



**Legislative Council Staff**  
*Research Note*

**Version:** House Second  
Reading  
**Date:** 4/6/2017

**Bill Number**

**House Bill 17-1273**

**Sponsors**

***Representatives Hansen &  
McKean  
Senators Coram & Jones***

**Short Title**

***Real Estate Development  
Demonstrate Water  
Conservation***

**Research Analyst**

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**Status**

The bill is currently pending before the House Committee of the Whole. This research note reflects the introduced bill as amended by the House Agriculture, Livestock, and Natural Resources Committee on April 3, 2017.

**Background**

***House Bill 08-1141.*** House Bill 08-1141 requires that building permit applications for developments of more than 50 single-family equivalents include specific evidence of an adequate water supply. Local governments must deny applications for development where there is not a demonstration of an adequate water supply to serve the proposed development. An adequate water supply is defined as one that is sufficient for the proposed development through build-out, in terms of quality, quantity, and dependability. A local government is required to determine if an applicant has an adequate water supply based on a review of application documents. The law requires the developer to submit the following information to the local government as part of the permit application:

- a report prepared by a professional engineer or water supply expert estimating the water supply requirements for proposed development, identifying the proposed water source, and describing any other measures that may be implemented concerning water conservation and demand management to account for hydrologic variability; or
- if the development is to be served by a water supply entity, the local government may allow the applicant to submit, in place of the required report, a letter by a professional engineer or water

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supply expert that estimates the proposed development's water supply requirements, provides information about the water source and how it is managed, and contains a statement of commitment and ability to provide an adequate water supply to the development.

A local government may also request any other information or analyses needed to determine whether the water supply for the proposed development is adequate, including comments from the state engineer. Also, if a development has a water supply plan that meets specified criteria, the authorizing local government can forgo the report or letter. The law does not apply to a rural land use process regarding the approval of a cluster development or any division of land which creates parcels of land that are 35 or more acres. Such parcels are exempt from a county's subdivision land use regulations.

**Implementation of House Bill 08-1141.** To comply with House Bill 08-1141, cities have enacted requirements that developers provide a certain amount of water in exchange for the authority to develop a parcel of land. For example, Greeley and Longmont require residential developers to provide their city water departments with three acre-feet of water for every acre of land developed or annexed, including any water historically used to irrigate the land of the proposed building site. Longmont, Greeley, and other cities allow developers who unable to meet the water requirements with historic, on-site water rights to pay “cash-in-lieu” fees or to provide the city with water rights from other sources. However, both Greeley and Longmont restrict the type of water they will accept to prevent developers from simply buying up and drying nearby agricultural lands. Longmont will only accept offsite water from specified sources such as the Colorado-Big Thompson Project, the transbasin diversion that diverts from the Colorado River headwaters in Grand County.

## House Action

**House Agriculture, Livestock, and Natural Resources Committee (April 3, 2017).** At the committee hearing, representatives from the South Metro Water Supply Water Authority, the Colorado Association of Home Builders, the Rocky Mountain Farmers Union, Western Resource Advocates, the Rocky Mountain Farmers Union, the Colorado River Water Conservation District, and the Northwest Council of Government testified in support of the bill and Amendment L.001. There was no testimony in opposition to the bill or the amendment. The committee adopted Amendment L.001 that amends the legislative declaration to state that the efficient uses of all water supplies is in the interest of the citizens of Colorado. It also restored permissive language in the law concerning water conservation measures that local jurisdictions may utilize. The committee referred the bill, as amended, to the House Committee of the Whole.

## Relevant Research

Legislative Council Staff, *State Water Policy, A Legislator's Guide to Colorado Water Policy*, October 2013



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