

SENATE COMMITTEE OF REFERENCE REPORT

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Chair of Committee

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May 7, 2026  
Date

Committee on Agriculture & Natural Resources.

After consideration on the merits, the Committee recommends the following:

HB26-1340 be amended as follows, and as so amended, be referred to the Committee of the Whole with favorable recommendation:

1 Amend reengrossed bill, page 5, line 5, strike "THE" and substitute  
2 "WITHIN NINETY DAYS BEFORE NOVEMBER 1 OF EACH YEAR, THE".

3 Page 5, line 21, strike "OWNER," and substitute "OWNER ON OR BEFORE  
4 DECEMBER 1 OF EACH YEAR,".

5 Page 6, strike lines 3 through 27 and substitute:

6 "(IV) (A) ANNUAL FIELD REVIEWS AND STATUS REPORTS SHALL  
7 CONTINUE PURSUANT TO SUBSECTION (4.7)(a)(III) OF THIS SECTION UNTIL  
8 THE WATER COURT DETERMINES, BASED ON THE THIRD-PARTY EXPERT'S  
9 STATUS REPORT AND AFTER CONSIDERING ANY COMMENTS OR REBUTTALS  
10 SUBMITTED WITHIN THE COMMENT PERIOD, THAT REVEGETATION OR  
11 CONVERSION TO DRYLAND FARMING IS SUCCESSFULLY ESTABLISHED ON A  
12 FIELD. UPON SUCH A DETERMINATION, THE WATER COURT MAY DEEM THE  
13 TERMS AND CONDITIONS SET FORTH IN THIS SUBSECTION (4.7)(a) SATISFIED  
14 AS TO THAT FIELD.

15 (B) IF THE WATER COURT FINDS THAT THE WATER RIGHT OWNER  
16 HAS DEMONSTRATED, OVER MULTIPLE REPORTING PERIODS, A SUSTAINED  
17 FAILURE TOWARD ACHIEVING REVEGETATION OR CONVERSION TO  
18 DRYLAND FARMING, THE WATER COURT MAY, IN ITS DISCRETION, LIMIT THE  
19 PERCENTAGE OF THE WATER SUBJECT TO THE CHANGED WATER RIGHT  
20 AVAILABLE FOR THE NEW BENEFICIAL USE. SUCH A LIMITATION MUST BE  
21 PROPORTIONAL TO THE EXTENT TO WHICH REVEGETATION OR CONVERSION  
22 TO DRYLAND FARMING HAS NOT BEEN SUCCESSFULLY ESTABLISHED.

23 (C) IF THE WATER COURT DETERMINES THAT REVEGETATION OR  
24 CONVERSION TO DRYLAND FARMING IS SUCCESSFULLY ESTABLISHED AND  
25 THE COURT MAKES SPECIFIC FINDINGS, SUPPORTED BY THE RECORD, THAT

1 THE FIELD PRESENTS A SUBSTANTIAL RISK THAT REVEGETATION OR  
2 CONVERSION TO DRYLAND FARMING WILL NOT CONTINUE TO BE  
3 SUCCESSFULLY ESTABLISHED, THEN THE COURT MAY IMPOSE ADDITIONAL,  
4 TIME-LIMITED OVERSIGHT PERIODS."

5 Page 7, strike lines 1 through 22.

6 Page 8, line 11, strike "OR CONVERSION TO".

7 Page 8, line 12, strike "DRYLAND FARMING".

8 Page 8, line 22, before "ESTABLISHES" insert "REQUIRES FINANCIAL  
9 ASSURANCES TO THE LOCAL LAND USE AUTHORITY IN AN AMOUNT  
10 SUFFICIENT TO COVER THE REASONABLY ANTICIPATED TOTAL COST TO  
11 ACHIEVE SUCCESSFULLY ESTABLISHED REVEGETATION OR THAT".

12 Page 9, before line 14 insert:

13 "(VII) THIS SUBSECTION (4.7)(a) IS NOT INTENDED TO AND MUST  
14 NOT BE CONSTRUED TO AFFECT THE PROVISIONS GOVERNING LAND USE  
15 AUTHORITY SET FORTH IN ARTICLE 65.1 OF TITLE 24."

16 Page 9, strikes lines 14 and 15 and substitute:

17 "(b) AS USED IN SUBSECTION (4.7)(a) OF THIS SECTION:

18 (I) "PERMIT" MEANS A PERMIT ISSUED PURSUANT TO SECTION  
19 24-65.1-501.

20 (II) "SUCCESSFULLY ESTABLISHED" OR "SUCCESSFUL  
21 ESTABLISHMENT" MEANS".

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