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Seventy-fifth General Assembly
STATE OF COLORADO

DRAFT
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Bill 10

LLS NO. 25-0163.01 Christopher McMichael x4775 INTERIM COMMITTEE BILL

Water Resources and Agriculture Review Committee

BILL TOPIC: Transparency in Water Right Transactions

A BILL FOR AN ACT

101 **CONCERNING TRANSPARENCY IN WATER RIGHT TRANSACTIONS, AND,**
102 **IN CONNECTION THEREWITH, DIRECTING THE DIVISION OF**
103 **WATER RESOURCES TO PUBLISH AND MAINTAIN A DATABASE OF**
104 **PURCHASES AND SALES OF WATER RIGHTS.**

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/>.)

Water Resources and Agriculture Review Committee. The bill requires the division of water resources (division) in the department of natural resources to maintain a database of all water rights that are offered

*Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words indicate deletions from existing law.*

for sale and purchased in Colorado on or after January 1, 2026. A seller of a water right must submit information related to the water right being offered for sale to the division prior to the sale of the water right. A purchaser of a water right must submit information related to the water right that was purchased to the division after completing the transaction. The division may charge a fee to purchasers and sellers of water rights in order to offset the cost of publishing and maintaining the database. The division must make the database available on its public website and update the database as necessary to maintain accurate records of water rights that are listed for sale and purchases of water rights in Colorado.

Current law excludes the conveyance of ownership of stock in ditch companies or other companies that constitutes a water right from the procedures and formalities required of real estate transactions. The bill requires that the conveyance of ownership of stock in ditch companies or other companies that constitutes a water right must follow the same procedures and formalities that are required for real estate transactions.

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

2 **SECTION 1.** In Colorado Revised Statutes, 38-30-102, **amend**
3 (2); and **add** (3)(d) as follows:

4 **38-30-102. Water rights conveyed as real estate - well permit**
5 **transfers - legislative declaration - definitions.** (2) (a) In the
6 conveyance of water rights in all cases, ~~except~~ INCLUDING where the
7 ownership of stock in ditch companies or other companies constitutes the
8 ownership of a water right, the same formalities shall be observed and
9 complied with as in the conveyance of real estate.

10 (b) AS USED IN THIS SUBSECTION (2), "WATER RIGHT" HAS THE
11 SAME MEANING AS SET FORTH IN SECTION 37-92-103 (12).

12 (3)(d) THE BUYER OF REAL ESTATE THAT INCLUDES THE TRANSFER
13 OF OWNERSHIP OF A WATER RIGHT MUST COMPLY WITH THE FILING
14 REQUIREMENTS FOR THE WATER RIGHT PURSUANT TO SECTION 37-80-125.

15 **SECTION 2.** In Colorado Revised Statutes, **add** 37-80-125 as
16 follows:

1 **37-80-125. Database of water rights sales and purchases -**
2 **administration fee - sellers' obligations - purchasers' obligations -**
3 **rules - definitions. (1) Definitions.** AS USED IN THIS SECTION, UNLESS
4 THE CONTEXT OTHERWISE REQUIRES:

5 (a) "DIVISION" MEANS THE DIVISION OF WATER RESOURCES IN THE
6 DEPARTMENT OF NATURAL RESOURCES, AS ESTABLISHED BY SECTION
7 24-1-124 (3)(a).

8 (b) "LISTING A WATER RIGHT FOR SALE" MEANS LISTING A WATER
9 RIGHT FOR SALE, LISTING A PROPERTY THAT INCLUDES A WATER RIGHT FOR
10 SALE IN THE REAL ESTATE MARKET, OR ANY OTHER METHOD OF OFFERING
11 A WATER RIGHT FOR SALE.

12 (c) "PURCHASE" MEANS THE PURCHASE, LEASE, OR OTHER
13 ACQUISITION OF A WATER RIGHT BY A PURCHASER.

14 (d) "PURCHASER" MEANS A PERSON THAT PURCHASES, LEASES, OR
15 OTHERWISE ACQUIRES A WATER RIGHT FROM A SELLER.

16 (e) "SALE" MEANS THE SALE, LEASE, TRANSFER, OR OTHER
17 CONVEYANCE OF A WATER RIGHT BY A SELLER.

18 (f) "SELLER" MEANS A PERSON THAT SELLS, LEASES, TRANSFERS,
19 OR OTHERWISE CONVEYS A WATER RIGHT TO A PURCHASER.

20 (g) "STATE ENGINEER" MEANS THE STATE ENGINEER APPOINTED BY
21 THE GOVERNOR PURSUANT TO SECTION 37-80-101.

22 (h) "WATER RIGHT" HAS THE SAME MEANING AS SET FORTH IN
23 SECTION 37-92-103 (12).

24 (2) **Division to maintain database - administration fee.**

25 (a) COMMENCING JANUARY 1, 2026, THE DIVISION SHALL PUBLISH AND
26 MAINTAIN ON ITS PUBLIC WEBSITE A DATABASE THAT INCLUDES
27 INFORMATION RELATED TO THE OFFER FOR SALE AND PURCHASE OF ALL

1 WATER RIGHTS IN THE STATE.

2 (b) THE DATABASE PUBLISHED AND MAINTAINED BY THE DIVISION
3 MUST INCLUDE:

4 (I) INFORMATION RELATED TO THE OFFER FOR SALE OF WATER
5 RIGHTS; AND

6 (II) A RECORD OF ALL WATER RIGHTS THAT ARE PURCHASED.

7 (c) THE DIVISION SHALL UPDATE THE DATABASE AS NECESSARY TO
8 MAINTAIN AN ACCURATE LISTING AND RECORDING OF THE OFFER FOR SALE
9 AND PURCHASE OF WATER RIGHTS.

10 (d) IN ORDER TO MAINTAIN THE DATABASE IN ACCORDANCE WITH
11 SUBSECTIONS (3) AND (4) OF THIS SECTION, THE DIVISION SHALL CREATE
12 A FORM BY WHICH A SELLER AND A PURCHASER OF A WATER RIGHT MUST
13 SUBMIT ALL INFORMATION REQUIRED BY THE DIVISION. THE FORM MUST
14 BE AVAILABLE ONLINE AND INCLUDE INSTRUCTIONS ON HOW TO SUBMIT
15 THE FORM TO THE DIVISION.

16 (e) (I) THE STATE ENGINEER MAY ESTABLISH A FEE SCHEDULE TO
17 COVER THE DIRECT AND INDIRECT COSTS REQUIRED TO CREATE, MAINTAIN,
18 AND PUBLISH THE DATABASE, INCLUDING SUPPORTING THE PUBLIC'S USE
19 OF THE DATABASE AND THE FORMS CREATED BY THE DIVISION.

20 (II) ALL FUNDS COLLECTED PURSUANT TO THIS SECTION SHALL BE
21 DEPOSITED IN THE WATER RESOURCES CASH FUND CREATED IN SECTION
22 37-80-111.7 (1).

23 (3) **Seller's obligation prior to sale of a water right.** (a) ON OR
24 AFTER JANUARY 1, 2026, A SELLER WHO INTENDS TO SELL A WATER RIGHT,
25 OR A PORTION OF A WATER RIGHT, SHALL FILE A FORM WITH THE DIVISION
26 PRIOR TO LISTING THE WATER RIGHT FOR SALE.

27 (b) THE FORM FILED WITH THE DIVISION IN ACCORDANCE WITH

1 SUBSECTION (3)(a) OF THIS SECTION MUST INCLUDE THE FOLLOWING
2 INFORMATION RELATED TO THE SALE OF THE WATER RIGHT:

3 (I) THE AMOUNT OF WATER THAT IS BEING OFFERED FOR SALE,
4 WHICH MAY BE THE:

5 (A) DECREED FLOWRATE OR VOLUME OF THE WATER; OR

6 (B) NUMBER OF SHARES THAT ARE FOR SALE AS A PORTION OF THE
7 TOTAL NUMBER OF SHARES IN A PARTICULAR WATER SYSTEM;

8 (II) FOR A WATER RIGHT WITH A PRIORITY DATE, THE PRIORITY
9 DATE FOR THE WATER RIGHT, WHICH MUST INCLUDE, AT MINIMUM, THE
10 MOST SENIOR PRIORITY DATE FOR SALES WHERE MULTIPLE PRIORITIES
11 FROM THE SAME STRUCTURE ARE INCLUDED IN THE SALE;

12 (III) THE LOCATION FROM WHICH WATER SUBJECT TO THE WATER
13 RIGHT IS DIVERTED;

14 (IV) THE WATER RIGHT'S EXISTING BENEFICIAL USE, AS STATED IN
15 THE WATER RIGHT'S DECREE;

16 (V) THE PRICE AT WHICH THE SELLER'S WATER RIGHT IS BEING
17 INITIALLY OFFERED, WHICH MAY BE THE TOTAL PRICE OF A SALE THAT
18 INCLUDES PROPERTY OR OTHER ASSETS IN ADDITION TO THE WATER RIGHT;
19 AND

20 (VI) THE NAME AND CONTACT INFORMATION FOR THE SELLER OR
21 THE SELLER'S AGENT.

22 (4) **Purchaser's obligation to record sale of a water right.**

23 (a) (I) ON OR AFTER JANUARY 1, 2026, THE PURCHASER OF A WATER
24 RIGHT SHALL FILE A FORM WITH THE DIVISION THAT RECORDS THE
25 PURCHASE OF THE WATER RIGHT WITHIN SIXTY-THREE DAYS AFTER THE
26 DATE THE PURCHASE WAS COMPLETED.

27 (II) FOR THE PURCHASE OF A WATER RIGHT THAT IS INCLUDED IN

1 A REAL ESTATE TRANSACTION, THE FILING OF THE FORM REQUIRED BY THIS
2 SUBSECTION (4) SHALL BE INCORPORATED WITH THE REQUIREMENTS OF
3 SECTION 38-30-102 (3), INCLUDING THE REQUIREMENTS RELATED TO A
4 PERSON THAT PROVIDES CLOSING SERVICES FOR THE REAL ESTATE
5 TRANSACTION.

6 (III) FOR THE PURCHASE OF A GROUNDWATER RIGHT THAT IS NOT
7 INCLUDED IN A REAL ESTATE TRANSACTION, THE FILING OF THE FORM
8 REQUIRED BY THIS SUBSECTION (4) SHALL BE INCORPORATED WITH THE
9 REQUIREMENTS OF SECTION 37-90-143 (2).

10 (b) THE FORM FILED WITH THE DIVISION IN ACCORDANCE WITH
11 SUBSECTION (4)(a) OF THIS SECTION MUST INCLUDE THE FOLLOWING
12 INFORMATION RELATED TO THE PURCHASE OF THE WATER RIGHT:

13 (I) THE AMOUNT OF WATER THAT WAS PURCHASED, WHICH MAY BE
14 THE:

15 (A) DECREED FLOWRATE OR VOLUME OF THE WATER; OR

16 (B) NUMBER OF SHARES THAT WERE PURCHASED AS A PORTION OF
17 THE TOTAL NUMBER OF SHARES IN A PARTICULAR WATER SYSTEM;

18 (II) FOR A WATER RIGHT THAT HAS A PRIORITY DATE, THE PRIORITY
19 DATE FOR THE WATER RIGHT, WHICH MUST INCLUDE, AT MINIMUM, THE
20 MOST SENIOR PRIORITY DATE FOR SALES WHERE PRIORITIES FROM THE
21 SAME STRUCTURE ARE INCLUDED IN THE SALE;

22 (III) THE LOCATION FROM WHICH WATER SUBJECT TO THE WATER
23 RIGHT IS DIVERTED;

24 (IV) THE WATER RIGHT'S EXISTING BENEFICIAL USE, AS STATED IN
25 THE WATER RIGHT'S DECREE;

26 (V) THE PRICE AT WHICH THE WATER RIGHT WAS PURCHASED,
27 WHICH MAY BE THE TOTAL PRICE OF A PURCHASE THAT INCLUDES

1 PROPERTY OR OTHER ASSETS IN ADDITION TO THE WATER RIGHT; AND

2 (VI) THE PURCHASER'S NAME AND CONTACT INFORMATION.

3 (5) **Rules.** THE STATE ENGINEER SHALL PROMULGATE ANY RULES
4 NECESSARY TO EFFECTUATE THE PUBLICATION AND OPERATION OF THE
5 DATABASE IN ACCORDANCE WITH THIS SECTION.

6 **SECTION 3.** In Colorado Revised Statutes, 37-80-102, **add** (11)
7 as follows:

8 **37-80-102. General duties of state engineer - supervision and**
9 **utilization of employees - satellite and telemetry-based monitoring**
10 **systems - database of water rights sales and purchases - rules.**

11 (11) THE STATE ENGINEER, IN CONSULTATION WITH THE EXECUTIVE
12 DIRECTOR OF THE DEPARTMENT OF NATURAL RESOURCES, ESTABLISHED BY
13 SECTION 24-1-124, SHALL PROMULGATE ANY RULES NECESSARY TO
14 EFFECTUATE THE PUBLICATION AND MAINTENANCE OF AN ONLINE
15 DATABASE FOR THE PURCHASE AND SALE OF WATER RIGHTS IN COLORADO
16 IN ACCORDANCE WITH SECTION 37-80-125.

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

19 **37-80-111.7. Water resources cash fund - created - uses.**

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

24 (b) The state engineer shall collect fees pursuant to sections
25 37-90-105 (3)(a) and (4); 37-90-107 (7)(c)(I) and (7)(d)(I); 37-90-108 (4)
26 and (6); 37-90-116 (1)(a), (1)(c), (1)(h), and (1)(i); 37-90-137 (2), (3)(a),
27 and (3)(c); 37-90.5-106; 37-92-305 (17); 37-92-308; ~~and~~ 37-92-602

1 (1)(g)(III)(C), (3)(a), and (5); AND 37-80-125 (2)(e). The treasurer shall
2 credit the fees collected pursuant to this ~~paragraph (b)~~ SUBSECTION (2)(b)
3 to the fund except as specified in section 37-80-111.5 (1)(d).

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

14 (2) This act applies to the offer for sale and purchase of water
15 rights in Colorado that occur on or after January 1, 2026.