

## CHAPTER 386

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**WATER AND IRRIGATION**

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## SENATE BILL 09-106

BY SENATOR(S) Isgar, Penry, Brophy, Hodge, Gibbs, Kopp, Schwartz;  
also REPRESENTATIVE(S) Roberts, Curry, Fischer, Looper, Massey, Nikkel, Vigil, Waller.

**AN ACT**

CONCERNING THE CONTINUOUSLY APPROPRIATED WATER SUPPLY RESERVE ACCOUNT, AND, IN CONNECTION THEREWITH, EXTENDING THE ACCOUNT, REQUIRING THE INTERBASIN COMPACT COMMITTEE, IN CONSULTATION WITH THE COLORADO WATER CONSERVATION BOARD, TO REPORT ANNUALLY ON HOW MONEYS FROM THE ACCOUNT WERE ALLOCATED, AND CONDITIONING GRANTS TO APPLICANTS REQUIRED TO ADOPT A WATER CONSERVATION PLAN.

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

**SECTION 1.** 39-29-109 (2) (c), Colorado Revised Statutes, is amended to read:

**39-29-109. Severance tax trust fund - created - administration - distribution of moneys.** (2) State severance tax receipts shall be credited to the severance tax trust fund as provided in section 39-29-108. Except as otherwise set forth in section 39-29-109.5, all income derived from the deposit and investment of the moneys in the fund shall be credited to the fund. At the end of any fiscal year, all unexpended and unencumbered moneys in the fund shall remain therein and shall not be credited or transferred to the general fund or any other fund. All moneys in the fund shall be subject to appropriation by the general assembly for the following purposes:

(c) **The water supply reserve account.** (I) There is hereby created the water supply reserve account, also referred to in this paragraph (c) as the "account", which shall be administered by the state treasurer. Moneys shall be transferred by the treasurer to the account from the operational account of the severance tax trust fund as specified in section 39-29-109.3 (2) (a). The moneys in the account are hereby continuously appropriated, for purposes authorized by this paragraph (c), to the Colorado water conservation board, also referred to in this paragraph (c) as the "board". All interest derived from the investment of moneys in the account shall be credited to the account. ~~Except as provided in section 39-29-109.3 (2) (a) (ii);~~ REPAYMENTS OF BOTH THE PRINCIPAL AND INTEREST ON LOANS FROM THE ACCOUNT

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*Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.*

SHALL BE CREDITED TO THE ACCOUNT. Any balance remaining in the account at the end of any fiscal year shall remain in the account. The board shall allocate moneys by grant or loan from the account only for water activities approved by a roundtable pursuant to article 75 of title 37, C.R.S. The approving roundtable shall be the roundtable for the basin in which a proposed water diversion or nonstructural activity would occur. IF THE APPLICANT IS A COVERED ENTITY, AS DEFINED IN SECTION 37-60-126, C.R.S., THE BOARD SHALL ALLOCATE MONEYS BY GRANT OR LOAN FROM THE ACCOUNT ONLY IF THE APPLICANT HAS ADOPTED A WATER CONSERVATION PLAN, AS DEFINED IN SECTION 37-60-126, C.R.S. The board, in consultation with the interbasin compact committee created in section 37-75-105, C.R.S., shall jointly establish criteria and guidelines for allocating moneys from the account. The criteria shall ensure that the allocations will assist in meeting water supply needs identified under section 37-75-104 (2) (c), C.R.S., in a manner consistent with section 37-75-102, C.R.S., and shall facilitate both structural and nonstructural projects or methods. Eligible water activities include, but are not limited to, the following:

~~(I)~~ (A) Competitive grants for environmental compliance and feasibility studies;

~~(II)~~ (B) Technical assistance regarding permitting, feasibility studies, and environmental compliance;

~~(III)~~ (C) Studies or analyses of structural, nonstructural, consumptive, and nonconsumptive water needs, projects, or activities; and

~~(IV)~~ (D) Structural and nonstructural water projects or activities.

(II) ON OR BEFORE OCTOBER 31 OF EACH YEAR, COMMENCING WITH THE YEAR 2010, THE BOARD SHALL CONSULT WITH THE INTERBASIN COMPACT COMMITTEE TO PRODUCE THE ANNUAL REPORT REQUIRED BY SECTION 37-75-105 (4), C.R.S., REGARDING HOW MONEYS IN THE ACCOUNT WERE ALLOCATED IN THE PREVIOUS TWELVE-MONTH PERIOD.

**SECTION 2.** 39-29-109.3 (2) (a), Colorado Revised Statutes, is amended to read:

**39-29-109.3. Operational account of the severance tax trust fund - repeal.**

(2) Subject to the requirements of subsections (3) and (4) of this section, if the general assembly chooses not to spend up to one hundred percent of the moneys in the operational account as specified in subsection (1) of this section, the state treasurer shall transfer the following:

(a) (I) To the water supply reserve account created in section 39-29-109 (2) (c), the following amounts:

(A) For the state fiscal year commencing July 1, 2008, ten million dollars. This sub-subparagraph (A) is repealed, effective July 1, 2010.

(B) For the state fiscal year commencing July 1, 2009, ten million dollars. This sub-subparagraph (B) is repealed, effective July 1, 2011.

(C) For the state fiscal year commencing July 1, 2010, ~~six~~ TEN million dollars. This sub-subparagraph (C) is repealed, effective July 1, 2012.

(D) FOR THE STATE FISCAL YEAR COMMENCING JULY 1, 2011, AND FOR EACH STATE FISCAL YEAR THEREAFTER, TEN MILLION DOLLARS.

~~(II) (A) On June 30, 2011, any unencumbered and unexpended balance in the water supply reserve account created in section 39-29-109 (2) (c) shall revert to the operational account created in section 39-29-109 (2) (b).~~

~~(B) This subparagraph (H) is repealed, effective July 1, 2013.~~

**SECTION 3.** 37-60-126 (9) (a), Colorado Revised Statutes, is amended to read:

**37-60-126. Water conservation and drought mitigation planning - programs - relationship to state assistance for water facilities - guidelines - water efficiency grant program - repeal.** (9) (a) Neither the board nor the Colorado water resources and power development authority shall release GRANT OR loan proceeds to a covered entity unless such covered entity provides a copy of the water conservation plan adopted pursuant to this section; except that the board or the authority may release such GRANT OR loan proceeds if the board or the authority, as applicable, determines that an unforeseen emergency exists in relation to the covered entity's loan application, in which case the board or the authority, as applicable, may impose a GRANT OR loan surcharge upon the covered entity that may be rebated or reduced if the covered entity submits and adopts a plan in compliance with this section in a timely manner as determined by the board or the authority, as applicable.

**SECTION 4.** 37-75-105 (4), Colorado Revised Statutes, is amended to read:

**37-75-105. Interbasin compact committee - report.** (4) Commencing in 2006, the committee shall submit an annual report to the house of representatives committee on agriculture, livestock, and natural resources and the senate committee on agriculture, natural resources, and energy, OR THEIR SUCCESSOR COMMITTEES, by October 31 concerning the status of compact negotiations AND, IN CONSULTATION WITH THE COLORADO WATER CONSERVATION BOARD CREATED IN SECTION 37-60-102, HOW MONEYS FROM THE WATER SUPPLY RESERVE ACCOUNT CREATED IN SECTION 39-29-109 (2) (c), C.R.S., WERE ALLOCATED DURING THE PREVIOUS TWELVE MONTHS FOR WATER ACTIVITIES APPROVED BY BASIN ROUNDTABLES.

**SECTION 5. Effective date - applicability.** This act shall take effect July 1, 2009, and shall apply to acts occurring on or after said date.

**SECTION 6. Safety clause.** The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Approved: June 2, 2009