



**Colorado
Legislative
Council
Staff**

Bill 5

FISCAL NOTE

FISCAL IMPACT: State Local Statutory Public Entity Conditional No Fiscal Impact

Drafting Number: LLS 16-0198
Prime Sponsor(s):

Date: October 26, 2015
Bill Status: Interim Water Resources Review
Committee Bill Request

Fiscal Analyst: Greg Sobetski (303-866-4105)

BILL TOPIC: DELEGATED FEDERAL AUTHORITY TO APPROVE WATER FACILITIES

Fiscal Impact Summary	FY 2016-2017	FY 2017-2018
State Revenue		
State Expenditures	<u>Potential increase.</u>	
General Fund	Potential increase.	
Cash Funds	Potential increase.	
FTE Position Change	Potential increase.	
Appropriation Required: None.		
Future Year Impacts: Potential expenditure increases.		

Summary of Legislation

This bill, ***requested by the Interim Water Resources Review Committee***, specifies that the Office of the State Engineer (Division of Water Resources, DWR) in the Department of Natural Resources will have exclusive authority to issue certain permits, approvals, and licenses, if authority to do so is delegated to the state by the federal government. Specifically, the DWR will have the authority, with respect to water diversion, delivery, and storage facilities, to:

- issue a permit for the discharge of dredge or fill material into the waters of the United States;
- conduct a review and issue necessary approvals or disapprovals under the National Environmental Policy Act of 1969; and
- issue a license for a hydroelectric facility.

Authority for these types of permitting currently rests with federal agencies, and the bill would have no effect without Congressional action to delegate one or more of these responsibilities to state governments. If Congress acts in this manner, Bill 5 requires the General Assembly to enact any further legislation as needed to delegate to Colorado the authority to operate a state program in lieu of the pertinent federal program, and to appropriate sufficient money to the DWR to promulgate rules as needed to conduct reviews and issue permits, approvals, and licenses. If Congress acts, the DWR is authorized and required to promulgate rules for this purpose.

State Expenditures

This bill has no immediate effect on state expenditures. However, conditional upon the authority to issue permits, approvals, or licenses being delegated to the state, the DWR will incur costs associated with the promulgation of rules, conducting of reviews, and issuance of authorizations. If authority is delegated, costs for experienced staff and other resources are expected to exceed existing appropriations to the Department of Natural Resources. Under Bill 5, the General Assembly is required to appropriate funds as necessary for these purposes. Until authority is delegated, the nature and extent of costs is indeterminate. Unless the DWR is authorized to assess new fees at a later date, costs will be paid through General Fund appropriations.

Effective Date

The bill takes effect August 10, 2016, if the General Assembly adjourns on May 11, 2016, as scheduled, and no referendum petition is filed.

State and Local Government Contacts

Natural Resources Public Health and Environment