



Colorado
Legislative
Council
Staff

SB16-200

REVISED
FISCAL NOTE

(replaces fiscal note dated May 3, 2016)

FISCAL IMPACT: State Local Statutory Public Entity Conditional No Fiscal Impact

Drafting Number: LLS 16-1264 **Date:** May 5, 2016
Prime Sponsor(s): Sen. Sonnenberg **Bill Status:** Senate Appropriations
Rep. Vigil **Fiscal Analyst:** Clare Pramuk (303-866-2677)

BILL TOPIC: CREATE DIRECTOR WATER PROJECT PERMIT COORDINATION

Fiscal Impact Summary	FY 2016-2017	FY 2017-2018
State Revenue	\$0	\$45,000
Cash Funds		\$45,000
<i>State Transfers</i>		
General Fund	(43,117)	
Cash Funds	(43,117)	(46,392)
Water Permitting Coordination Cash Fund	86,234	46,392
State Expenditures	\$86,234	\$92,784
Cash Funds	78,215	83,815
Centrally Appropriated Costs	8,019	8,969
TABOR Impact		\$45,000
Appropriation Required: \$78,215 - Governor's Office (FY 2016-17).		
Future Year Impacts: Ongoing revenue and expenditure increase.		

Summary of Legislation

As amended by the Senate Agriculture Committee, this bill creates the position of Director of Water Project Permitting (permitting director) in the Governor's Office to coordinate the federal, state, and local government permitting of:

- raw water diversion, storage, or delivery projects, including associated hydroelectric facilities and both consumptive and nonconsumptive uses of water; and
- water projects that are either assessed a water quality certification fee or are eligible for financing from the Colorado Water Conservation Board (CWCB) Construction Fund.

The permitting director is not precluded from holding other titles or performing other functions within the Governor's Office. The direct and indirect costs of the permitting director are funded from the newly created Water Permitting Coordination Fund which is funded by transfers of an amount equal to one half of the indirect and direct costs of the permitting director or the amount available from both the Water Quality Certification Sector Fund in the Colorado Department of Public Health and Environment (CDPHE) and the CWCB Construction Fund in the Department of Natural Resources, whichever is less.

The Water Quality Control Division in the CDPHE must assess a prorated fee on water projects to fund the permitting director. The permitting director will determine the amount of fees required and annually notify the division of the amounts.

By January 1, 2017, the Water Quality Control Division and the CWCB must establish one or more specific points of contact and lines of communication with the permitting director.

State Revenue

State Transfers. This bill requires a transfer each July 1 from the Water Quality Certification Sector Fund and the CWCB Construction Fund to the Water Permitting Coordination Fund. The total transfers are estimated to be \$86,234 in FY 2016-17 and \$92,784 for FY 2017-18. Because the Water Quality Certification Sector Fund does not have sufficient funds available for the transfer for FY 2016-17, a transfer of \$43,117 from the General Fund is required in FY 2016-17.

Fee Impact on Water Projects. Colorado law requires legislative service agency review of measures which create or increase any fee collected by a state agency. Table 1 below illustrates the fee impact of this bill. The actual fees will be set by the permitting director based on expected direct and indirect costs of the program. This bill is expected to increase state cash fund revenue to the Water Quality Certification Sector Fund by \$45,000 or as much as the permitting director determines is necessary in FY 2017-18.

Table 1. Fee Impact on Water Projects for FY 2017-18			
Type of Fee	Proposed Fee	Number Affected	Total Fee Impact
Tier 1 - involves minimal cost and water quality impacts	\$1,000	10	\$10,000
Tier 2 - involves moderate costs and potential water quality impacts	1,000	5	5,000
Tier 3 - involves a large watershed area, high degree of complexity, or high potential for water quality impacts.	1,000	0	0
Tier 4 - involves multiple or large watershed areas, very high degree of complexity, very high potential for water quality impacts, or a high level of public participation.	15,000	2	30,000
TOTAL			\$45,000

TABOR Impact

This bill increases state revenue from fees, which will increase/reduce the amount of money required to be refunded under TABOR. TABOR refunds are paid out of the General Fund.

State Expenditures

This bill is expected to increase state expenditures by \$86,234 in FY 2016-17 and \$92,784 in FY 2017-18 from the Water Permitting Coordination Fund in the Governor's Office. The costs are shown in Table 2 and explained below.

Table 2. Expenditures Under SB16-200		
Cost Components	FY 2016-17	FY 2017-18
Personal Services	\$50,252	\$54,820
Operating Expenses and Capital Outlay Costs	5,130	475
Travel	22,833	28,520
Centrally Appropriated Costs*	8,019	8,969
TOTAL	\$86,234	\$92,784

* Centrally appropriated costs are not included in the bill's appropriation.

The Governor's Office will utilize an existing staff person as the permitting director so no new FTE are required. The permitting director will travel to Washington, D.C. approximately 20 times per year to coordinate federal permitting and travel around the state as necessary to coordinate with state and local officials. Expenditures for FY 2016-17 are prorated to account for the August effective date.

Centrally appropriated costs. Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. The centrally appropriated costs subject to this policy are estimated in the fiscal note for informational purposes and summarized in Table 3.

Table 3. Centrally Appropriated Costs Under SB16-200		
Cost Components	FY 2016-17	FY 2017-18
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$3,719	\$4,057
Supplemental Employee Retirement Payments	4,300	4,912
TOTAL	\$8,019	\$8,969

Technical Note

The August 10, 2016, effective date in the bill precludes a July 1, 2016, transfer. The fiscal note assumes that the transfer will be made when the bill becomes effective.

Local Government Impact

To the extent that local governments and special districts administer water projects, those entities will have an increase in fees based on project size.

Effective Date

The bill takes effect August 10, 2016, if the General Assembly adjourns on May 11, 2016, as scheduled, and no referendum petition is filed.

State Appropriations

For FY 2016-17, the Governor's Office requires an appropriation of \$78,215 from the Water Permitting Coordination Fund.

State and Local Government Contacts

Governor's Office Natural Resources Public Health & Environment