

Colorado Legislative Council Staff Fiscal Note

**FINAL
FISCAL NOTE**

Drafting Number: LLS 15-0111	Date: September 4, 2015
Prime Sponsor(s): Rep. Coram Sen. Sonnenberg	Bill Status: Signed into Law
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BILL TOPIC: PROMOTE PRECIPITATION HARVESTING PILOT PROJECTS

Fiscal Impact Summary*	FY 2015-2016	FY 2016-2017	FY 2017-2018	FY 2018-2019
State Revenue				
Revenue Change				
Cash Funds	\$12,240	\$32,640	\$53,040	\$61,200
State Expenditures				
Cash Funds	\$12,240	\$32,640	\$53,040	\$61,200
FTE Position Change				
Appropriation Required: \$12,240 - Department of Natural Resources (FY 2015-16)				

* This summary shows changes from current law under the bill for each fiscal year.

Summary of Legislation

House Bill 09-1129 established a 10-year pilot program for the collection of precipitation from rooftops for nonpotable uses. The program can include up to 10 new residential or mixed-use developments. This bill changes the requirements for the program to encourage more applicants. The changes include:

- directing the Colorado Water Conservation Board (CWCB) to update the criteria and guidelines for projects;
- reducing the amount of water needed for a project's temporary substitute water supply plan and permanent augmentation plan; and
- extending the repeal date for the program from July 1, 2020, to July 1, 2026.

Background

The fiscal note for HB09-1129 estimated annual revenue of \$14,960 for FY 2010-11 based on receiving two new project applications (\$4,080 fee) and one annual review (\$6,800 fee) per year. To date, only one project has been approved. That project is subject to annual review, so actual revenue from the program is \$6,800 annually.

State Revenue

Assumptions. The number of new projects will increase by three per year beginning in FY 2015-16; the number of annual report reviews will increase by three per year beginning in FY 2016-17. The pilot program will be at its full capacity with 10 projects approved by the end of FY 2017-18, with all 10 projects in annual review thereafter.

Fee impact on individuals and business. This bill is expected to increase revenue for the CWCB to the CWCB Construction Fund by \$12,240 in FY 2015-16, \$32,640 in FY 2016-17, \$53,040 in FY 2017-18, and \$61,200 beginning in FY 2018-19 and continuing through July 1, 2026, unless projects are discontinued prior to the end of the program. Fees set in current law are \$4,080 for application review and \$6,800 for the annual report review.

State Expenditures

This bill is expected to increase expenditures for the CWCB from the CWCB Construction Fund by \$12,240 in FY 2015-16, \$32,640 in FY 2016-17, \$53,040 in FY 2017-18, and \$61,200 beginning in FY 2018-19 and continuing until the end of the program.

The CWCB will use the fees received from project participants to pay contractors to review applications and annual reports. The amount of funds available to the CWCB are contingent on the receipt of fees from projects.

The State Engineer's Office is expected to have an increase in workload 16 hours per project beginning in FY 2015-16 to verify an applicant's estimate of historic natural depletion. The CWCB is also expected to have an increase in workload of 40 hours to update the criteria and guidelines for the pilot project program to create regionally applicable factors. Because the bill specifies that two years of data from a pilot project are required in order to calculate a regional factor, this workload is not expected to occur until at least FY 2017-18. These amounts can be addressed by existing staff and does not require an additional appropriation.

Effective Date

The bill was signed into law by the Governor on May 29, 2015, and became effective on August 5, 2015.

TABOR Impact

This bill increases state revenue from fees, which will increase the amount required to be refunded under TABOR. TABOR refunds are paid from the General Fund in the year following the excess collections.

State Appropriations

To provide adequate spending authority under the bill in FY 2015-16, the Department of Natural Resources requires an additional appropriation of \$12,240 from the CWCB Construction Fund.

State and Local Government Contacts

Counties
Natural Resources

Judicial Department

Municipalities