORM SEWER SYSTEM SECTOR
2 PURSUANT TO SECTION 25-8-502 (1.1)(f);

3 (VI) THE REVIEWS PERFORMED PURSUANT TO SECTION 25-8-502
4 (1.2) FOR REQUESTS FOR CERTIFICATION UNDER SECTION 401 OF THE
5 FEDERAL ACT;

6 (VII) THE PRELIMINARY EFFLUENT LIMITATION DETERMINATIONS
7 PERFORMED PURSUANT TO SECTION 25-8-502 (1.3)(b); AND

8 (VIII) THE WASTEWATER SITE APPLICATIONS AND DESIGN REVIEWS
9 PERFORMED PURSUANT TO SECTION 25-8-502 (1.3)(c).

10 (b) THIS SUBSECTION (3) IS REPEALED, EFFECTIVE JULY 1, 2026.

11 (4) (a) FOR THE REPORT THAT THE DIVISION SUBMITS IN 2025, THE
12 REPORT MUST INCLUDE:

13 (I) A DESCRIPTION OF THE FEE STRUCTURE PROPOSED OR INCLUDED
14 IN RULES THAT THE COMMISSION HAS PROPOSED OR ADOPTED PURSUANT
15 TO SECTION 25-8-210 (1)(a);

16 (II) IF THE RULES PROPOSED OR ADOPTED PURSUANT TO SECTION
17 25-8-210 (1)(a) MODIFY A FEE STRUCTURE SET FORTH IN STATUTE, THE
18 REASONS FOR THE CHANGE IN THE FEE STRUCTURE; AND

19 (III) A SUMMARY OF OPTIONS FOR SETTING A CAP ON THE AMOUNT
20 OF FEE INCREASES AND THE DEPARTMENT OF PUBLIC HEALTH AND
21 ENVIRONMENT'S RECOMMENDATIONS ON SETTING A CAP BASED ON
22 STAKEHOLDER FEEDBACK.

23 (b) THIS SUBSECTION (4) IS REPEALED, EFFECTIVE JULY 1, 2026.

24 **SECTION 10.** In Colorado Revised Statutes, 25-8-205, **amend**
25 (1)(e) as follows:

26 **25-8-205. Control regulations.** (1) The commission may
27 promulgate control regulations for the following purposes:

1 (e) To describe requirements, prohibitions, standards, and
2 concentration limitations on the use and disposal of biosolids to protect
3 public health and to prevent the discharge of pollutants into state waters,
4 except as authorized by permit. The commission requirements described
5 pursuant to this ~~paragraph (e) shall be no~~ SUBSECTION (1)(e) MUST NOT BE
6 more restrictive than the requirements adopted for solid wastes disposal
7 sites and facilities pursuant to part 1 of article 20 of title 30, ~~C.R.S.~~;
8 except as necessary to be consistent with section 405 of the federal act.
9 Fees ~~shall~~ MUST be established as set forth in ~~section 30-20-110.5, C.R.S.~~;
10 ~~and the commission shall have no authority to levy additional or~~
11 ~~duplicate fees~~ RULES ADOPTED BY THE COMMISSION PURSUANT TO
12 SECTION 25-8-210.

13 **SECTION 11.** In Colorado Revised Statutes, 30-20-113, **amend**
14 (9) as follows:

15 **30-20-113. Inspection - enforcement - nuisances - violations -**
16 **civil penalty.** (9) Notwithstanding any other provision of this part 1 or
17 part 10 of this ~~article other than section 30-20-110.5~~ ARTICLE 20, the
18 processing, application, storage, or composting of biosolids or other
19 materials under rules promulgated pursuant to section 25-8-205 (1)(e)
20 ~~C.R.S., shall be~~ ARE excluded from this part 1 and part 10 of this ~~article~~
21 ARTICLE 20.

22

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23 **SECTION 12. Effective date.** (1) Except as provided in
24 subsection (2) of this section, this act takes effect upon passage.

25 (2) Section 25-8-205, as amended in section 10 of this act, and
26 section 30-20-113, as amended in section 11 of this act, take effect July
27 1, 2026.

1 **SECTION 13. Safety clause.** The general assembly hereby finds,
2 determines, and declares that this act is necessary for the immediate
3 preservation of the public peace, health, or safety.