



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado’s Legislature

BILL 8: REVEGETATION REQUIREMENTS WATER RIGHTS HOLDERS

Prime Sponsors:

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

Summary Information

Overview. The bill modifies the revegetation provisions an applicant must demonstrate they will accomplish when a water court considers an application to change a water right from irrigated agriculture to some other beneficial use.

Types of impacts. The bill is projected to affect the following areas:

- Minimal State Workload
- Local Government

Appropriations. No appropriation is required.

Table 1
State Fiscal Impacts

| Type of Impact | Budget Year FY 2025-26 | Out Year FY 2026-27 |
|-------------------------|-----------------------------------|--------------------------------|
| State Revenue | \$0 | \$0 |
| State Expenditures | \$0 | \$0 |
| Transferred Funds | \$0 | \$0 |
| Change in State Refunds | \$0 | \$0 |
| Change in State FTE | 0.0 FTE | 0.0 FTE |

Summary of Legislation

Under current law, an application to change the use of a water right from irrigating agriculture to some other beneficial use must demonstrate the reasonable provisions the applicant will take to accomplish revegetation and the management of noxious weeds. This bill requires that the application include a revegetation standard to be met, and a methodology to evaluate the completion of the standard and revegetation provisions.

The revegetation provisions must be met within five years following the change decree, and be certified complete by an independent third party. A water court may reverse the change of use decree if the provisions are not met, and reinstate the change decree when the provisions are complete and certified by the independent third party.

Under current law, dry land farming cannot be subject to the revegetation provisions. This bill allows conversions of land from irrigated agriculture to dry land farming to be subject to the revegetation provisions for a period of time following the end of irrigation.

State Expenditures

The bill minimally increases workload in the Department of Natural Resources (DNR). This includes slight workload increases in the Division of Water Resources related to application changes for water rights made through the water court, and ensuring proposed decrees include terms and conditions to satisfy the modified requirements. The bill may also impact expenditures for the Colorado Water Conservation Board (CWCB) and Colorado Parks and Wildlife (CPW) in the rare instance that CWCB projects or a CPW water right require an affected change of use decree. These administrative costs and workload do not require new appropriations.

Local Government

Local governments with water rights, particularly municipal water providers and special districts, may see an increase in expenses when converting water rights from agricultural use to other beneficial uses, such as domestic uses, augmentation, or water storage. Impacts on local governments likely include increased costs to comply with a specified revegetation standard and methodology, and the requirement to obtain certification of compliance by an independent third party.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed, and it applies to applications filed on or after that date.

State and Local Government Contacts

Agriculture

Law

Natural Resources

Counties

Local Affairs

Special Districts

Judicial

Municipalities

The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit the General Assembly website.