



Legislative Council Staff
Research Note

Version: House Second
Reading
Date: 4/18/2017

Bill Number

Senate Bill 17-117

Sponsors

Senator Coram
Representatives Catlin & Valdez

Short Title

***Recognize Industrial Hemp
Agricultural Product For
Agricultural Water Right***

Research Analyst

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Status

The bill is currently pending before the House on second reading. This research note reflects the reengrossed bill

Background

A water right is a property interest that may be sold or transferred, provided that no other water right is injured and the transfer is approved by the division water court. Water rights are created by using water for a legally recognized use, such as irrigation. Water rights may be obtained for a number of legally recognized beneficial uses. Agricultural, domestic, and mining are the oldest types of legally recognized uses. Others include power generation, snow making, stock watering, fire protection, and dust suppression. More recently, Colorado enacted laws that define the preservation of natural habitat and water-based recreation as beneficial uses of water. Over 150,000 water rights are currently owned by farmers, municipalities, industrial facilities, and other water users in Colorado. Court recognition of a water right enables the owner to make a "call" during water shortages. Once a valid call has been made, water use by junior water rights must be curtailed until the senior water right has been satisfied. The doctrine of prior appropriation is also described as "first in time, first in right."

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Senate Action

Senate Agriculture, Natural Resources, and Energy Committee (March 15, 2017). At the hearing, a representative from Diamond A Farms spoke in support of the bill. Representatives from the Colorado Water Congress, the Colorado Farm Bureau, and the Southeastern Water Conservancy District spoke in opposition to the bill. The committee adopted Amendment L.001 which explained the 2014 U.S. Farm Bill specified that funds made available under the law may not be used to prohibit the transportation, processing, sale or use of industrial hemp. The amendment also added a paragraph that allows a person with a water right decreed for agricultural use to use the water for any product authorized for growth and cultivation by Title 35 of Colorado Revised Statutes. The committee referred the bill, as amended, to the Senate Committee of the Whole.

Senate second reading (March 21, 2017). The Senate adopted the Senate Agriculture, Natural Resources, and Energy Committee report. The Senate passed the bill on second reading, as amended.

Senate third reading (March 22, 2017). The Senate passed the bill on third reading with no amendments.

House Action

House Agriculture, Livestock, and Natural Resources Committee (April 10 and 17, 2017). At the hearing, representatives from Diamond A Farms, the Lower Arkansas Valley Water Conservancy District, the Hoben Law Group, and the National Hemp Association spoke in support of the bill. Representatives from the Colorado Water Congress, the Colorado Farm Bureau, and the Southeastern Water Conservancy District spoke in opposition to the bill. The committee referred the bill, without amendment, to the Senate Committee of the Whole.

Relevant Research

Legislative Council Staff, *State Water Policy — A Legislator's Guide to Colorado Water Issues*, October 2013