



**Colorado  
Legislative  
Council  
Staff**

**HB16-1314**

**FISCAL NOTE**

**FISCAL IMPACT:**  State  Local  Statutory Public Entity  Conditional  No Fiscal Impact

<b>Drafting Number:</b> LLS 16-0559	<b>Date:</b> March 7, 2016
<b>Prime Sponsor(s):</b> Rep. Saine; Humphrey Sen. Marble	<b>Bill Status:</b> House Agriculture
	<b>Fiscal Analyst:</b> Chris Creighton (303-866-5834)

**BILL TOPIC:** TREAT PREEXISTING GROUNDWATER DEPLETIONS REPLACED

Fiscal Impact Summary	FY 2016-2017	FY 2017-2018
State Revenue		
State Expenditures	Workload increase.	
<b>Appropriation Required:</b> None.		
<b>Future Year Impacts:</b> None.		

**Summary of Legislation**

This bill requires the state engineer and water judges to treat out-of-priority groundwater depletions from agricultural wells that occurred between March 15, 1974 and December 31, 2014 in Water Division 1, Districts 1 through 6 and 64, as having been fully replaced due to rising groundwater levels since January 1, 2006.

**Background**

Augmentation and substitute supply plans enable a junior water user to use water ahead of a senior water user (out-of-priority) by providing a mechanism to replace the water consumed. Replacement water can come from any legally available source.

**State Expenditures**

This bill is expected to increase workload in the Department of Natural Resources and the Judicial Department as discussed below.

**Department of Natural Resources.** Workload in the Division of Water Resources (DWR) is expected to initially increase as DWR will be required to review all agricultural well augmentation plans and related accounting to adjust the depletion requirements for all pre-2015 pumping in the districts affected by this bill. This will require reviewing 143 agricultural plans covering 3,700 wells and will take approximately 500 hours of staff time. This increase in workload can be addressed within existing appropriations.

**Judicial Department.** By directing water judges to treat out-of-priority groundwater depletions as having been fully replaced, water courts in Water Division 1 are expected to see an increase in applications filed for an amended augmentation plan to remove the requirement to replace depletions. A spike in the number of applications for amendments to augmentation plans is expected in the first six months, however this is expected to taper off with only a few cases proceeding to trial. This increase can be addressed within existing appropriations.

## Local Government Impact

Some local governments in Water Division 1 may experience an impact from this bill. A local government that sells replacement water to junior water users may see a reduction in revenue as the demand for its water decreases. Additionally, any local government in Division 1 that receives water from an augmentation plan could experience a reduction in its water supply.

## Effective Date

The bill takes effect August 10, 2016, if the General Assembly adjourns on May 11, 2016, as scheduled, and no referendum petition is filed. It applies to groundwater depletions replaced on or after this date.

## State and Local Government Contacts

Judicial            Natural Resources