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**SB 18-041**

**FINAL  
FISCAL NOTE**

<b>Drafting Number:</b>	LLS 18-0222	<b>Date:</b>	August 28, 2018
<b>Prime Sponsors:</b>	Sen. Coram; Baumgardner Rep. Saine; Arndt	<b>Bill Status:</b>	Signed into Law
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**Bill Topic:** AUTHORIZE WATER USE INCIDENTAL SAND & GRAVEL MINES

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

The bill is anticipated to minimally increase workload for the Department of Natural Resources and the Judicial Department.

**Appropriation Summary:** No appropriation is required.

**Fiscal Note Status:** This fiscal note reflects the enacted bill. The bill was requested by the Water Resources Review Committee.

**Summary of Legislation**

Under current law, operators of sand and gravel open mines that expose groundwater to the atmosphere are required to obtain a well permit, and either:

- a replacement plan approved by the Colorado Ground Water Commission in the Department of Natural Resources (DNR);
- a plan for augmentation approved by the water court; or
- a substitute water supply plan approved by the State Engineer in the DNR for tributary groundwater.

This bill allows the designated groundwater replacement plan, or the substitute water supply plan and the well permit, to authorize uses of water incidental to open mining for sand and gravel, including the mitigation of impacts from mining and dewatering, among other uses.

**Background**

Sand and gravel mines are regulated by the Minerals Program in the Division of Reclamation, Mining, and Safety in the DNR. The division ensures that operators have the correct permits and authorizations, which are granted by entities outside of the division.

## State Expenditures

The bill is anticipated to minimally increase workload for the DNR and the Judicial Department as described below. No additional appropriations are required.

**Department of Natural Resources.** The Division of Water Resources in the DNR approves well permits and reviews water court applications and substitute water supply plans (SWSPs). There are roughly 86 SWSPs for sand/gravel mines reviewed annually and this bill is estimated to affect 10 percent of these applications. The additional application review and expansion of authorized uses will not change the nature of the division's review of these operator permits and authorizations, and is not expected to change the division's workload or require additional appropriations.

**Judicial Department.** The bill is anticipated to result in a minimal impact on trial courts. The incidental uses of water for gravel mining operations involve a relatively small amount of water, and are short-term in duration since the use only occurs while the mine is operational. As such, the SWSPs will account for the amount of annual water use, and objections to the plans filed in water court are anticipated to be minimal, and can be accomplished within existing appropriations.

## Local Government

Counties may experience modified workload efforts to adjust well permitting procedures to align with the bill's expanded flexibility.

## Effective Date

The bill was signed into law by the Governor on March 1, 2018, and it took effect on August 8, 2018.

## State and Local Government Contacts

Information Technology

Natural Resources

State Court Administrator