



**Legislative Council Staff**  
*Nonpartisan Services for Colorado's Legislature*

**Fiscal Note**

**Drafting Number:** LLS 24-0364  
**Prime Sponsors:**

**Date:** October 24, 2023  
**Bill Status:** Bill Request  
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**Bill Topic:** **NO ABANDONMENT OF WATER RIGHTS FOR REDUCED USE**

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

The bill allows water right owners to implement a water use reduction plan without their water rights being considered abandoned. It increases state expenditures in FY 2024-25 only.

**Appropriation Summary:** For FY 2024-25, the bill requires an appropriation of \$46,800 to the Department of Natural Resources.

**Fiscal Note Status:** The fiscal note reflects the bill draft requested by the Water Resources and Agriculture Review Committee.

**Table 1**  
**State Fiscal Impacts Under Bill 8**

		<b>Budget Year FY 2024-25</b>	<b>Out Year FY 2025-26</b>
<b>Revenue</b>		-	-
<b>Expenditures</b>	General Fund	\$46,800	-
<b>Transfers</b>			
<b>Other Budget Impacts</b>	General Fund Reserve	\$7,020	

## **Summary of Legislation**

The bill allows the owner of a water right to voluntarily file a Water Use Reduction Plan (plan) with the appropriate division engineer before the end of a year in which any water use reduction measures are first implemented and in which the nonuse of all or any part of that water right does not constitute abandonment of the water right. The plan must include, among other things, a description of the water right, the historical and current use of each water right and the water reduction measures that will be implemented. The end date of any plan may not be more than ten years after the start date. However, the owner of a water right may file for an extension for up to ten additional years.

## **State Expenditures**

The bill increases state expenditures in Department of Natural Resources (DNR) by \$46,800 in FY 2024-25 only, paid from the General Fund.

**Department of Natural Resources.** The Division of Water Resources will contract with the Office of Information Technology to create an online form for water right holders to submit a plan to division engineers. The form will require 240 hours of work at an hourly rate of \$195.

## **Other Budget Impacts**

**General Fund reserve.** Under current law, an amount equal to 15 percent of General Fund appropriations must be set aside in the General Fund statutory reserve. Based on this fiscal note, the bill is expected to increase the amount of General Fund held in reserve by the amounts shown in Table 1, decreasing the amount of General Fund available for other purposes.

## **Effective Date**

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

## **State Appropriations**

For FY 2024-25, the bill requires a General Fund appropriation of \$46,800 to the Department of Natural Resources, to be fully reappropriated to the Office of Information Technology.

## **State and Local Government Contacts**

Judicial

Natural Resources