Summary of Legislation

2024



Several pieces of legislation focused on water in Colorado were passed during the 2024 session. These include measures concerning water projects, regulations for construction activities near wetlands and rivers, water conservation efforts, and improving water quality.

Water Project Funding

In 2024, two bills concerning major water project funding were passed in Colorado. The first, House Bill 24-1436, refers a ballot measure to the voters for the November 2024 election. Voters will decide whether to allow the state to keep and spend all revenue from the existing sports betting tax. Currently, the state is allowed to retain up to \$29 million annually. If the measure is approved, revenue in excess of \$29 million per year will be transferred to the Water Plan Implementation Cash Fund to go towards water projects. If voters reject the measure, the revenue in excess of \$29 million will be refunded to licensed sports betting operations. Revenue from sports betting taxes is projected to exceed \$29 million per year within the next fiscal year.

The second major water project funding bill in 2024 is <u>House Bill 24-1435</u>, which appropriates about \$55 million to the Colorado Water Conservation Board (CWCB) and the Division of Water Resources for a variety of projects, including for:

- satellite monitoring systems for water rights administration;
- floodplain map modernization;
- weather modification permitting;
- compact compliance;
- the Colorado Mesonet project;
- improved water supply forecasting;
- modeling and data analysis by the Upper Colorado River Commission;
- establishing groundwater resources in the Southern High Plains;
- the Turf Replacement Program; and
- other state water plan projects.

The bill also appropriates \$20 million to be used by the Colorado River District to purchase water rights associated with the Shoshone Power Plant owned by Xcel Energy. The Shoshone water rights are considered crucial for the Colorado River as some of the most senior water rights on the river.

Dredge and Fill Permitting

Following the U.S. Supreme Court decision in Sackett v. U.S. Environmental Protection Agency, federal regulations concerning construction activities near wetlands and streams changed. In response, <u>House Bill 24-1379</u> requires the Water Quality Control Commission (WQCC) in the Colorado Department of Public Health and Environment (CDPHE) to establish requirements, prohibitions, and standards for the regulation of discharged dredge and fill



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materials into state waters, including wetlands. Once the program is established, the WQCC is tasked with administering a state dredge and fill discharge authorization program. The bill excludes certain waters, such as ditches, canals, and irrigated land. The new state program is expected to be established by 2026.

Water Conservation

The Colorado River Drought Task Force, created by <u>Senate Bill 23-295</u>, met several times in 2023 and issued a number of recommendations. <u>Senate Bill 24-197</u> implements some of the recommendations from the task force, including:

- allowing the owner of a storage water right to loan it to the CWCB for instream flows; and
- requiring the CWCB to establish an agricultural water protection program for all water divisions.

Another bill concerning reducing water used for landscaping, <u>Senate Bill 24-005</u>, prohibits local entities and state facilities from installing, planting, or placing nonfunctional turf, artificial turf, or invasive plant species as part of a new development or redevelopment project.

Another method of reducing municipal water use is to promote graywater use. Graywater is water used in a residential, commercial, or industrial building that may be collected after its first use and put to a second beneficial use. <u>House Bill 24-1362</u> authorizes the installation of graywater systems and the use of graywater in new construction projects statewide. A bill that was considered, but did not pass, was <u>Senate Bill 24-038</u>. The bill would have added commercial uses to the purposes for which a district court may establish a conservancy district. Under current law, courts may only establish a conservancy district for agricultural, municipal, or industrial uses.

Water Quality

Two bills, <u>Senate Bill 24-081</u> and <u>Senate Bill</u> <u>24-037</u>, were passed in 2024 concerning water quality in Colorado. SB24-081 regulates Perfluoroalkyl and Polyfluoroalkl (PFAS) chemicals, which are considered "forever" chemicals. These chemicals are prevalent in nonstick cookware, water-repellant clothing, and firefighting foams, and they degrade extremely slowly in the environment. The bill changes existing deadlines aimed at phasing out the sale of products with added PFAS in an effort to reduce the amount of these chemicals in Colorado waterways.

SB24-037 requires the University of Colorado and Colorado State University to collaborate with the CDPHE to study the feasibility of using green infrastructure as an alternative to traditional centralized water quality treatment facilities. The bill defines green infrastructure as a planned, managed, and interconnected network of green spaces.

