

First Regular Session
Seventy-fifth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 25-0701.01 Richard Sweetman x4333

HOUSE BILL 25-1165

HOUSE SPONSORSHIP

Paschal and Soper,

SENATE SPONSORSHIP

Simpson and Kipp,

House Committees
Energy & Environment

Senate Committees

A BILL FOR AN ACT

101 CONCERNING THE MANAGEMENT OF UNDERGROUND ENERGY
102 RESOURCES.

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)

The bill creates the geologic storage stewardship enterprise (enterprise) in the department of natural resources (department) for the purpose of:

- Imposing and determining the amount of annual stewardship fees;
- Funding the long-term stewardship of geologic storage

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words or numbers indicate deletions from existing law.

- facilities in the state;
- Funding the plugging, abandoning, reclaiming, and remediating of orphaned geologic storage facilities in the state; and
- Ensuring that costs associated with long-term stewardship of geologic storage facilities are borne by geologic storage operators in the form of stewardship fees.

The bill creates the geologic storage stewardship enterprise board (enterprise board) to administer the enterprise.

The bill requires each geologic storage operator to pay an annual stewardship fee for each ton of injection carbon dioxide that the geologic storage operator injects in the state. The energy and carbon management commission (commission) collects the stewardship fee on the enterprise's behalf. All money collected as stewardship fees is credited to the geologic storage stewardship enterprise cash fund, which is created in the bill. Money in the geologic storage stewardship enterprise cash fund is continuously appropriated to the enterprise.

The enterprise and the commission may each adopt rules to implement the bill.

Upon the commission's approval of a site closure:

- Ownership of the injection carbon dioxide, and ownership of any remaining facilities used to inject or store injection carbon dioxide, transfer to the state without payment of additional compensation;
- Except in specified circumstances, the geologic storage operator is released from all regulatory liability associated with the continued storage of the injection carbon dioxide and the long-term stewardship of the associated geologic storage facility; and
- The enterprise undertakes long-term stewardship of the injection carbon dioxide and any associated geologic storage facility.

The bill makes several updates to laws concerning the administration of underground geothermal resources, including:

- Clarifying that "nontributary groundwater" does not include "designated groundwater", as these terms are defined in current law;
- Exempting certain geothermal operations from needing a well permit from the state engineer;
- Requiring the state engineer to notify the operator of a prior geothermal operation of an application for a proposed well, and allowing the operator the opportunity to request a hearing if the application causes concern for material injury to the prior geothermal operation;
- Establishing that the authority to regulate shallow

- geothermal operations is shared by the state engineer and the state board of examiners;
- Renaming the state board of examiners of water well construction and pump installation contractors as the "state board of examiners of water well and ground heat exchanger contractors" (state board of examiners); and
 - Regulating ground heat exchanger contractors in the same manner that currently exists for water well construction contractors and pump installation contractors.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1. Legislative declaration.** (1) The general assembly
3 finds that:

4 (a) Colorado has established statewide emission targets to reduce
5 greenhouse gas emissions based on the levels that existed in 2005,
6 including a 26% reduction by 2025, a 50% reduction by 2030, and
7 net-zero emissions by 2050;

8 (b) Meeting these goals will involve multiple, simultaneously
9 pursued strategies, as well as a streamlined administrative structure;

10 (c) Carbon capture and storage, or "CCS", has been identified as
11 an essential tool for hard-to-decarbonize sectors;

12 (d) The geologic sequestration of carbon dioxide, or "CO₂", in the
13 subsurface is necessary to reach net-zero emission targets globally and
14 may be equally critical to Colorado's own climate targets;

15 (e) Through CCS, stored CO₂ remains in the subsurface
16 permanently. These CO₂ storage projects require an extended
17 post-injection site care phase, typically lasting for decades after injection
18 has ceased, in which the injected CO₂ is monitored to thoroughly
19 demonstrate that the injected CO₂ is stable and will not pose a risk to
20 underground sources of drinking water.

1 (f) When a storage operator ceases to exist, for example, through
2 bankruptcy, current law does not provide for monitoring and stewardship
3 of the the storage facility;

4 (g) These are some of the reasons why the Colorado carbon
5 management roadmap, the energy and carbon management commission's
6 CCS study, and Colorado's carbon capture sequestration and utilization
7 task force all called for the state to create a process for long-term
8 stewardship of CO2 storage sites whereby CCS storage sites can be
9 monitored and maintained for decades after site closure;

10 (h) Establishing an enterprise funded by a fee imposed on
11 geologic storage operators to provide the necessary resources for the state
12 to conduct long-term monitoring and stewardship activities protects
13 Colorado communities from future impacts from storage facilities,
14 supports our state's climate goals, relieves state taxpayers of a potential
15 burden to manage these sites, and provides certainty to operators;

16 (i) Geothermal energy also provides many opportunities to support
17 the state's transition to a low-carbon economy by offering more reliable
18 energy service and predictable, affordable costs while improving local air
19 quality and offering new economic growth opportunities;

20 (j) The energy and carbon management commission and the
21 division of water resources are responsible for regulating geothermal
22 development in Colorado;

23 (k) In 2023, in Senate Bill 23-285, the general assembly directed
24 the energy and carbon management commission and the division of water
25 resources to study the state regulatory structure for geothermal resources
26 and determine if additional changes are necessary;

27 (l) In support of the state's climate and energy goals, the

1 department of natural resources has identified statutory changes that will
2 clarify and streamline Colorado's regulatory framework while facilitating
3 responsible development of geothermal resources in Colorado; and

4 (m) These recommendations will minimize costs, expedite
5 permitting, reduce risks to industry and the public, and clarify regulatory
6 authority across state agencies.

7 (2) The general assembly therefore declares that it is important
8 that Colorado drive and oversee the deployment of CCS and geothermal
9 technologies in a manner that encourages protective growth and
10 adaptation of infrastructure and improved coordination for permitting
11 authorities.

12 **SECTION 2.** In Colorado Revised Statutes, **add** 34-60-144 as
13 follows:

14 **34-60-144. Geologic storage stewardship enterprise - created**
15 **- legislative declaration - powers and duties of enterprise - geologic**
16 **storage stewardship enterprise board - membership and duties of**
17 **enterprise board - stewardship fees - geologic storage stewardship**
18 **enterprise cash fund - definitions - rules - repeal. (1) Legislative**
19 **declaration. (a) THE GENERAL ASSEMBLY FINDS THAT:**

20 (I) GEOLOGIC STORAGE OPERATIONS ARE AN IMPORTANT TOOL TO
21 HELP THE STATE MEET ITS GREENHOUSE GAS EMISSION REDUCTION GOALS;

22 (II) GEOLOGIC STORAGE OPERATIONS INVOLVE PERMANENTLY
23 STORING INJECTION CARBON DIOXIDE UNDERGROUND;

24 (III) IT IS PRUDENT TO MONITOR AND OTHERWISE CONDUCT
25 LONG-TERM STEWARDSHIP OF INJECTION CARBON DIOXIDE TO
26 DEMONSTRATE THAT THE INJECTION CARBON DIOXIDE IS STABLE AND WILL
27 NOT POSE A RISK TO UNDERGROUND SOURCES OF DRINKING WATER;

1 (IV) GEOLOGIC STORAGE OPERATIONS PRESENT THE STATE WITH
2 RISKS OF ORPHANED GEOLOGIC STORAGE FACILITIES;

3 (V) IT IS NECESSARY, APPROPRIATE, AND IN THE BEST INTEREST OF
4 GEOLOGIC STORAGE OPERATORS FOR THE STATE TO CONDUCT LONG-TERM
5 STEWARDSHIP; AND

6 (VI) IT IS NECESSARY, APPROPRIATE, AND IN THE BEST INTEREST
7 OF GEOLOGIC STORAGE OPERATORS FOR THE STATE TO ENSURE THAT
8 ORPHANED GEOLOGIC STORAGE FACILITIES ARE PLUGGED, ABANDONED,
9 RECLAIMED, AND REMEDIATED, IF NECESSARY, IN A TIMELY MANNER IF
10 AVAILABLE FINANCIAL ASSURANCE IS INSUFFICIENT.

11 (b) THE GENERAL ASSEMBLY ALSO FINDS THAT:

12 (I) CURRENT LAW IN JANUARY 2025 PROVIDES NO MECHANISM TO
13 PAY FOR THE STATE'S LONG-TERM STEWARDSHIP OF GEOLOGIC STORAGE
14 FACILITIES; AND

15 (II) CURRENT LAW IN JANUARY 2025 AUTHORIZES THE
16 COMMISSION TO REQUIRE GEOLOGIC STORAGE OPERATORS TO MAINTAIN
17 AND DEMONSTRATE CERTAIN FINANCIAL ASSURANCES TO PLUG, ABANDON,
18 RECLAIM, AND REMEDIATE GEOLOGIC STORAGE FACILITIES.

19 (c) NOW, THEREFORE, THE GENERAL ASSEMBLY DECLARES THAT:

20 (I) IT IS IN THE PUBLIC INTEREST TO CREATE AN ENTERPRISE
21 WITHIN THE DEPARTMENT THAT IS COMMITTED TO FUNDING LONG-TERM
22 STEWARDSHIP OF INJECTION CARBON DIOXIDE AND, IF NECESSARY, THE
23 PLUGGING, ABANDONMENT, RECLAIMING, AND REMEDIATING OF
24 ORPHANED GEOLOGIC STORAGE FACILITIES;

25 (II) THE ACTIVITIES OF THE ENTERPRISE SHALL BE FUNDED BY
26 REVENUE GENERATED FROM STEWARDSHIP FEES PAID BY OPERATORS OF
27 CLASS VI INJECTION WELLS IN COLORADO;

1 (III) IT IS APPROPRIATE THAT GEOLOGIC STORAGE OPERATORS
2 SHOULD PAY SUCH STEWARDSHIP FEES, AS GEOLOGIC STORAGE OPERATORS
3 ARE THE DIRECT BENEFICIARIES OF THE SERVICES PROVIDED BY THE
4 ENTERPRISE, WHICH ARE LONG-TERM STEWARDSHIP AND, WHERE
5 NECESSARY, THE PLUGGING, ABANDONMENT, RECLAIMING, AND
6 REMEDIATING OF ORPHANED GEOLOGIC STORAGE FACILITIES;

7 (IV) GEOLOGIC STORAGE OPERATORS BENEFIT FROM LONG-TERM
8 STEWARDSHIP BECAUSE SERVICES, SUCH AS LONG-TERM MONITORING AND
9 SITE MANAGEMENT, ALLOW GEOLOGIC STORAGE OPERATORS TO OPERATE
10 CLASS VI INJECTION WELLS IN COLORADO BY ADDRESSING THE RISKS
11 PRESENTED BY THE PERMANENT STORAGE OF INJECTION CARBON DIOXIDE
12 WITHOUT REQUIRING GEOLOGIC STORAGE OPERATORS TO CONDUCT
13 LONG-TERM STEWARDSHIP;

14 (V) CONSISTENT WITH THE DETERMINATION OF THE COLORADO
15 SUPREME COURT IN *NICHOLL V. E-470 PUBLIC HIGHWAY AUTHORITY*, 896
16 P.2d 859 (COLO. 1995), THAT THE POWER TO IMPOSE TAXES IS
17 INCONSISTENT WITH ENTERPRISE STATUS UNDER SECTION 20 OF ARTICLE
18 X OF THE STATE CONSTITUTION, THE GENERAL ASSEMBLY CONCLUDES
19 THAT THE STEWARDSHIP FEE IS A FEE, NOT A TAX, AND THE ENTERPRISE
20 OPERATES AS A BUSINESS BECAUSE THE STEWARDSHIP FEE IS IMPOSED FOR
21 THE FOLLOWING SPECIFIC BUSINESS PURPOSES:

22 (A) THE LONG-TERM STEWARDSHIP SERVICES AUTHORIZED BY THIS
23 SECTION PROVIDE A BENEFIT TO GEOLOGIC STORAGE OPERATORS BY
24 ALLOWING A GEOLOGIC STORAGE OPERATOR TO BE RELEASED OF
25 REGULATORY AND LONG-TERM STEWARDSHIP RESPONSIBILITIES
26 ASSOCIATED WITH INJECTION CARBON DIOXIDE AFTER THE COMMISSION
27 APPROVES SITE CLOSURE OF A GEOLOGIC STORAGE FACILITY; AND

1 (B) THE PLUGGING, ABANDONMENT, RECLAIMING, AND
2 REMEDIATING SERVICES AUTHORIZED BY THIS SECTION PROVIDE A BENEFIT
3 TO GEOLOGIC STORAGE OPERATORS BY ALLOWING THEM TO OPERATE
4 CLASS VI INJECTION WELLS IN COLORADO DESPITE THE RISK THAT
5 AVAILABLE FINANCIAL ASSURANCE MAY BE INSUFFICIENT TO PROTECT THE
6 PUBLIC FROM THE COSTS OF GEOLOGIC STORAGE FACILITIES BEING
7 ORPHANED; AND

8 (VI) SO LONG AS THE ENTERPRISE QUALIFIES AS AN ENTERPRISE
9 FOR PURPOSES OF SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION,
10 THE REVENUE FROM THE STEWARDSHIP FEE ADMINISTERED BY THE
11 ENTERPRISE AND COLLECTED BY THE COMMISSION IS NOT STATE FISCAL
12 YEAR SPENDING, AS DEFINED IN SECTION 24-77-102 (17), OR STATE
13 REVENUES, AS DEFINED IN SECTION 24-77-103.6 (6)(c), AND DOES NOT
14 COUNT AGAINST EITHER THE STATE FISCAL YEAR SPENDING LIMIT IMPOSED
15 BY SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION OR THE EXCESS
16 STATE REVENUES CAP, AS DEFINED IN SECTION 24-77-103.6 (6)(b)(I)(G).

17 (2) **Definitions.** AS USED IN THIS SECTION, UNLESS THE CONTEXT
18 OTHERWISE REQUIRES:

19 (a) "DEPARTMENT" MEANS THE DEPARTMENT OF NATURAL
20 RESOURCES.

21 (b) "ENTERPRISE" MEANS THE GEOLOGIC STORAGE STEWARDSHIP
22 ENTERPRISE CREATED IN SUBSECTION (3) OF THIS SECTION.

23 (c) "ENTERPRISE BOARD" MEANS THE GEOLOGIC STORAGE
24 STEWARDSHIP ENTERPRISE BOARD CREATED IN SUBSECTION (5) OF THIS
25 SECTION.

26 (d) "GEOLOGIC STORAGE STEWARDSHIP ENTERPRISE CASH FUND"
27 MEANS THE GEOLOGIC STORAGE STEWARDSHIP ENTERPRISE CASH FUND

1 CREATED IN SUBSECTION (7) OF THIS SECTION.

2 (e) "LONG-TERM STEWARDSHIP" MEANS MONITORING AND
3 INTEGRITY MAINTENANCE OF GEOLOGIC STORAGE FACILITIES AFTER THE
4 COMMISSION APPROVES A SITE CLOSURE, AS WELL AS ANY ASSOCIATED
5 ACTION NECESSARY TO PROTECT PUBLIC HEALTH, SAFETY, WELFARE, THE
6 ENVIRONMENT, OR WILDLIFE RESOURCES.

7 (f) "ORPHANED GEOLOGIC STORAGE FACILITY" MEANS A GEOLOGIC
8 STORAGE FACILITY IN THE STATE FOR WHICH NO OWNER OR OPERATOR CAN
9 BE FOUND OR FOR WHICH THE OWNER OR OPERATOR IS UNWILLING OR
10 UNABLE TO PAY THE COSTS OF PLUGGING, ABANDONING, REMEDIATING,
11 RECLAIMING, OR OTHER ACTION NECESSARY TO OBTAIN SITE CLOSURE
12 PURSUANT TO COMMISSION RULES.

13 (g) "STEWARDSHIP FEE" MEANS THE STEWARDSHIP FEE
14 AUTHORIZED AND IMPOSED PURSUANT TO SUBSECTION (6) OF THIS
15 SECTION.

16 (3) **Enterprise created.** (a) THE GEOLOGIC STORAGE
17 STEWARDSHIP ENTERPRISE IS CREATED IN THE DEPARTMENT, IS A **TYPE 1**
18 ENTITY, AS DEFINED IN SECTION 24-1-105, AND EXERCISES ITS POWERS
19 AND PERFORMS ITS DUTIES AND FUNCTIONS UNDER THE DEPARTMENT. THE
20 ENTERPRISE IS CREATED FOR THE PURPOSE OF:

21 (I) IMPOSING AND DETERMINING THE AMOUNT OF STEWARDSHIP
22 FEES;

23 (II) FUNDING THE LONG-TERM STEWARDSHIP OF GEOLOGIC
24 STORAGE FACILITIES IN THE STATE;

25 (III) FUNDING THE PLUGGING, ABANDONMENT, RECLAIMING, AND
26 REMEDIATING OF ORPHANED GEOLOGIC STORAGE FACILITIES IN THE STATE
27 IF THE DIRECTOR OF THE COMMISSION DETERMINES THAT AVAILABLE

1 FINANCIAL ASSURANCE IS INSUFFICIENT; AND

2 (IV) ENSURING THAT COSTS ASSOCIATED WITH LONG-TERM
3 STEWARDSHIP OF GEOLOGIC STORAGE FACILITIES ARE BORNE BY GEOLOGIC
4 STORAGE OPERATORS IN THE FORM OF STEWARDSHIP FEES.

5 (b) THE ENTERPRISE BOARD, IN CONSULTATION WITH THE
6 COMMISSION, SHALL ADMINISTER THE ENTERPRISE IN ACCORDANCE WITH
7 THIS SECTION.

8 (c) (I) THE ENTERPRISE CONSTITUTES AN ENTERPRISE FOR
9 PURPOSES OF SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION SO
10 LONG AS IT RETAINS THE AUTHORITY TO ISSUE REVENUE BONDS AND
11 RECEIVES LESS THAN TEN PERCENT OF ITS TOTAL REVENUES IN GRANTS, AS
12 DEFINED IN SECTION 24-77-102 (7), FROM ALL COLORADO STATE AND
13 LOCAL GOVERNMENTS COMBINED. SO LONG AS IT CONSTITUTES AN
14 ENTERPRISE, THE ENTERPRISE IS NOT SUBJECT TO SECTION 20 OF ARTICLE
15 X OF THE STATE CONSTITUTION.

16 (II) THE ENTERPRISE IS AUTHORIZED TO ISSUE REVENUE BONDS FOR
17 THE EXPENSES OF THE ENTERPRISE, SECURED BY REVENUE OF THE
18 ENTERPRISE.

19 (4) **Enterprise board created - membership - duties - repeal.**

20 (a) (I) THE GEOLOGIC STORAGE STEWARDSHIP ENTERPRISE BOARD IS
21 CREATED TO ADMINISTER THE ENTERPRISE. THE ENTERPRISE BOARD
22 INCLUDES THE FOLLOWING FIVE MEMBERS:

23 (A) THE CHAIR OF THE COMMISSION;

24 (B) THE DIRECTOR OF THE COMMISSION OR THE DIRECTOR'S
25 DESIGNEE;

26 (C) AN INDIVIDUAL WITH SUBSTANTIAL EXPERIENCE IN GEOLOGIC
27 STORAGE, TO BE APPOINTED BY THE GOVERNOR AND CONFIRMED BY THE

1 SENATE;

2 (D) AN INDIVIDUAL WITH FORMAL TRAINING OR SUBSTANTIAL
3 EXPERIENCE IN ENVIRONMENTAL PROTECTION, PUBLIC HEALTH, OR OTHER
4 RELEVANT FIELDS, TO BE APPOINTED BY THE GOVERNOR AND CONFIRMED
5 BY THE SENATE; AND

6 (E) AN INDIVIDUAL WITH FORMAL TRAINING OR SUBSTANTIAL
7 EXPERIENCE IN WELLBORE MONITORING, LONG-TERM STEWARDSHIP, OR
8 OTHER RELEVANT TECHNICAL FIELDS, TO BE APPOINTED BY THE GOVERNOR
9 AND CONFIRMED BY THE SENATE.

10 (II) (A) THE GOVERNOR SHALL APPOINT THE INITIAL MEMBERS OF
11 THE ENTERPRISE BOARD PURSUANT TO SUBSECTIONS (4)(a)(I)(C),
12 (4)(a)(I)(D), AND (4)(a)(I)(E) OF THIS SECTION ON OR BEFORE SEPTEMBER
13 1, 2025.

14 (B) THIS SUBSECTION (4)(a)(II) IS REPEALED, EFFECTIVE JULY 1,
15 2026.

16 (III) THE MEMBERS OF THE ENTERPRISE BOARD DESCRIBED IN
17 SUBSECTIONS (4)(a)(I)(C), (4)(a)(I)(D), AND (4)(a)(I)(E) OF THIS SECTION
18 SHALL EACH SERVE TERMS OF THREE YEARS; EXCEPT THAT THE INITIAL
19 TERM OF THE MEMBER APPOINTED PURSUANT TO SUBSECTION (4)(a)(I)(C)
20 OF THIS SECTION IS ONE YEAR, AND THE INITIAL TERM OF THE MEMBER
21 APPOINTED PURSUANT TO SUBSECTION (4)(a)(I)(D) OF THIS SECTION IS
22 TWO YEARS. IN THE EVENT OF A VACANCY, THE GOVERNOR MAY APPOINT
23 AN INDIVIDUAL TO COMPLETE THE TERM OF THE MEMBER WHOSE SEAT HAS
24 BECOME VACANT.

25 (IV) AN INDIVIDUAL MAY BE APPOINTED TO SERVE AS A MEMBER
26 OF THE ENTERPRISE BOARD PURSUANT TO SUBSECTION (4)(a)(I)(C),
27 (4)(a)(I)(D), OR (4)(a)(I)(E) OF THIS SECTION FOR AN UNLIMITED NUMBER

1 OF TERMS.

2 (V) ENTERPRISE BOARD MEMBERS SERVING PURSUANT TO
3 SUBSECTIONS (4)(a)(I)(C), (4)(a)(I)(D), AND (4)(a)(I)(E) OF THIS SECTION
4 MAY RECEIVE COMPENSATION FROM THE ENTERPRISE ON A PER DIEM BASIS
5 FOR REASONABLE EXPENSES ACTUALLY INCURRED IN THE PERFORMANCE
6 OF DUTIES REQUIRED OF ENTERPRISE BOARD MEMBERS UNDER THIS
7 SECTION.

8 (VI) THE GOVERNOR SHALL SELECT A MEMBER OF THE ENTERPRISE
9 BOARD TO SERVE AS CHAIR OF THE ENTERPRISE BOARD.

10 (b) IN ADDITION TO ADMINISTERING THE ENTERPRISE, THE
11 ENTERPRISE BOARD SHALL:

12 (I) SET THE AMOUNT OF THE STEWARDSHIP FEE AT AN AMOUNT
13 THAT IS REASONABLY RELATED TO THE OVERALL COST OF THE LONG-TERM
14 STEWARDSHIP SERVICES PROVIDED BY THE ENTERPRISE. THE ENTERPRISE
15 BOARD SHALL SET THE INITIAL AMOUNT WITHIN SIX MONTHS AFTER THE
16 ENTERPRISE BOARD IS CONFIRMED.

17 (II) AS FREQUENTLY AS THE ENTERPRISE BOARD DETERMINES
18 NECESSARY, CONSIDER WHETHER THE AMOUNT OF THE STEWARDSHIP FEE
19 SHOULD BE INCREASED OR REDUCED, BASED ON:

20 (A) THE OVERALL COST OF THE ENTERPRISE'S LONG-TERM
21 STEWARDSHIP SERVICES, INCLUDING REASONABLY ANTICIPATED FUTURE
22 EXPENDITURES FROM THE GEOLOGIC STORAGE STEWARDSHIP ENTERPRISE
23 CASH FUND; AND

24 (B) THE NEED TO COMPLY WITH SUBSECTION (7)(b) OF THIS
25 SECTION;

26 (III) WHEN SETTING THE STEWARDSHIP FEE AMOUNT, IN
27 ACCORDANCE WITH SUBSECTION (4)(b)(I) OF THIS SECTION, AND WHEN

1 CONSIDERING WHETHER AND HOW FREQUENTLY TO INCREASE OR REDUCE
2 THE STEWARDSHIP FEE AMOUNT, IN ACCORDANCE WITH SUBSECTION
3 (4)(b)(II) OF THIS SECTION, CONSIDER THE IMPORTANCE OF FINANCIAL
4 PREDICTABILITY FOR OPERATORS;

5 (IV) IF THE ENTERPRISE BOARD DETERMINES THAT AN INCREASE
6 OR REDUCTION OF THE STEWARDSHIP FEE AMOUNT IS WARRANTED, ADJUST
7 THE STEWARDSHIP FEE AMOUNT TO AN AMOUNT THAT IS REASONABLY
8 RELATED TO THE OVERALL COST OF THE LONG-TERM STEWARDSHIP
9 SERVICES PROVIDED BY THE ENTERPRISE; AND

10 (V) ADVISE THE COMMISSION OF THE OUTCOME OF THE
11 ENTERPRISE BOARD'S DELIBERATIONS PURSUANT TO THIS SUBSECTION (4).

12 (5) **Powers and duties.** IN ADDITION TO ANY OTHER POWERS AND
13 DUTIES SPECIFIED IN THIS SECTION, THE ENTERPRISE BOARD HAS THE
14 FOLLOWING GENERAL POWERS AND DUTIES ON BEHALF OF THE
15 ENTERPRISE:

16 (a) TO ADOPT PROCEDURES FOR CONDUCTING THE ENTERPRISE
17 BOARD'S AFFAIRS;

18 (b) TO ACQUIRE, HOLD TITLE TO, AND DISPOSE OF REAL AND
19 PERSONAL PROPERTY, INCLUDING OWNERSHIP OF INJECTION CARBON
20 DIOXIDE UPON APPROVAL OF SITE CLOSURE OF AN ASSOCIATED GEOLOGIC
21 STORAGE FACILITY BY THE COMMISSION;

22 (c) TO EMPLOY AND SUPERVISE INDIVIDUALS, PROFESSIONAL
23 CONSULTANTS, AND CONTRACTORS AS ARE NECESSARY IN THE ENTERPRISE
24 BOARD'S JUDGMENT TO CARRY OUT ITS BUSINESS PURPOSES;

25 (d) TO ENGAGE THE SERVICES OF CONTRACTORS, CONSULTANTS,
26 AND THE ATTORNEY GENERAL'S OFFICE FOR PROFESSIONAL AND
27 TECHNICAL ASSISTANCE AND ADVICE AND TO SUPPLY OTHER SERVICES

1 RELATED TO THE CONDUCT OF THE AFFAIRS OF THE ENTERPRISE WITHOUT
2 REGARD TO THE "PROCUREMENT CODE", ARTICLES 101 TO 112 OF TITLE
3 24. THE ENTERPRISE MAY CONTRACT WITH THE DEPARTMENT FOR THE
4 PROVISION OF OFFICE SPACE AND ADMINISTRATIVE STAFF TO THE
5 ENTERPRISE AT A FAIR MARKET RATE.

6 (e) TO IMPOSE THE STEWARDSHIP FEE ON GEOLOGIC STORAGE
7 OPERATORS;

8 (f) TO HAVE AND EXERCISE ALL RIGHTS AND POWERS NECESSARY
9 OR INCIDENTAL TO OR IMPLIED FROM THE SPECIFIC POWERS AND DUTIES
10 GRANTED BY THIS SECTION; AND

11 (g) TO PERFORM ALL ACTS NECESSARY TO ACCOMPLISH SITE
12 CLOSURES PURSUANT TO COMMISSION RULES FOR ORPHANED GEOLOGIC
13 STORAGE FACILITIES.

14 (6) **Stewardship fees - rules.** (a) ON OR BEFORE APRIL 30, 2026,
15 AND ON OR BEFORE APRIL 30 EACH YEAR THEREAFTER, EACH GEOLOGIC
16 STORAGE OPERATOR SHALL PAY A STEWARDSHIP FEE TO THE COMMISSION,
17 WHICH SHALL COLLECT THE STEWARDSHIP FEE ON THE ENTERPRISE'S
18 BEHALF, FOR EACH TON OF INJECTION CARBON DIOXIDE THAT THE
19 GEOLOGIC STORAGE OPERATOR INJECTS IN THE STATE.

20 (b) MONEY COLLECTED AS STEWARDSHIP FEES SHALL BE CREDITED
21 TO THE GEOLOGIC STORAGE STEWARDSHIP ENTERPRISE CASH FUND.

22 (c) THE MONEY COLLECTED BY THE COMMISSION FOR TRANSFER TO
23 THE GEOLOGIC STORAGE STEWARDSHIP ENTERPRISE CASH FUND PURSUANT
24 TO SUBSECTION (6)(b) OF THIS SECTION IS:

25 (I) COLLECTED FOR THE ENTERPRISE;

26 (II) CUSTODIAL MONEY INTENDED FOR THE ENTERPRISE AND HELD
27 TEMPORARILY BY THE COMMISSION AND THE STATE TREASURER SOLELY

1 FOR THE PURPOSE OF TRANSFERRING THE MONEY TO THE GEOLOGIC
2 STORAGE STEWARDSHIP ENTERPRISE CASH FUND; AND

3 (III) BASED ON THE ENTERPRISE'S STATUS AS AN ENTERPRISE, NOT
4 SUBJECT TO SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION AT
5 ANY TIME DURING THE MONEY'S COLLECTION, TRANSFER, AND USE.

6 (d) THE COMMISSION MAY ADOPT RULES TO IMPLEMENT THIS
7 SUBSECTION (6).

8 (7) **Geologic storage stewardship enterprise cash fund - repeal.**

9 (a) THE GEOLOGIC STORAGE STEWARDSHIP ENTERPRISE CASH FUND IS
10 CREATED IN THE STATE TREASURY. THE GEOLOGIC STORAGE STEWARDSHIP
11 ENTERPRISE CASH FUND CONSISTS OF:

12 (I) MONEY RECEIVED AS STEWARDSHIP FEES;

13 (II) ANY MONEY RECEIVED FROM THE ISSUANCE OF REVENUE
14 BONDS, AS DESCRIBED IN SUBSECTION (3)(c)(II) OF THIS SECTION; AND

15 (III) ANY OTHER MONEY THAT THE GENERAL ASSEMBLY MAY
16 APPROPRIATE OR TRANSFER TO THE GEOLOGIC STORAGE STEWARDSHIP
17 ENTERPRISE CASH FUND.

18 (b) (I) THE TOTAL AMOUNT OF MONEY CREDITED OR
19 APPROPRIATED TO THE GEOLOGIC STORAGE STEWARDSHIP ENTERPRISE
20 CASH FUND AS STEWARDSHIP FEES SHALL NOT EXCEED ONE HUNDRED
21 MILLION DOLLARS IN THE FIRST FIVE YEARS OF THE ENTERPRISE'S
22 EXISTENCE.

23 (II) THIS SUBSECTION (7)(b) IS REPEALED, EFFECTIVE JULY 1, 2031.

24 (c) THE STATE TREASURER SHALL CREDIT ALL INTEREST AND
25 INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE
26 GEOLOGIC STORAGE STEWARDSHIP ENTERPRISE CASH FUND TO THE
27 GEOLOGIC STORAGE STEWARDSHIP ENTERPRISE CASH FUND. ANY

1 UNEXPENDED AND UNENCUMBERED MONEY REMAINING IN THE GEOLOGIC
2 STORAGE STEWARDSHIP ENTERPRISE CASH FUND AT THE END OF A FISCAL
3 YEAR REMAINS IN THE GEOLOGIC STORAGE STEWARDSHIP ENTERPRISE
4 CASH FUND AND SHALL NOT BE CREDITED OR TRANSFERRED TO THE
5 GENERAL FUND OR TO ANY OTHER FUND.

6 (d) MONEY CREDITED TO THE GEOLOGIC STORAGE STEWARDSHIP
7 ENTERPRISE CASH FUND IS CONTINUOUSLY APPROPRIATED TO THE
8 ENTERPRISE AND SHALL BE EXPENDED TO PAY THE COSTS OF:

9 (I) LONG-TERM STEWARDSHIP;

10 (II) PLUGGING, RECLAIMING, AND REMEDIATING SERVICES FOR
11 ORPHANED GEOLOGIC STORAGE FACILITIES AT THE REQUEST OF THE
12 DIRECTOR OF THE COMMISSION IF THE DIRECTOR DETERMINES THAT
13 AVAILABLE FINANCIAL ASSURANCE IS INSUFFICIENT; AND

14 (III) THE ENTERPRISE'S REASONABLE AND NECESSARY OPERATING
15 EXPENSES.

16 (8) **Rules.** THE ENTERPRISE SHALL ADOPT RULES AS NECESSARY TO
17 IMPLEMENT THIS SECTION. IN ADOPTING ANY RULES CONCERNING
18 SUBSECTION (6) OF THIS SECTION, THE ENTERPRISE SHALL CONSULT WITH
19 THE COMMISSION.

20 (9) **Governmental immunity.** NOTHING IN THIS SECTION
21 CONSTITUTES A WAIVER, ABROGATION, OR LIMITATION OF GOVERNMENTAL
22 IMMUNITY, AS DESCRIBED IN ARTICLE 10 OF TITLE 24. GEOLOGIC STORAGE
23 FACILITIES, GEOLOGIC STORAGE LOCATIONS, GEOLOGIC STORAGE
24 RESOURCES, INJECTION CARBON DIOXIDE, AND FACILITIES ASSOCIATED
25 WITH GEOLOGIC STORAGE OPERATIONS ARE NOT GAS FACILITIES FOR THE
26 PURPOSES OF SECTION 24-10-106 (1)(f) AND DO NOT CONSTITUTE ANY
27 OTHER AREA OR FACILITY FOR WHICH SOVEREIGN IMMUNITY IS WAIVED

1 PURSUANT TO SECTION 24-10-106 (1).

2 **SECTION 3.** In Colorado Revised Statutes, 34-60-106, **amend**
3 (9)(c)(IV)(D); **repeal** (9)(c)(IV)(D.5); and **add** (9.4) as follows:

4 **34-60-106. Additional powers of commission - fees - rules -**
5 **definitions - repeal.** (9) (c) (IV) (D) A geologic storage operator shall
6 maintain the financial assurance required ~~under~~ BY this subsection
7 (9)(c)(IV) or ~~under~~ any rules adopted pursuant to this subsection
8 (9)(c)(IV) until the commission approves site closure, as specified in rules
9 adopted by the commission. EXCEPT AS DESCRIBED IN SUBSECTION (9.4)
10 OF THIS SECTION, commission approval of a site closure does not
11 otherwise modify an operator's responsibility to comply with applicable
12 laws.

13 (D.5) ~~If a geologic storage operator makes a material~~
14 ~~misrepresentation or omission that causes the commission to approve a~~
15 ~~site closure pursuant to subsection (9)(c)(IV)(D) of this section, the~~
16 ~~commission may reimpose any regulatory responsibility or financial~~
17 ~~assurance obligation imposed on the geologic storage operator pursuant~~
18 ~~to subsection (9)(c)(IV)(A) of this section.~~

19 (9.4) (a) BEFORE THE COMMISSION APPROVES A SITE CLOSURE,
20 TITLE TO THE INJECTION CARBON DIOXIDE STORED BY A GEOLOGIC
21 STORAGE OPERATOR REMAINS WITH THE GEOLOGIC STORAGE OPERATOR
22 OR ANY PARTY TO WHICH THE GEOLOGIC STORAGE OPERATOR
23 TRANSFERRED TITLE.

24 (b) IN ADDITION TO ANY CRITERIA FOR SITE CLOSURE REQUIRED BY
25 RULES ADOPTED BY THE COMMISSION, THE COMMISSION SHALL NOT
26 APPROVE A SITE CLOSURE UNTIL THE COMMISSION HAS DETERMINED THAT
27 THE GEOLOGIC STORAGE OPERATOR REQUESTING THE SITE CLOSURE HAS

1 CONTRIBUTED MONEY TO THE GEOLOGIC STORAGE STEWARDSHIP
2 ENTERPRISE CASH FUND CREATED IN SECTION 34-60-144 (7) IN AN
3 AMOUNT SUFFICIENT TO PAY FOR LONG-TERM STEWARDSHIP OF THE
4 GEOLOGIC STORAGE FACILITY FOR WHICH THE OPERATOR REQUESTS THE
5 SITE CLOSURE.

6 (c) UPON APPROVAL BY THE COMMISSION OF A SITE CLOSURE:

7 (I) OWNERSHIP OF THE INJECTION CARBON DIOXIDE AND
8 OWNERSHIP OF ANY REMAINING GEOLOGIC STORAGE FACILITIES,
9 INCLUDING THOSE USED TO INJECT, MONITOR, OR STORE INJECTION
10 CARBON DIOXIDE, TRANSFER TO THE STATE WITHOUT PAYMENT OF
11 COMPENSATION;

12 (II) THE GEOLOGIC STORAGE STEWARDSHIP ENTERPRISE CREATED
13 IN SECTION 34-60-144 SHALL UNDERTAKE LONG-TERM STEWARDSHIP OF
14 THE INJECTION CARBON DIOXIDE AND ANY ASSOCIATED GEOLOGIC
15 STORAGE FACILITY; AND

16 (III) THE GEOLOGIC STORAGE OPERATOR IS RELEASED FROM ALL
17 FURTHER REGULATORY LIABILITY ASSOCIATED WITH THE GEOLOGIC
18 STORAGE OPERATIONS OR ASSOCIATED GEOLOGIC STORAGE FACILITY,
19 EXCEPT AS PROVIDED IN SUBSECTION (9.4)(d) OF THIS SECTION.

20 (d) REGULATORY LIABILITY REMAINS WITH THE GEOLOGIC
21 STORAGE OPERATOR TO THE EXTENT THAT THE COMMISSION DETERMINES,
22 AFTER NOTICE AND HEARING, THAT:

23 (I) THE GEOLOGIC STORAGE OPERATOR VIOLATED A STATE LAW OR
24 REGULATION RELATED TO THE GEOLOGIC STORAGE OPERATIONS OR ANY
25 ASSOCIATED GEOLOGIC STORAGE FACILITY THAT WAS NOT REMEDIED
26 PRIOR TO APPROVAL OF SITE CLOSURE AND ANY APPLICABLE STATUTES OF
27 LIMITATION HAVE NOT RUN;

1 (II) THE GEOLOGIC STORAGE OPERATOR PROVIDED DEFICIENT OR
2 ERRONEOUS INFORMATION THAT WAS MATERIAL AND RELIED UPON BY THE
3 COMMISSION TO SUPPORT THE SITE CLOSURE;

4 (III) LIABILITY ARISES FROM CONDUCT OF THE GEOLOGIC STORAGE
5 OPERATOR ASSOCIATED WITH THE GEOLOGIC STORAGE OPERATIONS OR
6 ANY ASSOCIATED GEOLOGIC STORAGE FACILITY AND, IF THE COMMISSION
7 HAD KNOWN OF THE CONDUCT AT THE TIME OF CONSIDERING THE REQUEST
8 TO APPROVE SITE CLOSURE, SUCH KNOWLEDGE WOULD HAVE MATERIALLY
9 AFFECTED THE COMMISSION'S DECISION TO APPROVE SITE CLOSURE; OR

10 (IV) THERE IS FLUID MIGRATION FOR WHICH THE GEOLOGIC
11 STORAGE OPERATOR IS RESPONSIBLE THAT CAUSES OR THREATENS TO
12 CAUSE IMMINENT AND SUBSTANTIAL ENDANGERMENT TO AN
13 UNDERGROUND SOURCE OF DRINKING WATER.

14 (e) AFTER NOTICE AND HEARING, THE COMMISSION MAY REIMPOSE
15 ANY REGULATORY LIABILITY FROM WHICH THE GEOLOGIC STORAGE
16 OPERATOR HAS BEEN RELEASED PURSUANT TO SUBSECTION (9.4)(c)(III) OF
17 THIS SECTION AND FINANCIAL ASSURANCE OBLIGATIONS, IF THE
18 COMMISSION DETERMINES THAT:

19 (I) THE GEOLOGIC STORAGE OPERATOR MADE A MATERIAL
20 MISREPRESENTATION OR OMISSION THAT CAUSED THE COMMISSION TO
21 APPROVE A SITE CLOSURE;

22 (II) THE GEOLOGIC STORAGE OPERATOR VIOLATED A DUTY
23 IMPOSED ON THE OPERATOR BY STATE LAW, INCLUDING BY RULES, PRIOR
24 TO APPROVAL OF A SITE CLOSURE AND ANY APPLICABLE STATUTES OF
25 LIMITATION HAVE NOT RUN; OR

26 (III) THERE IS MIGRATION OF THE INJECTION CARBON DIOXIDE FOR
27 WHICH THE GEOLOGIC STORAGE OPERATOR IS RESPONSIBLE THAT CAUSES

1 OR THREATENS TO CAUSE IMMINENT AND SUBSTANTIAL ENDANGERMENT
2 TO AN UNDERGROUND SOURCE OF DRINKING WATER.

3 (f) NOTHING IN THIS SUBSECTION (9.4) WAIVES, ABROGATES, OR
4 LIMITS GOVERNMENTAL IMMUNITY, AS DESCRIBED IN ARTICLE 10 OF TITLE
5 24. GEOLOGIC STORAGE FACILITIES, GEOLOGIC STORAGE LOCATIONS,
6 GEOLOGIC STORAGE RESOURCES, INJECTION CARBON DIOXIDE, AND
7 FACILITIES ASSOCIATED WITH GEOLOGIC STORAGE OPERATIONS ARE NOT
8 GAS FACILITIES FOR THE PURPOSES OF SECTION 24-10-106 (1)(f) AND DO
9 NOT CONSTITUTE ANY OTHER AREA OR FACILITY FOR WHICH SOVEREIGN
10 IMMUNITY IS WAIVED PURSUANT TO SECTION 24-10-106 (1).

11 **SECTION 4.** In Colorado Revised Statutes, 37-80-111.5, **amend**
12 (1)(d) as follows:

13 **37-80-111.5. Fees - rules - satellite monitoring system cash**
14 **fund - well inspection cash fund - created.** (1) (d) Of each fee collected
15 pursuant to sections 37-90-105 (3)(a)(I) and (4)(a); 37-90-107 (7)(d)(I);
16 37-90-116 (1)(a), (1)(c), and (1)(h); 37-90-137 (2)(a); **37-90.5-106;**
17 **37-90.5-107;** and 37-92-602 (3)(a) and (5), ~~forty dollars~~ A PORTION shall
18 be credited to the well inspection cash fund, which fund is ~~hereby~~ created.
19 ~~Moneys~~ THE AMOUNT OF THE PORTION TRANSFERRED TO THE WELL
20 INSPECTION CASH FUND IS FORTY DOLLARS, AND THIS AMOUNT MAY BE
21 MODIFIED BY RULES ADOPTED BY THE BOARD OF EXAMINERS PURSUANT TO
22 SECTION 37-91-104 (1)(c). MONEY in the well inspection cash fund shall
23 be CONTINUOUSLY appropriated to and expended by the state engineer for
24 the purposes established in section 37-91-113. Any ~~moneys~~ MONEY
25 credited to the well inspection cash fund and unexpended at the end of
26 any given STATE fiscal year ~~remain~~ REMAINS in the fund and ~~do~~ DOES not
27 revert to the general fund. All interest derived from the deposit and

1 investment of this fund ~~remain~~ REMAINS in the fund and ~~do~~ DOES not
2 revert to the general fund.

3 **SECTION 5.** In Colorado Revised Statutes, 37-80-111.7, **amend**
4 (2) introductory portion and (2)(b) as follows:

5 **37-80-111.7. Water resources cash fund - created - uses.**

6 (2) The state engineer shall collect the following fees and transmit them
7 to the state treasurer, who shall credit them to the fund, except as
8 specified in ~~paragraph (b) of this subsection (2)~~ SUBSECTION (2)(b) OF
9 THIS SECTION:

10 (b) The state engineer shall collect fees pursuant to sections
11 37-90-105 (3)(a) and (4); 37-90-107 (7)(c)(I) and (7)(d)(I); 37-90-108 (4)
12 and (6); 37-90-116 (1)(a), (1)(c), (1)(h), and (1)(i); 37-90-137 (2), (3)(a),
13 and (3)(c); 37-90.5-106; ~~37-90.5-107~~; 37-92-305 (17); 37-92-308; and
14 37-92-602 (1)(g)(III)(C), (3)(a), and (5). The STATE treasurer shall credit
15 the fees collected pursuant to this ~~paragraph (b)~~ SUBSECTION (2)(b) to the
16 fund except as specified in section 37-80-111.5 (1)(d).

17 **SECTION 6.** In Colorado Revised Statutes, 37-90-103, **amend**
18 (10.5) as follows:

19 **37-90-103. Definitions - repeal.** As used in this article 90, unless
20 the context otherwise requires:

21 (10.5) "Nontributary groundwater" means that groundwater,
22 ~~located outside the boundaries of any designated groundwater basins in~~
23 ~~existence on January 1, 1985~~ EXCLUDING DESIGNATED GROUNDWATER,
24 the withdrawal of which will not, within one hundred years of continuous
25 withdrawal, deplete the flow of a natural stream, including a natural
26 stream as defined in sections 37-82-101 (2) and 37-92-102 (1)(b), at an
27 annual rate greater than one-tenth of one percent of the annual rate of

1 withdrawal. The determination of whether groundwater is nontributary
2 shall be based on aquifer conditions existing at the time of permit
3 application; except that, in recognition of the de minimis amount of water
4 discharging from the Dawson, Denver, Arapahoe, and Laramie-Fox Hills
5 aquifers into surface streams due to artesian pressure, when compared
6 with the great economic importance of the groundwater in those aquifers,
7 and the feasibility and requirement of full augmentation by wells located
8 in the tributary portions of those aquifers, it is specifically found and
9 declared that, in determining whether groundwater of the Dawson,
10 Denver, Arapahoe, and Laramie-Fox Hills aquifers is nontributary, it shall
11 be assumed that the hydrostatic pressure level in each such aquifer has
12 been lowered at least to the top of that aquifer throughout that aquifer;
13 except that not nontributary groundwater, as defined in subsection (10.7)
14 of this section, in the Denver basin shall not become nontributary
15 groundwater as a result of the aquifer's hydrostatic pressure level
16 dropping below the alluvium of an adjacent stream due to Denver basin
17 well pumping activity. Nothing in this subsection (10.5) shall preclude
18 PRECLUDES the designation of any aquifer or basin, or any portion thereof,
19 which OF AN AQUIFER OR BASIN, THAT is otherwise eligible for
20 designation under the standard set forth in subsection (6) of this section
21 relating to groundwater in areas not adjacent to a continuously flowing
22 natural stream wherein groundwater withdrawals have constituted the
23 principal water usage for at least fifteen years preceding the date of the
24 first hearing on the proposed designation of a basin.

25 **SECTION 7.** In Colorado Revised Statutes, 37-90-137, **amend**
26 (2)(a)(II), (2)(b)(I), (2)(b)(II) introductory portion, (2)(b)(II)(A),
27 (2)(b)(II)(B), and (2)(c); and **add** (2)(e) and (7.5) as follows:

1 **37-90-137. Permits to construct wells outside designated**
2 **basins - fees - permit no groundwater right - evidence - time**
3 **limitation - well permits - rules - definition.** (2) (a) (II) Effective July
4 1, 2006, upon receipt of an application for a replacement well or a new,
5 increased, or additional supply of groundwater from an area outside the
6 boundaries of a designated groundwater basin, accompanied by a filing
7 fee of one hundred dollars, the state engineer shall make a determination
8 as to whether or not the exercise of the requested permit will materially
9 injure the vested water rights OR PRIOR GEOTHERMAL OPERATIONS of
10 others.

11 (b) (I) The state engineer shall issue a permit to construct a well
12 only if:

13 (A) The state engineer finds, as substantiated by hydrological and
14 geological facts, that there is unappropriated water available for
15 withdrawal by the proposed well and that the vested water rights OR PRIOR
16 GEOTHERMAL OPERATIONS of others will not be materially injured; and

17 (B) Except as specified in ~~subparagraph (H) of this paragraph (b)~~
18 SUBSECTION (2)(b)(II) OF THIS SECTION, the location of the proposed well
19 will be more than six hundred feet from an existing well COMPLETED IN
20 THE SAME AQUIFER AND MORE THAN ONE-FOURTH OF A MILE FROM A PRIOR
21 GEOTHERMAL OPERATION COMPLETED IN THE SAME AQUIFER.

22 (II) If the state engineer, after a hearing, finds that circumstances
23 in a particular instance so warrant, or if a court decree is entered for the
24 proposed well location after notice has been given in accordance with
25 ~~sub-subparagraph (B) of this subparagraph (H)~~ SUBSECTION (2)(b)(II)(B)
26 OF THIS SECTION, the state engineer may issue a permit without regard to
27 the limitation specified in ~~sub-subparagraph (B) of subparagraph (I) of~~

1 ~~this paragraph (b)~~ SUBSECTION (2)(b)(I)(B) OF THIS SECTION; except that
2 ~~no~~ A hearing ~~shall be~~ IS NOT required and the state engineer may issue a
3 well permit without regard to the limitation specified in ~~sub-subparagraph~~
4 ~~(B) of subparagraph (I) of this paragraph (b)~~ SUBSECTION (2)(b)(I)(B) OF
5 THIS SECTION:

6 (A) If the state engineer notifies the owners of all wells within six
7 hundred feet of the proposed well by certified mail and receives no
8 response within the time set forth in the notice, AND THE PROPOSED WELL
9 IS LOCATED WITHIN ONE-FOURTH OF A MILE OF A PRIOR GEOTHERMAL
10 OPERATION, AND THE STATE ENGINEER NOTIFIES THE OPERATOR OF THE
11 PRIOR GEOTHERMAL OPERATION BY CERTIFIED MAIL AND THE ENERGY AND
12 CARBON MANAGEMENT COMMISSION BY ELECTRONIC MAIL AND RECEIVES
13 NO RESPONSE WITHIN THE TIME FRAME SET FORTH IN THE NOTICE;

14 (B) If the proposed well is part of a water court proceeding
15 adjudicating the water right for the well, or if the proposed well is part of
16 an adjudication of a plan for augmentation or change of water right and
17 if evidence is provided to the water court that the applicant has given
18 notice of the water court application, at least fourteen days before making
19 the application, by registered or certified mail, return receipt requested,
20 to the owners of record of all wells within six hundred feet of the
21 proposed well AND TO ALL OPERATORS OF PRIOR GEOTHERMAL
22 OPERATIONS WITHIN ONE-FOURTH OF A MILE OF THE PROPOSED WELL;

23 (c) The permit shall set forth ~~such~~ THE conditions for drilling,
24 casing, and equipping wells and other diversion facilities as are
25 reasonably necessary to prevent waste, pollution, or material injury to
26 existing rights OR PRIOR GEOTHERMAL OPERATIONS.

27 (e) AS USED IN THIS SUBSECTION (2), UNLESS THE CONTEXT

1 OTHERWISE REQUIRES, "PRIOR GEOTHERMAL OPERATION" HAS THE
2 MEANING SET FORTH IN SECTION 37-90.5-103 (14.5).

3 (7.5) (a) EXCEPT AS REQUIRED BY SUBSECTION (7.5)(b) OF THIS
4 SECTION, A PERMIT FROM THE STATE ENGINEER IS NOT REQUIRED IN THE
5 CASE OF WITHDRAWING NONTRIBUTARY GROUNDWATER FROM A GEOLOGIC
6 FORMATION IF THE WITHDRAWAL IS PERMITTED AS A DEEP GEOTHERMAL
7 OPERATION, AS DEFINED IN SECTION 37-90.5-103 (3), AND THE
8 WITHDRAWN NONTRIBUTARY GROUNDWATER WILL BE USED ONLY FOR
9 OPERATIONS TO EXTRACT OR UTILIZE HEAT, INCLUDING:

10 (I) GENERATING ELECTRICITY;

11 (II) HEATING AND COOLING BUILDINGS;

12 (III) HEATING SWIMMING POOLS, PUBLIC BATHHOUSES, OR
13 DEVELOPED HOT SPRINGS FACILITIES;

14 (IV) HEATING AQUACULTURE;

15 (V) MELTING SNOW OR ICE;

16 (VI) HEATING TO FACILITATE CARBON DIOXIDE CAPTURE OR
17 HYDROGEN PRODUCTION;

18 (VII) DEEP GEOTHERMAL EXPLORATION, RESOURCE
19 CONFIRMATION, OR RESERVOIR ENHANCEMENT; AND

20 (VIII) HEATING AND DRYING FOR OTHER INDUSTRIAL PROCESSES.

21 (b) A WELL PERMIT IS REQUIRED IF THE OPERATOR WILL USE THE
22 NONTRIBUTARY GROUNDWATER FOR ADDITIONAL BENEFICIAL USES
23 UNRELATED TO THE EXTRACTION OR UTILIZATION OF HEAT.

24 **SECTION 8.** In Colorado Revised Statutes, 37-90.5-103, **amend**
25 (1)(b) and (3)(c)(II); **repeal** (13); and **add** (14.5) as follows:

26 **37-90.5-103. Definitions.** As used in this article 90.5, unless the
27 context otherwise requires:

1 (1) (b) "Allocated geothermal resource" does not include
2 groundwater in the Denver basin aquifers OR NONTRIBUTARY
3 GROUNDWATER AQUIFERS ENTIRELY LOCATED SHALLOWER THAN TWO
4 THOUSAND FIVE HUNDRED FEET.

5 (3) (c) "Deep geothermal operation" does not include:

6 (II) The use of any heat extracted with produced fluids in an oil
7 and gas operation if the UTILIZATION OF THE heat ~~is only utilized to reduce~~
8 ~~emissions from the operation in the same location as the well from which~~
9 ~~it was produced and~~ would otherwise not be economically feasible as a
10 standalone geothermal resource project.

11 (13) ~~"Nonconsumptive geothermal operation" means an operation~~
12 ~~using geothermal resources in which the volume of geothermal fluid~~
13 ~~extracted from an aquifer or formation is no more than the volume of the~~
14 ~~geothermal fluid reinjected in the same aquifer or formation over a~~
15 ~~reasonable time frame and distance.~~

16 (14.5) "PRIOR GEOTHERMAL OPERATION" MEANS A GEOTHERMAL
17 WELL, OPERATION, DISTRICT, OR UNIT AUTHORIZED BY THE STATE
18 ENGINEER OR THE ENERGY AND CARBON MANAGEMENT COMMISSION
19 PURSUANT TO THIS ARTICLE 90.5.

20 **SECTION 9.** In Colorado Revised Statutes, 37-90.5-104, **amend**
21 (2) and (4); and **repeal** (5) as follows:

22 **37-90.5-104. Ownership declaration.** (2) The property right to
23 a hot dry rock resource or a geothermal resource associated with
24 nontributary groundwater is an incident of the ownership of the overlying
25 surface, unless the property right is severed, reserved, or transferred with
26 the subsurface estate expressly OR IS OTHERWISE EXPRESSLY SEPARATE
27 FROM THE SURFACE ESTATE. GEOTHERMAL RESOURCES ASSOCIATED WITH

1 NONTRIBUTARY GROUNDWATER SHALL NOT BE TRANSFERRED SEPARATELY
2 FROM THE NONTRIBUTARY GROUNDWATER. WITH RESPECT TO ANY
3 SEVERANCE, RESERVATION, OR TRANSFER OCCURRING AFTER JULY 1,
4 2025:

5 (a) FOR ANY SEVERANCE, RESERVATION, OR TRANSFER OF
6 NONTRIBUTARY GROUNDWATER, THERE IS A REBUTTABLE PRESUMPTION
7 THAT THE SEVERANCE, RESERVATION, OR TRANSFER INCLUDES ANY
8 ASSOCIATED GEOTHERMAL RESOURCES UNLESS THE SEVERANCE,
9 RESERVATION, OR TRANSFER EXPRESSLY STATES OTHERWISE; AND

10 (b) FOR ANY SEVERANCE, RESERVATION, OR TRANSFER OF
11 GEOTHERMAL RESOURCES ASSOCIATED WITH NONTRIBUTARY
12 GROUNDWATER, THERE IS A REBUTTABLE PRESUMPTION THAT THE
13 SEVERANCE, RESERVATION, OR TRANSFER INCLUDES THE ASSOCIATED
14 NONTRIBUTARY GROUNDWATER UNLESS THE SEVERANCE, RESERVATION,
15 OR TRANSFER EXPRESSLY STATES OTHERWISE.

16 (4) Notwithstanding any provision of this section to the contrary,
17 nothing in this section:

18 (a) Derogates the rights of a landowner to nontributary
19 groundwater; ~~or~~

20 (b) Affects any ownership or rights to a geothermal resource
21 associated with nontributary groundwater, which resource is acquired
22 before July 1, 2023; OR

23 (c) PREVENTS AN OWNER OF NONTRIBUTARY GROUNDWATER
24 RIGHTS FROM ACCESSING NONTRIBUTARY GROUNDWATER FOR
25 NONGEOTHERMAL PURPOSES THAT WILL NOT MATERIALLY INJURE A VALID
26 PRIOR GEOTHERMAL OPERATION.

27 (5) ~~Notwithstanding any provision of this section to the contrary,~~

1 ~~geothermal resources associated with nontributary groundwater shall not~~
2 ~~be transferred separately from the nontributary groundwater.~~

3 **SECTION 10.** In Colorado Revised Statutes, 37-90.5-106,
4 **amend** (1)(a)(I), (1)(a)(II), (1)(b)(III), (3), and (6); and **add** (2)(c) as
5 follows:

6 **37-90.5-106. Regulation of geothermal resource operations -**
7 **re injection - fees - rules.** (1) (a) (I) The state engineer ~~has~~ AND THE
8 BOARD OF EXAMINERS OF WATER WELL AND GROUND HEAT EXCHANGER
9 CONTRACTORS CREATED IN SECTION 37-91-103 HAVE the ~~exclusive~~
10 authority to regulate shallow geothermal operations and may adopt rules
11 that regulate shallow geothermal operations.

12 (II) ~~Prior to~~ BEFORE constructing a test bore, GROUND HEAT
13 EXCHANGER, monitoring well, or production well or reworking an
14 existing well associated with shallow geothermal operations, A PERSON
15 SHALL OBTAIN an operations permit ~~must be obtained~~ from the state
16 engineer.

17 (b) (III) In issuing an operations permit pursuant to subsection
18 (1)(b)(II) of this section, the commission:

19 (A) May allow for the use of groundwater ~~as part of~~
20 ~~nonconsumptive geothermal operations~~ PURSUANT TO SECTION 37-90-137
21 (7.5)(a) as a material medium for allocated geothermal resources that
22 have been determined to be nontributary pursuant to section 37-90.5-107
23 (1)(b); AND

24 (B) SHALL, TO THE EXTENT PRACTICABLE, ENSURE THAT THE
25 PROPOSED OPERATION WILL NOT MATERIALLY INJURE A VALID PRIOR
26 GEOTHERMAL OPERATION.

27 (2) (c) THE COMMISSION MAY ENFORCE RULES ADOPTED PURSUANT

1 TO THIS SUBSECTION (2) IN ACCORDANCE WITH SECTION 34-60-121.

2 (3) Where the maintenance of underground pressures, the
3 prevention of subsidence, or the disposal of brines is necessary,
4 reinjection of geothermal fluid OR WATER may be required by the state
5 engineer or the commission.

6 (6) (a) ~~On and after July 1, 2023,~~ Except as set forth in subsection
7 (6)(b)(II) of this section, the commission is responsible for administering
8 and enforcing any permits issued by the state engineer pursuant to this
9 section that cover deep geothermal operations.

10 (b) ~~The powers, duties, functions, and obligations concerning~~
11 ~~permits issued by the state engineer pursuant to this section that cover~~
12 ~~deep geothermal operations are transferred, effective July 1, 2023, to the~~
13 ~~commission.~~ The state engineer ~~retains~~ OR THE BOARD OF EXAMINERS OF
14 WATER WELL AND GROUND HEAT EXCHANGER CONTRACTORS MAY
15 EXERCISE any ~~powers, duties, functions, and obligations~~ POWER, DUTY,
16 FUNCTION, OR OBLIGATION necessary to issue, administer, and enforce any
17 permits OR LICENSES that cover:

18 (I) Shallow geothermal operations; and

19 (II) The use of geothermal fluid in deep geothermal operations
20 pursuant to section 37-90.5-107, except for ~~nonconsumptive~~ DEEP
21 geothermal operations SUBJECT TO SECTION 37-90-137 (7.5)(a).

22 (c) ~~The rules of the state engineer pertaining to the powers, duties,~~
23 ~~functions, and obligations transferred to the commission pursuant to~~
24 ~~subsection (6)(b) of this section continue in effect and apply to the~~
25 ~~commission until the rules are replaced by rules adopted by the~~
26 ~~commission pursuant to subsection (1)(b)(I) of this section.~~

27 (d) ~~The commission and the state engineer shall enter into~~

1 ~~memoranda of understanding, interagency agreements, or both, as~~
2 ~~appropriate, to provide for the timely transfer of the powers, duties,~~
3 ~~functions, and obligations transferred to the commission pursuant to~~
4 ~~subsection (6)(b) of this section.~~

5 **SECTION 11.** In Colorado Revised Statutes, 37-90.5-107,
6 **amend** (1)(a) and (4); and **repeal** (3)(b) and (3)(d) as follows:

7 **37-90.5-107. Permits for the use of geothermal resources -**
8 **rules.** (1) (a) After receipt of the necessary application, the state engineer
9 shall issue a use permit to use distributed geothermal resources consistent
10 with the requirements described in ~~section 37-90-137~~ SECTION 37-90-107,
11 37-90-108, 37-90-109, OR 37-90-137.

12 (3) (b) ~~The requirement to issue a use permit pursuant to~~
13 ~~subsection (1)(b) of this section does not apply to operations that are~~
14 ~~solely nonconsumptive geothermal operations using allocated geothermal~~
15 ~~resources.~~

16 (d) ~~The use permit issued pursuant to subsection (1) of this section~~
17 ~~may allow for nonconsumptive secondary uses of geothermal fluid,~~
18 ~~including the recovery of geothermal by-products, and may allow for~~
19 ~~consumptive secondary uses of geothermal fluid, including sale, which do~~
20 ~~not impair valid, prior water rights.~~

21 (4) Notwithstanding any provision of this section to the contrary,
22 section 37-90-137 (4) applies to any ~~consumptive~~ BENEFICIAL use of
23 allocated geothermal resources, EXCEPT FOR THOSE OPERATIONS
24 DESCRIBED IN SECTION 37-90-137 (7.5)(a).

25 **SECTION 12.** In Colorado Revised Statutes, 37-90.5-111,
26 **amend** (1)(b) as follows:

27 **37-90.5-111. Coordination between the commission and the**

1 **state engineer.** (1) When an operations permit is issued by the
2 commission pursuant to section 37-90.5-106 (1)(b)(II) and a use permit
3 is issued by the state engineer pursuant to section 37-90.5-107 (1), the
4 commission and the state engineer shall coordinate to:

5 (b) Determine whether an accounting for the use and reinjection
6 of geothermal fluid OR WATER pursuant to the applicable permit may be
7 submitted to only the commission, ~~or~~ only TO the state engineer, OR TO
8 BOTH.

9 **SECTION 13.** In Colorado Revised Statutes, **amend** 37-91-101
10 as follows:

11 **37-91-101. Legislative declaration.** (1) The general assembly
12 ~~hereby~~ finds, determines, and declares that:

13 (a) ~~It has been established by~~ Scientific evidence HAS
14 ESTABLISHED that improperly constructed wells, improperly abandoned
15 wells, IMPROPERLY CONSTRUCTED OR ABANDONED GROUND HEAT
16 EXCHANGERS, and improperly installed pumping equipment can adversely
17 affect groundwater resources and the public health, safety, and welfare;
18 and

19 (b) Therefore, the proper location, construction, repair, and
20 abandonment of wells; THE PROPER LOCATION, CONSTRUCTION, REPAIR,
21 AND ABANDONMENT OF GROUND HEAT EXCHANGERS; the proper
22 installation and repair of pumping equipment; the licensing and regulation
23 of persons engaging in the business of contracting ~~either~~ for the
24 construction of wells, THE CONSTRUCTION OF GROUND HEAT
25 EXCHANGERS, or ~~for~~ the installation of pumping equipment; and the
26 periodic inspection of well construction, GROUND HEAT EXCHANGER
27 CONSTRUCTION, and pump installation are essential for the protection of

1 the public health, SAFETY, AND WELFARE and the preservation of
2 groundwater resources.

3 **SECTION 14.** In Colorado Revised Statutes, 37-91-102, **amend**
4 (3), (10), (10.5), (14), (15), (15.5), (16)(b)(I)(B), (16)(b)(I)(C),
5 (16)(b)(II), and (17); and **add** (4.1), (6.5), (6.7), (7.5), and (16)(b)(I)(D)
6 as follows:

7 **37-91-102. Definitions.** As used in this article 91, unless the
8 context otherwise requires:

9 (3) "Board" means the state board of examiners of water well
10 ~~construction and pump installation~~ AND GROUND HEAT EXCHANGER
11 contractors created ~~by~~ IN section 37-91-103.

12 (4.1) (a) "CONSTRUCTION OR INSTALLATION OF A GROUND HEAT
13 EXCHANGER" MEANS ANY ACT UNDERTAKEN AT A GROUND HEAT
14 EXCHANGER SITE FOR THE ESTABLISHMENT OR MODIFICATION OF A
15 GROUND HEAT EXCHANGER.

16 (b) "CONSTRUCTION OR INSTALLATION OF A GROUND HEAT
17 EXCHANGER" INCLUDES THE LOCATING OF A GROUND HEAT EXCHANGER
18 AND THE EXCAVATING OR FRACTURING NECESSARY TO INSTALL A GROUND
19 HEAT EXCHANGER.

20 (c) "CONSTRUCTION OR INSTALLATION OF A GROUND HEAT
21 EXCHANGER" DOES NOT INCLUDE SURVEYING, SITE PREPARATION, SITE
22 MODIFICATION, OR OTHER PREPARATORY ACTS.

23 (6.5) "GROUND HEAT EXCHANGER" MEANS A CONTINUOUS,
24 SEALED, SUBSURFACE HEAT EXCHANGER CONSISTING OF A CLOSED LOOP
25 THROUGH WHICH A HEAT-TRANSFER FLUID PASSES TO AND RETURNS FROM
26 A HEAT PUMP OR MANIFOLD. A GROUND HEAT EXCHANGER MAY BE
27 VERTICALLY OR HORIZONTALLY CONFIGURED OR SUBMERGED IN SURFACE

1 WATER.

2 (6.7) "GROUND HEAT EXCHANGER CONTRACTOR" MEANS AN
3 INDIVIDUAL LICENSED PURSUANT TO THIS ARTICLE 91 WHO IS RESPONSIBLE
4 FOR THE DRILLING, CONSTRUCTION, GROUTING, REPAIR, TESTING, OR
5 ABANDONMENT OF A GROUND HEAT EXCHANGER, EITHER BY CONTRACT OR
6 FOR HIRE, FOR ANY CONSIDERATION WHATSOEVER.

7 (7.5) "HEAT-TRANSFER FLUID" MEANS A FLUID HEAT-TRANSFER
8 MEDIUM TO CONVEY THERMAL ENERGY TO AND FROM THE THERMAL
9 SOURCE OR SINK.

10 (10) "License" means the document issued by the board to A
11 qualified ~~persons making application therefor~~, APPLICANT pursuant to
12 section 37-91-105, ~~authorizing such persons~~ WHICH DOCUMENT
13 AUTHORIZES THE APPLICANT to engage in one or more methods of well
14 construction, GROUND HEAT EXCHANGER CONSTRUCTION, or pump
15 installation or any combination of such methods.

16 (10.5) "Monitoring and observation well" includes any excavation
17 that is drilled, cored, bored, washed, fractured, driven, dug, jetted, or
18 otherwise constructed when the intended use of ~~such~~ THE excavation is
19 for locating ~~such~~ A well, pumping equipment or aquifer testing,
20 monitoring groundwater, GROUNDWATER REMEDIATION, or collection of
21 water quality samples.

22 (14) "Pump installation contractor" means ~~any person~~ AN
23 INDIVIDUAL licensed to install, remove, modify, or repair pumping
24 equipment for compensation.

25 (15) "Repair" means:

26 (a) Any change, replacement, or other alteration of any well or
27 pumping equipment ~~which~~ THAT requires a breaking or opening of the

1 well seal or any waterlines up to and including the pressure tank and any
2 coupling appurtenant ~~thereto~~ TO THE PRESSURE TANK; OR

3 (b) ANY CHANGE, REPLACEMENT, OR OTHER ALTERATION OF A
4 GROUND HEAT EXCHANGER THAT REQUIRES EXCAVATION OF ANY PORTION
5 OF THE GROUND HEAT EXCHANGER TO REPAIR OR REPLACE COMPONENTS
6 OF SURFACE CASING, PIPING OR GROUT WITHIN THE BOREFIELD, OR PIPING
7 BETWEEN THE BOREFIELD AND THE MANIFOLD.

8 (15.5) "Supervision" means personal and continuous ~~on-the-site~~
9 ON-SITE direction by a licensed well construction contractor, LICENSED
10 GROUND HEAT EXCHANGER CONTRACTOR, or licensed pump installation
11 contractor, unless the licensed contractor has applied for and received
12 from the board an exemption from continuous ~~on-the-site~~ ON-SITE
13 direction for a specific task.

14 (16) (b) (I) "Well" does not include:

15 (B) An excavation made for the purpose of obtaining or
16 prospecting for minerals or those wells subject to the jurisdiction of the
17 energy and carbon management commission, as provided in article 60 of
18 title 34 or IN ARTICLE 90.5 OF THIS TITLE 37;

19 (C) ~~Wells~~ A WELL subject to the jurisdiction of the ~~office of mined~~
20 ~~land reclamation~~ DIVISION OF RECLAMATION, MINING, AND SAFETY, as
21 provided in ~~article 33~~ ARTICLES 32 TO 34 of title 34; OR

22 (D) RECHARGE BASINS OR INFILTRATION BASINS THAT ARE
23 CONSTRUCTED IN SUCH A MANNER THAT THE INTENT OF THEIR DESIGN IS
24 TO REMAIN ABOVE THE GROUNDWATER LEVEL.

25 (II) "Well" does not include a naturally flowing spring or springs
26 where the natural spring discharge is captured or concentrated by
27 installation of a near-surface structure or device less ~~then~~ THAN ten feet

1 in depth located at or within fifty feet of the spring or springs' natural
2 discharge point and the water is conveyed directly by gravity flow or into
3 a separate sump or storage, if SO LONG AS the owner obtains a water right
4 for ~~such~~ THE structure or device as a spring pursuant to article 92 of this
5 ~~title~~ TITLE 37.

6 (17) "Well construction contractor" means ~~any person~~ AN
7 INDIVIDUAL licensed pursuant to this ~~article~~ ARTICLE 91 and responsible
8 for the construction, test-pumping, or development of wells, either by
9 contract or for hire, ~~or~~ for any consideration whatsoever.

10 **SECTION 15.** In Colorado Revised Statutes, 37-91-103, **amend**
11 (1) and (3) as follows:

12 **37-91-103. State board of examiners of water well and ground**
13 **heat exchanger contractors.** (1) (a) ~~There is created, in the division of~~
14 ~~water resources in the department of natural resources, a~~ THE state board
15 of examiners of water well ~~construction and pump installation~~ AND
16 GROUND HEAT EXCHANGER contractors ~~consisting of five members and~~
17 ~~comprised of~~ IS CREATED IN THE DIVISION OF WATER RESOURCES WITHIN
18 THE DEPARTMENT OF NATURAL RESOURCES. THE BOARD INCLUDES the
19 following ~~persons~~ SIX INDIVIDUALS:

20 (I) The state engineer or a ~~representative designated by the state~~
21 ~~engineer~~ ENGINEER'S DESIGNEE;

22 (II) A representative of the department of public health and
23 environment designated by the executive director of the department; and

24 (III) ~~three~~ FOUR members appointed by the governor, two of
25 whom ~~must~~ SHALL be well construction contractors or pump installation
26 contractors, each with a minimum of ten years' experience in the well
27 construction or pump installation business preceding the individual's

1 appointment, ~~and~~ one of whom ~~must~~ SHALL be an engineer or geologist
2 with a minimum of ten years' experience in water supply and well
3 construction preceding the individual's appointment, and ONE OF WHOM
4 SHALL BE AN INDIVIDUAL WITH A MINIMUM OF TEN YEARS' EXPERIENCE
5 RELATING TO GROUND HEAT EXCHANGERS PRECEDING THE INDIVIDUAL'S
6 APPOINTMENT.

7 (b) The state board of examiners of water well ~~construction and~~
8 ~~pump installation~~ AND GROUND HEAT EXCHANGER contractors is a **type**
9 **1** entity, as defined in section 24-1-105.

10 (3) The board shall meet at least once every three months and at
11 ~~such other times~~ as it deems necessary or advisable. ~~Special~~ Board
12 meetings may be called at any time on order of the ~~chairman~~ CHAIR or
13 ~~vice-chairman~~ VICE-CHAIR or any ~~three~~ FOUR members of the board. The
14 board shall determine the time and place of all meetings, but at least one
15 meeting every three months shall be held in Denver. ~~Three~~ FOUR
16 members of the board shall constitute a quorum, and the affirmative vote
17 of ~~three~~ AT LEAST FOUR members shall be IS required to pass any action
18 or motion of the board. The board may adopt bylaws to govern its own
19 procedure.

20 **SECTION 16.** In Colorado Revised Statutes, 37-91-104, **amend**
21 (1)(b), (1)(i), and (1)(l) as follows:

22 **37-91-104. Duties of the board.** (1) The board shall:

23 (b) Have general supervision and authority over the construction
24 and abandonment of wells, CONSTRUCTION AND ABANDONMENT OF
25 GROUND HEAT EXCHANGERS, and the installation of pumping equipment,
26 as provided by sections 37-91-109 and 37-91-110;

27 (i) Disseminate information to pump installation contractors,

1 GROUND HEAT EXCHANGER CONTRACTORS, and well construction
2 contractors in order to protect and preserve the groundwater resources of
3 the state;

4 (I) (I) Assure protection of groundwater resources and the public
5 health by ordering the nondestructive investigation, abandonment, repair,
6 drilling, redrilling, casing, recasing, deepening, or excavation of a well OR
7 GROUND HEAT EXCHANGER where ~~it~~ THE BOARD finds such ~~action to be~~
8 AN ORDER necessary to correct violations of this ~~article~~ ARTICLE 91 or
9 rules ~~promulgated~~ ADOPTED by the board ~~with respect~~ PURSUANT to this
10 ~~article~~ ARTICLE 91 or to protect groundwater resources and the public
11 health.

12 (II) AN existing ~~wells~~ WELL OR GROUND HEAT EXCHANGER that
13 ~~were~~ WAS constructed in compliance with the laws and regulations in
14 effect at the time of ~~their~~ ITS construction ~~shall~~ IS not ~~be~~ required to be
15 repaired, redrilled, or otherwise modified to meet the current standards for
16 well construction OR GROUND HEAT EXCHANGER CONSTRUCTION
17 contained in this ~~article~~ ARTICLE 91 or ~~the~~ IN rules adopted by the board
18 PURSUANT TO THIS ARTICLE 91. THE BOARD MAY ORDER any such ~~wells~~
19 WELL OR GROUND HEAT EXCHANGER that ~~present~~ PRESENTS an imminent
20 threat to public health or AN IMMINENT THREAT OF groundwater
21 contamination ~~may be ordered~~ to be repaired or abandoned. ~~The~~ ANY
22 remedial action required by the board for such ~~wells~~ ~~shall~~ A WELL OR
23 GROUND HEAT EXCHANGER MUST be the minimum repair necessary to
24 remove the threat to public health or of groundwater pollution. An order
25 to abandon a well that is issued under this ~~article~~ ARTICLE 91 is not a
26 determination of intent to abandon any water right associated with the
27 well.

1 **SECTION 17.** In Colorado Revised Statutes, 37-91-105, **amend**
2 (1), (2)(d), (2.5), (5), and (7); and **add** (8) as follows:

3 **37-91-105. Licensing - registration of rigs.** (1) ~~Every person,~~
4 ~~Before engaging in the business of contracting either for the construction~~
5 ~~of wells~~ A WELL, THE INSTALLATION OF A GROUND HEAT EXCHANGER, or
6 ~~for the installation of pumping equipment,~~ AN INDIVIDUAL shall obtain a
7 license for one or more methods of well construction, GROUND HEAT
8 EXCHANGER INSTALLATION, or pump installation from the board and shall
9 secure a registration from the board for each well-drilling, GROUND HEAT
10 EXCHANGER, or pump-installing rig to be operated or leased by ~~him or his~~
11 THE INDIVIDUAL OR THE INDIVIDUAL'S employee.

12 (2) The board shall issue a license to each applicant who files an
13 application upon a form and in such manner as the board prescribes,
14 accompanied by such fees and bond as required by section 37-91-107, and
15 who furnishes evidence satisfactory to the board that the applicant:

16 (d) Has ~~had~~ not less than two years' experience in the type of well
17 construction work, GROUND HEAT EXCHANGER WORK, or pump
18 installation work for which the applicant is initially applying for a license;
19 however:

20 (I) ~~Once a person~~ AN INDIVIDUAL WHO is licensed in one or more
21 methods of well construction ~~the person~~ is eligible without further
22 experience to take an examination to obtain a license for a different
23 method of well construction;

24 (II) ~~Once a person~~ AN INDIVIDUAL WHO is licensed for installing
25 one or more types of pumps ~~the person~~ is eligible without further
26 experience to take an examination to obtain a license for a different type
27 of pump installation; ~~and~~

1 (III) AN INDIVIDUAL'S education in an accredited program
2 approved by the board may substitute for well construction, GROUND
3 HEAT EXCHANGER INSTALLATION, or pump installation experience upon
4 application to and acceptance by the board; AND

5 (IV) AN INDIVIDUAL'S POSSESSION OF A LICENSE FOR WELL
6 CONSTRUCTION MAY SUBSTITUTE FOR GROUND HEAT EXCHANGER
7 INSTALLATION EXPERIENCE UPON APPLICATION TO AND ACCEPTANCE BY
8 THE BOARD.

9 (2.5) The board shall issue a special license for the use of special
10 equipment or limited procedures in well construction, GROUND HEAT
11 EXCHANGER INSTALLATION, or pump installation to each applicant who
12 files an application upon a form and in such manner as the board
13 prescribes, accompanied by such fees and bond as are required by section
14 37-91-107, and who furnishes evidence satisfactory to the board that ~~he~~
15 THE APPLICANT meets the requirements established in subsection (2) of
16 this section; except that a special licensee ~~shall~~ IS not ~~be~~ eligible to take
17 an examination to obtain a license for a different method of well
18 construction, GROUND HEAT EXCHANGER INSTALLATION, or pump
19 installation unless ~~said~~ THE licensee has at least two years of experience
20 in the method of well construction, GROUND HEAT EXCHANGER
21 INSTALLATION, or pump installation for which the additional license is
22 sought.

23 (5) The examination ~~shall~~ MUST consist of an oral and written
24 examination and ~~shall~~ fairly test the applicant's knowledge and
25 application ~~thereof~~ ~~in~~ OF the following subjects, RESPECTIVELY,
26 DEPENDING ON THE LICENSE TYPE:

27 (a) FOR A WELL CONSTRUCTION CONTRACTOR LICENSE: Basics of

1 drilling methods, specific drilling methods, ~~basics of pump installation~~
2 ~~methods, specific pump installation methods,~~ and basics of well
3 construction and ~~his~~ THE APPLICANT'S knowledge and application of state
4 laws and local ordinances concerning the construction of wells ~~or~~ AND
5 RULES ADOPTED IN CONNECTION WITH SUCH LAWS AND ORDINANCES;

6 (b) FOR A PUMP INSTALLATION CONTRACTOR LICENSE: BASICS OF
7 PUMP INSTALLATION METHODS, SPECIFIC PUMP INSTALLATION METHODS
8 AND ASSOCIATED PUMPING EQUIPMENT, AND THE APPLICANT'S
9 KNOWLEDGE AND APPLICATION OF STATE LAWS AND LOCAL ORDINANCES
10 CONCERNING the installation of pumping equipment ~~or both,~~ and rules
11 ~~promulgated~~ ADOPTED in connection ~~therewith~~ WITH SUCH LAWS AND
12 ORDINANCES; AND

13 (c) FOR A GROUND HEAT EXCHANGER CONTRACTOR LICENSE:
14 BASICS OF GROUND HEAT EXCHANGER INSTALLATION, SPECIFIC METHODS
15 RELATED TO GROUND HEAT EXCHANGER INSTALLATION, AND THE
16 APPLICANT'S KNOWLEDGE AND APPLICATION OF STATE LAWS AND LOCAL
17 ORDINANCES CONCERNING THE INSTALLATION OF GROUND HEAT
18 EXCHANGERS AND RULES ADOPTED IN CONNECTION WITH SUCH LAWS AND
19 ORDINANCES.

20 (7) Each licensee shall complete eight hours of continuing
21 education ~~training~~ as approved by the board every year in order to
22 maintain or renew a license.

23 (8) (a) UNTIL THE GOVERNOR APPOINTS TO THE BOARD A MEMBER
24 WITH TEN OR MORE YEARS OF GROUND HEAT EXCHANGER EXPERIENCE,
25 AND UNTIL THE BOARD ADOPTS RULES CONCERNING THE LICENSING OF
26 GROUND HEAT EXCHANGER CONTRACTORS, AN INDIVIDUAL OPERATING
27 PURSUANT TO A PERMIT ISSUED FROM THE STATE ENGINEER MAY INSTALL

1 GROUND HEAT EXCHANGERS IN ACCORDANCE WITH RULES ADOPTED BY
2 THE STATE ENGINEER PURSUANT TO SECTION 37-90.5-106.

3 (b) AFTER THE TIME FRAME DESCRIBED IN SUBSECTION (8)(a) OF
4 THIS SECTION, AN INDIVIDUAL OPERATING UNDER A PERMIT ISSUED BY THE
5 STATE ENGINEER WHO APPLIES FOR A GROUND HEAT EXCHANGER
6 CONTRACTOR LICENSE IS REQUIRED TO PASS AN ORAL EXAMINATION
7 PURSUANT TO SUBSECTION (2)(e) OF THIS SECTION BUT IS NOT REQUIRED
8 TO:

9 (I) DEMONSTRATE THEIR EXPERIENCE PURSUANT TO SUBSECTION
10 (2)(d) OF THIS SECTION; OR

11 (II) PASS A WRITTEN EXAMINATION PURSUANT TO SUBSECTION
12 (2)(e) OF THIS SECTION.

13 **SECTION 18.** In Colorado Revised Statutes, 37-91-106, **amend**
14 (2) as follows:

15 **37-91-106. License - exemptions - rules.** (2) A license ~~shall~~ IS
16 not ~~be~~ required of any ~~person~~ INDIVIDUAL who performs labor or services
17 if ~~he~~ THE INDIVIDUAL is directly employed by, or under the supervision of,
18 a licensed well construction contractor, LICENSED GROUND HEAT
19 EXCHANGER CONTRACTOR, or LICENSED pump installation contractor.

20 **SECTION 19.** In Colorado Revised Statutes, 37-91-107, **amend**
21 (2), (3), (4), (4.5), (5), and (6) as follows:

22 **37-91-107. Fees and bonds - license renewal - continuing**
23 **education.** (2) (a) The board shall ~~charge~~ REQUIRE an application fee TO
24 BE PAID IN THE AMOUNT of twenty dollars. ~~to~~ THE PAYMENT OF THE FEE
25 MUST accompany each application from a resident of the state. ~~of~~
26 ~~Colorado and~~ THE BOARD SHALL ALSO REQUIRE AN APPLICANT TO PAY a
27 ~~further~~ fee IN THE AMOUNT of fifty dollars upon THE APPLICANT'S

1 successful completion of THE examination AND before issuance of THE
2 BOARD ISSUES a license.

3 (b) In addition TO PAYING A FEE PURSUANT TO SUBSECTION (2)(a)
4 OF THIS SECTION, each successful resident applicant shall file and
5 maintain with the board evidence of financial responsibility in the form
6 of a savings account, deposit, or certificate of deposit in the amount of ten
7 thousand dollars, meeting the requirements of section 11-35-101, ~~C.R.S.~~,
8 or an irrevocable letter of credit for the amount of ten thousand dollars,
9 meeting the requirements of section 11-35-101.5, ~~C.R.S.~~, or shall file and
10 maintain with the board an approved compliance bond with a corporate
11 surety authorized to do business in the state, ~~of Colorado~~, in the amount
12 of ten thousand dollars, for the use and benefit of any person or the state
13 ~~of Colorado~~ suffering loss or damage, conditioned that ~~such~~ THE licensee
14 will comply with the laws of the state ~~of Colorado~~ in engaging in the
15 business for which ~~he~~ THE LICENSEE receives a license and the rules of the
16 board ~~promulgated~~ ADOPTED in the regulation of such business.

17 (3) (a) The board shall charge an application fee IN THE AMOUNT
18 of fifty dollars, ~~to~~ THE PAYMENT OF WHICH APPLICATION FEE MUST
19 accompany each application from a nonresident of the state. ~~of Colorado~~
20 ~~and~~ THE BOARD SHALL ALSO CHARGE a ~~further~~ nonresident fee of four
21 hundred dollars, WHICH A NONRESIDENT SHALL PAY upon successful
22 completion of THE examination AND before THE issuance of a license.

23 (b) In addition TO PAYING ANY FEES REQUIRED BY SUBSECTION
24 (3)(a) OF THIS SECTION, each successful nonresident applicant shall file
25 and maintain with the board evidence of financial responsibility in the
26 form of a savings account, deposit, or certificate of deposit in the amount
27 of twenty thousand dollars, meeting the requirements of section

1 11-35-101, ~~C.R.S.~~, or shall file and maintain with the board an approved
2 compliance bond in the amount of twenty thousand dollars with a
3 corporate surety authorized to do business in the state of ~~Colorado~~ for the
4 use and benefit of any person or the state of ~~Colorado~~ suffering loss or
5 damage, conditioned that ~~such~~ THE licensee ~~will~~ SHALL comply with the
6 laws of the state in engaging in the business for which ~~he~~ THE LICENSEE
7 receives a license and the rules of ~~ADOPTED BY~~ the board ~~promulgated~~ in
8 compliance ~~therewith~~ WITH SUCH LAWS.

9 (4) (a) (I) ~~Every~~ EACH licensed well construction contractor,
10 LICENSED GROUND HEAT EXCHANGER CONTRACTOR, and licensed pump
11 installation contractor in this state shall:

12 (A) Pay to the board during ~~the month of~~ January of each year,
13 beginning in the year immediately ~~subsequent to his or her~~ FOLLOWING
14 THE LICENSEE'S initial licensing, a renewal fee of fifty dollars; ~~shall~~

15 (B) Concurrently file and ~~THEREAFTER~~ maintain a new bond or
16 letter of credit if required pursuant to this section; and ~~shall~~

17 (C) Annually file a certificate of completion of continuing
18 education ~~as required~~ pursuant to section 37-91-105 (7).

19 (II) UPON A LICENSEE'S SATISFACTION OF THE REQUIREMENTS
20 DESCRIBED IN SUBSECTION (4)(a)(I) OF THIS SECTION, the secretary shall
21 ~~thereupon~~ issue a renewal license for one year. The license of any well
22 construction contractor, GROUND HEAT EXCHANGER CONTRACTOR, or
23 pump installation contractor who fails to have ~~his or her~~ THEIR license
24 renewed ~~during the month of January in each year shall lapse. Any~~
25 LAPSES. A lapsed license may be renewed, without reexamination, within
26 ~~a period of one year after such lapse~~ IT LAPSES upon payment of all fees
27 in arrears. ~~Licenses~~ A LICENSEE may elect to renew their ~~licenses~~

1 LICENSE and file and maintain a bond or letter of credit for a term of up
2 to three years, paying fifty dollars for each year the license will be in
3 effect.

4 (b) THE BOARD SHALL NOT SET A LICENSE RENEWAL FEE
5 DESCRIBED IN SUBSECTION (4)(a) OF THIS SECTION OR A RIG REGISTRATION
6 FEE DESCRIBED IN SUBSECTION (5) OF THIS SECTION IN AN AMOUNT
7 GREATER THAN IS NECESSARY TO FURTHER THE PURPOSES OF THIS ARTICLE
8 91. THE AMOUNT MUST NOT CAUSE THE TOTAL AMOUNT OF MONEY
9 COLLECTED UNDER THIS ARTICLE 91 TO EXCEED THE DIRECT AND INDIRECT
10 COSTS OF THE BOARD IN ADMINISTERING THIS ARTICLE 91.

11 (4.5) A licensee shall maintain the amount of financial
12 responsibility required by subsections (2), (3), and (4) of this section for
13 the ~~life~~ DURATION of the license for which the financial responsibility is
14 required. The license of any well construction contractor, GROUND HEAT
15 EXCHANGER CONTRACTOR, or pump installation contractor who fails to
16 maintain such financial responsibility ~~shall lapse~~ LAPSES. A LAPSED
17 license ~~that has so lapsed~~ may be reinstated upon THE LICENSEE'S
18 submission of current evidence of the required financial responsibility to
19 the board and payment to the board of a ~~one-hundred-dollar~~ reinstatement
20 fee IN THE AMOUNT OF ONE HUNDRED DOLLARS.

21 (5) The board shall charge an annual registration fee of ten dollars
22 for each well drilling ~~or~~ RIG, GROUND HEAT EXCHANGER INSTALLATION
23 RIG, AND pump installation rig to be operated in the state. ~~of Colorado.~~

24 (6) The board shall ~~no later than January 7, 2007, develop~~
25 MAINTAIN a continuing education program in conjunction with the
26 Colorado water well contractors association or any analogous or
27 successor organization.

1 **SECTION 20.** In Colorado Revised Statutes, 37-91-108, **amend**
2 (1) introductory portion, (1)(d), (1)(f), (1)(g), (1)(h), (3), (4), and (5) as
3 follows:

4 **37-91-108. Denial, revocation, or suspension of license.** (1) The
5 board, by an affirmative vote of ~~three~~ AT LEAST FOUR of its ~~five~~ SIX
6 members, may withhold, deny, revoke, or suspend any license issued or
7 applied for in accordance with ~~the provisions of this article~~ THIS ARTICLE
8 91, upon proof that the licensee or applicant:

9 (d) ~~Has~~ Knowingly constructed a well, INSTALLED A GROUND
10 HEAT EXCHANGER, or installed pumping equipment without a valid
11 permit;

12 (f) ~~Has~~ Used fraud or deception in collecting fees from persons
13 with whom ~~he has~~ THE LICENSEE contracted for well construction,
14 GROUND HEAT EXCHANGER INSTALLATION, or pump installation;

15 (g) ~~Has~~ Failed to submit a ~~well completion report or a pump~~
16 ~~installation report pursuant to the requirement therefor in~~ REPORT
17 REQUIRED BY the rules ~~and regulations~~ of the board;

18 (h) ~~Has~~ Authorized a person not directly employed or directly
19 supervised by the licensee to construct wells, INSTALL GROUND HEAT
20 EXCHANGERS, or install pumping equipment under the authority of the
21 licensee's license; or

22 (3) A hearing upon a complaint may be initiated only if the
23 complaint was filed with the board within two years ~~of~~ AFTER the filing
24 of the completion report for the well, GROUND HEAT EXCHANGER, or
25 pumping equipment, the construction or installation of which formed the
26 basis of the complaint. If no completion report was filed, a hearing upon
27 the complaint may be initiated only if the complaint was filed with the

1 board within two years ~~of~~ AFTER the discovery of the violation or defect
2 that constituted the grounds for the complaint.

3 (4) The board may order the nondestructive investigation,
4 abandonment, repair, drilling, redrilling, casing, recasing, deepening, or
5 excavation of a well OR GROUND HEAT EXCHANGER to protect
6 groundwater resources and the public health if the board finds ~~such~~ THE
7 action to be necessary to correct violations of article 90 of this ~~title~~ TITLE
8 37, this ~~article~~ ARTICLE 91, or the rules ~~promulgated~~ ADOPTED by the
9 board pursuant to this ~~article~~ ARTICLE 91.

10 (5) The board may assess fines of ~~not less than~~ AT LEAST fifty
11 dollars ~~nor more than one thousand dollars~~ for violations of article 90 of
12 this ~~title~~ TITLE 37, this ~~article~~ ARTICLE 91, or the rules ~~promulgated~~
13 ADOPTED by the board pursuant to this ~~article~~ ARTICLE 91 for each ~~such~~
14 violation. ~~Such~~ THE fines shall be ~~transmitted to the state treasurer, who~~
15 ~~shall credit them~~ CREDITED to the well inspection cash fund created in
16 section 37-80-111.5.

17 **SECTION 21.** In Colorado Revised Statutes, 37-91-109, **amend**
18 (1) as follows:

19 **37-91-109. Further scope of article - orders - penalties.**

20 (1) (a) ~~In addition to the licensing of well construction contractors, and~~
21 ~~pump installation contractors as required by this article, no~~ A well OR
22 GROUND HEAT EXCHANGER shall NOT be located, constructed, repaired, or
23 abandoned and ~~no~~ pumping equipment shall NOT be installed or repaired
24 contrary to ~~the provisions of this article~~ THIS ARTICLE 91 and applicable
25 rules of the board ~~promulgated~~ ADOPTED to effectuate the purposes of this
26 ~~article~~ ARTICLE 91.

27 (b) The board may ~~by order require any~~ A licensee, private driller,

1 or private pump installer to remedy any ~~such~~ noncompliant installation,
2 construction, or repair and may, pursuant to rules and after due notice and
3 a hearing, impose penalties for ~~such~~ noncompliance.

4 (c) ~~The provisions of this article shall apply~~ THIS ARTICLE 91
5 APPLIES to:

6 (I) Any well or any pumping equipment THAT IS not otherwise
7 subject to regulation under the laws of this state; and ~~to~~

8 (II) Any distribution, observation, monitoring, or dewatering of
9 water ~~therefrom, but this article shall~~ FROM ANY SUCH WELL OR PUMPING
10 EQUIPMENT; EXCEPT THAT THIS ARTICLE 91 DOES not apply to any
11 distribution of water beyond the point of discharge from the pressure tank
12 or to any distribution of water beyond the point of discharge from the
13 pumping equipment if no pressure tank or an overhead pressure tank is
14 employed.

15 (d) THIS ARTICLE 91 APPLIES TO ANY GROUND HEAT EXCHANGER
16 THAT IS NOT OTHERWISE SUBJECT TO REGULATION UNDER THE LAWS OF
17 THIS STATE; EXCEPT THAT THIS ARTICLE 91 DOES NOT APPLY TO ANY
18 DISTRIBUTION OF HEAT-TRANSFER FLUID BEYOND THE POINT OF
19 TRANSITION BETWEEN THE GROUND HEAT EXCHANGER PIPING OR GROUND
20 HEAT EXCHANGER MANIFOLD AND THE DISTRIBUTION LINES FROM THE
21 GROUND HEAT EXCHANGER MANIFOLD.

22 **SECTION 22.** In Colorado Revised Statutes, 37-91-110, **amend**
23 (1) introductory portion, (2), and (3); and **add** (1)(c) as follows:

24 **37-91-110. Basic principles and minimum standards.** (1) The
25 following basic principles, general in scope and fundamental in character,
26 ~~shall~~ govern the construction, repair, or abandonment of ~~any~~ A well; THE
27 INSTALLATION, REPAIR, OR ABANDONMENT OF A GROUND HEAT

1 EXCHANGER; and the installation or repair of ~~any~~ pumping equipment:

2 (c) A GROUND HEAT EXCHANGER SHALL BE:

3 (I) LOCATED IN A MANNER THAT CONSIDERS THE PHYSICAL
4 LIMITATIONS OF THE LAND AREA AND THE PROXIMITY TO OTHER ELEMENTS
5 THAT MIGHT AFFECT THE TYPE AND CONFIGURATION OF THE GROUND HEAT
6 EXCHANGER; AND

7 (II) INSTALLED OR ABANDONED IN A MANNER THAT MAINTAINS
8 NATURAL PROTECTION AGAINST POLLUTION OF WATER-BEARING
9 FORMATIONS AND EXCLUDES KNOWN SOURCES OF CONTAMINATION.

10 (2) The board shall adopt and may, from time to time, amend rules
11 ~~and regulations~~ reasonably necessary to ~~insure~~ ENSURE the proper
12 construction or proper abandonment of wells, THE PROPER INSTALLATION
13 OR PROPER ABANDONMENT OF GROUND HEAT EXCHANGERS, and the
14 proper installation of pumping equipment. The board ~~has the authority to~~
15 MAY require the filing of information and reports relating to the
16 construction or abandonment of wells, THE INSTALLATION OR
17 ABANDONMENT OF GROUND HEAT EXCHANGERS, and the installation of
18 pumping equipment ~~whenever~~ IF it ~~may deem~~ DEEMS such action ~~to be~~
19 necessary.

20 (3) All wells AND GROUND HEAT EXCHANGERS shall be
21 constructed or abandoned and all pumping equipment shall be installed
22 in compliance with this ~~article~~ ARTICLE 91 and with the rules ~~and~~
23 ~~regulations promulgated~~ ADOPTED by the board.

24 **SECTION 23.** In Colorado Revised Statutes, 37-91-111, **amend**
25 (1) and (3) as follows:

26 **37-91-111. Violations and penalties.** (1) It is unlawful:

27 (a) For ~~any person~~ AN INDIVIDUAL to represent ~~himself~~ THEMSELF

1 as a well construction contractor, GROUND HEAT EXCHANGER
2 CONTRACTOR, or a pump installation contractor ~~who~~ IF THE INDIVIDUAL
3 is not licensed under this ~~article~~ ARTICLE 91 or ~~to so represent himself~~
4 ~~after his~~ THE INDIVIDUAL'S license has been suspended or revoked or has
5 lapsed;

6 (b) For ~~any person~~ AN INDIVIDUAL WHO IS not licensed under this
7 ~~article~~ ARTICLE 91 to advertise or issue any sign, card, or other device
8 ~~which would indicate that he~~ THAT INDICATES THE INDIVIDUAL is a well
9 construction contractor, GROUND HEAT EXCHANGER CONTRACTOR, or a
10 pump installation contractor;

11 (c) For ~~any person~~ AN INDIVIDUAL WHO IS not licensed or whose
12 license is suspended to construct wells unless ~~he~~ THE INDIVIDUAL is a
13 private driller or directly employed by or under the supervision of a
14 licensed well construction contractor;

15 (d) For ~~any person~~ AN INDIVIDUAL WHO IS not licensed or whose
16 license is suspended to install pumping equipment unless ~~he~~ THE
17 INDIVIDUAL is a private pump installer or directly employed by or under
18 the supervision of a licensed pump installation contractor, except as
19 ~~excluded pursuant to~~ DESCRIBED IN section 37-91-106 (4); ~~or~~

20 (d.5) FOR AN INDIVIDUAL WHO IS NOT LICENSED OR WHOSE
21 LICENSE IS SUSPENDED TO INSTALL A GROUND HEAT EXCHANGER UNLESS
22 THE INDIVIDUAL IS DIRECTLY EMPLOYED BY OR UNDER THE SUPERVISION
23 OF A LICENSED GROUND HEAT EXCHANGER CONTRACTOR, EXCEPT AS
24 DESCRIBED IN SECTION 37-91-105 (8); OR

25 (e) For ~~any person~~ AN INDIVIDUAL to otherwise violate ~~any of the~~
26 ~~provisions of this article~~ THIS ARTICLE 91.

27 (3) ~~Any~~ IN ADDITION TO ANY PENALTY ASSESSED PURSUANT TO

1 SUBSECTION (2) OF THIS SECTION, A person who violates any provision of
2 subsection (1) of this section ~~shall also be~~ IS subject to a civil penalty
3 assessed by the court of not less than one hundred dollars ~~nor more than~~
4 ~~five thousand dollars~~ for each ~~such~~ violation. All civil penalties collected
5 under this subsection (3) shall be ~~transmitted to the state treasurer, who~~
6 ~~shall credit the same~~ CREDITED to the well inspection cash fund created
7 in section 37-80-111.5.

8 **SECTION 24.** In Colorado Revised Statutes, 37-91-113, **amend**
9 (1), (2) introductory portion, (2)(a), (3) introductory portion, (3)(a), (3)(e),
10 and (3)(f) as follows:

11 **37-91-113. Well inspection program.** (1) The state engineer
12 shall monitor compliance with this ~~article~~ ARTICLE 91, including by
13 inspecting water well construction, GROUND HEAT EXCHANGER
14 INSTALLATION, and pump installation, and THE STATE ENGINEER may
15 employ inspectors for ~~such~~ THIS purpose. The costs of ~~such~~ monitoring
16 and inspection shall be paid from the well inspection cash fund created
17 ~~by~~ IN section 37-80-111.5.

18 (2) Inspectors shall have the following qualifications, but need not
19 be licensed pursuant to this ~~article~~ ARTICLE 91:

20 (a) Knowledge of proper well construction, GROUND HEAT
21 EXCHANGER INSTALLATION, and pump installation techniques and
22 practices;

23 (3) Inspectors shall annually spend a majority of their time
24 conducting field inspections and a minority of their time preparing and
25 evaluating reports and related office work. Duties ~~shall~~ include the
26 following:

27 (a) Well construction, GROUND HEAT EXCHANGER INSTALLATION,

1 and pump installation inspection and observation;

2 (e) Field inspections of existing wells, GROUND HEAT
3 EXCHANGERS, and pumps;

4 (f) Field inspections of well, GROUND HEAT EXCHANGER, and hole
5 plugging and abandonment; and

6 **SECTION 25.** In Colorado Revised Statutes, 24-1-124, **amend**
7 (4)(d) as follows:

8 **24-1-124. Department of natural resources - creation -**
9 **divisions.** (4) The division of water resources includes the following:

10 (d) The state board of examiners of water well ~~construction and~~
11 ~~pump installation~~ AND GROUND HEAT EXCHANGER contractors created in
12 ~~article 91 of title 37~~ SECTION 37-91-103. The state board of examiners of
13 water well ~~construction and pump installation~~ AND GROUND HEAT
14 EXCHANGER contractors is a **type 1** entity, as defined in section 24-1-105,
15 and exercises its powers and performs its duties and functions under the
16 department of natural resources and is allocated to the division of water
17 resources as a section ~~thereof~~ OF THE DIVISION OF WATER RESOURCES.

18 **SECTION 26.** In Colorado Revised Statutes, 24-33-104, **amend**
19 (1)(e) introductory portion and (1)(e)(IV) as follows:

20 **24-33-104. Composition of the department.** (1) The department
21 of natural resources consists of the following commissions, divisions,
22 boards, offices, and councils:

23 (e) The division of water resources, the head of which ~~shall be~~ IS
24 the state engineer. The division ~~shall consist~~ CONSISTS of the following
25 sections:

26 (IV) The state board of examiners of water well ~~construction and~~
27 ~~pump installation~~ AND GROUND HEAT EXCHANGER contractors.

1 **SECTION 27. Act subject to petition - effective date.** This act
2 takes effect at 12:01 a.m. on the day following the expiration of the
3 ninety-day period after final adjournment of the general assembly; except
4 that, if a referendum petition is filed pursuant to section 1 (3) of article V
5 of the state constitution against this act or an item, section, or part of this
6 act within such period, then the act, item, section, or part will not take
7 effect unless approved by the people at the general election to be held in
8 November 2026 and, in such case, will take effect on the date of the
9 official declaration of the vote thereon by the governor.