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Fiscal Note

Drafting Number:	LLS 22-0178	Date:	January 14, 2022
Prime Sponsors:	Sen. Simpson; Sonnenberg Rep. Roberts; Catlin	Bill Status:	Senate Agriculture
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Bill Topic: **GROUNDWATER COMPACT COMPLIANCE FUND**

Summary of Fiscal Impact:	<input checked="" type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
	<input checked="" type="checkbox"/> State Expenditure	<input checked="" type="checkbox"/> Local Government
	<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

This bill creates the Groundwater Compact Compliance and Sustainability Fund for groundwater compact compliance and groundwater resource sustainability and conservation purposes. It increases state expenditures on an ongoing basis.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: The fiscal note reflects the introduced bill which was recommended by the Water Resources Review Committee.

Summary of Legislation

This bill creates the Groundwater Compact Compliance and Sustainability Fund for groundwater compact compliance and groundwater resource sustainability and conservation purposes. The fund will be administered by the Colorado Water Conservation Board (CWCB) in the Department of Natural Resources (DNR) and is subject to annual appropriation. Funds may include appropriations or transfers by the General Assembly; funds from federal sources; and gifts, grants, and donations.

The CWCB will disburse funds based on recommendations from the board of directors of either the Rio Grande Water Conservancy District or the Republican River Water Conservation District, after approval by the State Engineer. The bill authorizes the CWCB to use up to 5.0 percent of the annual appropriation to pay its direct and indirect costs and those of the boards of the Rio Grande Water Conservation District and the Republican Water Conservation District, and the State Engineer in the DNR.

If all groundwater reduction requirements and all statutorily mandated standards are achieved, the fund will be repealed and any remaining money transferred to the General Fund.

State Revenue

The bill may increase revenue from gifts, grants, and donations from federal and private sources. At the time of this writing, no sources of funding have been identified. These funds are not subject to TABOR.

State Expenditures

Funding for the Groundwater Compact Compliance and Sustainability Fund is at the discretion of the General Assembly and depends on whether outside funds are received and whether the General Assembly appropriates or transfers state funds. The bill will increase workload for the CWCB and the Division of Water Resources in the DNR to solicit funds and administer the funds when they become available. If funding is appropriated as the bill moves through the legislative process, the fiscal note will be revised to reflect fund administration costs for the DNR.

Local Government

When funds are appropriated to the Groundwater Compact Compliance and Sustainability Fund, the boards of the Rio Grande Water Conservation District and the Republican River Water Conservation District will have an increase in workload to collaborate with the CWCB in determining how to allocate the funds. The direct and indirect costs of these boards can be paid from the fund.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State and Local Government Contacts

Information Technology

Judicial

Natural Resources