

*Colorado Legislative Council Staff Fiscal Note*

**STATE and LOCAL  
REVISED FISCAL IMPACT**

(replaces fiscal note dated January 22, 2013)

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<b>Drafting Number:</b> LLS 13-0112	<b>Date:</b> February 14, 2013
<b>Prime Sponsor(s):</b> Sen. Brophy Rep. Sonnenberg	<b>Bill Status:</b> House Agriculture
	<b>Fiscal Analyst:</b> Alex Schatz (303-866-4375)

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**TITLE:** CONCERNING SAFEGUARDS TO PREVENT THE MODIFICATION OF A FINAL DESIGNATED GROUND WATER PERMIT BASED ON REDUCTIONS IN THE USE OF DESIGNATED GROUND WATER.

<b>Fiscal Impact Summary</b>	<b>FY 2013-2014</b>	<b>FY 2014-2015</b>
<b>State Revenue</b>		
<b>State Expenditures</b>	See State Expenditures section.	
<b>FTE Position Change</b>		
<b>Effective Date:</b> August 7, 2013, if the General Assembly adjourns on May 8, 2013, as scheduled, and no referendum petition is filed.		
<b>Appropriation Summary for FY 2013-2014:</b> None required.		
<b>Local Government Impact:</b> Potential for minimal savings.		

**Summary of Legislation**

This *reengrossed* bill is recommended by the **Water Resources Review Committee**. Under current law, for each final well permit authorizing the withdrawal of designated groundwater, the state engineer specifies the priority date, location, maximum annual withdrawal volume, maximum pumping rate, and the maximum number of acres irrigated by the well. The bill clarifies that the specified maximums for annual withdrawal volume, pumping rate, and irrigated acreage are not to be reduced due to conservation measures undertaken by the well user. The bill exempts water rights subject to a change in use case.

**State Expenditures**

The Judicial Branch may experience minimal savings as a result of the bill. By providing greater certainty for well owners seeking to implement conservation measures, the bill may deter litigation involving marginal quantities of conserved water. The number of such cases is expected to be limited, both under current law and as proposed by the bill. Thus, the potential savings are estimated to be minimal.

Various sources of water contribute to Colorado's obligations under interstate water compacts. The reduction in downstream flows reaching interstate waters could require additional effort by state authorities to comply with compact terms; however, the fiscal note assumes that, under the bill, affected groundwater permit holders will maintain current conservation efforts rather than curtailing flows based on historic usage.

### **Local Government Impact**

The bill may result in savings to local governments that operate water supply systems. For municipal governments that use designated groundwater resources as part of their water supply portfolio, the bill provides greater certainty that permitted groundwater will be available when conservation measures have not reliably reduced demand.

### **Departments Contacted**

Agriculture  
Law  
Corrections

Natural Resources  
Local Affairs  
Public Health and Environment

Judicial Branch  
Property Taxation