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REVISED FISCAL NOTE

(replaces fiscal note dated January 30, 2020)

Drafting Number: LLS 20-0718
Prime Sponsors: Rep. Arndt, Sen. Bridges

Date: February 18, 2020
Bill Status: Senate Agriculture
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Bill Topic: LOCAL GOVERNMENT WATER ELEMENTS IN MASTER PLANS

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

If a local government's master plan includes a water element, the bill requires that the element include water conservation policies. The bill increases state expenditures on an ongoing basis, and increases local government expenditures at the discretion of local governments.

Appropriation Summary: For FY 2020-21, the bill requires an appropriation of \$26,215 to the Department of Local Affairs.

Fiscal Note Status: The revised fiscal note reflects the reengrossed bill.

Table 1
State Fiscal Impacts Under HB 20-1095

Table with 4 columns: Category, Sub-category, FY 2020-21, FY 2021-22. Rows include Revenue, Expenditures (General Fund, Centrally Appropriated, Total), Total FTE, Transfers, and TABOR Refund.

## Summary of Legislation

If a local government's master plan includes a water element, the bill requires that the element include water conservation policies, which may include goals specified in the state water plan, and may also include policies to implement water conservation and other state water plan goals as a condition of development approvals, including subdivisions, planned unit developments, special use permits, and zoning changes.

For local governments with master plans that include water supply elements, water conservation policies must be adopted at the first amending of the master plan occurring after this bill takes effect, but no later than July 1, 2025.

The Department of Local Affairs (DOLA) is authorized to hire one full-time employee to provide educational resources and assistance to municipalities that include water conservation policies in their master plans.

## State Expenditures

This bill increases state General Fund expenditures in the DOLA by \$32,232 and 0.5 FTE in FY 2020-21, and \$77,280 and 1.0 FTE in FY 2021-22 and future years. Workload may increase for other state agencies. The impacts are shown in Table 2 and described below.

**Table 2**  
**Expenditures Under HB 20-1095**

	<b>FY 2020-21</b>	<b>FY 2021-22</b>
<b>Department of Local Affairs</b>		
Personal Services	\$24,066	\$57,756
Operating Expenses	\$475	\$1,350
Travel Mileage	\$1,674	\$3,349
Centrally Appropriated Costs*	\$6,017	\$14,825
<b>Total Cost</b>	<b>\$32,232</b>	<b>\$77,280</b>
<b>Total FTE</b>	<b>0.5 FTE</b>	<b>1.0 FTE</b>

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

**Department of Local Affairs.** DOLA will fund one staff member at the Community and Economic Development III job class to provide education and assistance to local governments that include water conservation policies in their master plans. Travel costs are based on an assumption of 6,440 miles traveled per year at a rate of \$0.52 per mile. An existing term-limited staff member is performing these duties through the end of 2020; therefore, costs are prorated to reflect a January 1, 2021, start date, in addition to the General Fund paydate shift.

**Department of Natural Resources.** Workload may increase to provide information to local governments about the state water plan and conservation practices. This workload is expected to be minimal and can be accomplished within existing appropriations.

**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. These costs, which include employee insurance and supplemental employee retirement payments, are estimated to be \$6,017 in FY 2020-21 and \$14,825 in FY 2021-22.

### **Local Government**

Workload and costs will increase for local governments that choose to update their master plans to include water conservation goals. This includes staff resources and possible consultant fees to review and update the master plan, posting public notices about proposed changes, and staff time to prepare for and hold public meetings. Special district staff time could also be required to provide water use and supply data for local governments. Local governments already have the ability to include water supply elements in their master plans and master plans are reviewed and updated on a frequent basis; therefore, any increase in costs or workload is expected to be minimal and at the discretion of local governments.

### **Effective Date**

The bill takes effect August 5, 2020, if the General Assembly adjourns on May 6, 2020, as scheduled, and no referendum petition is filed.

### **State Appropriations**

For FY 2020-21, the bill requires a General Fund appropriation of \$26,215 to the Department of Local Affairs, and 0.5 FTE.

### **State and Local Government Contacts**

Agriculture  
Municipalities

Counties  
Natural Resources

Local Affairs