



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Revised Fiscal Note

(replaces fiscal note dated April 5, 2024)

Table with 4 columns: Drafting Number, Prime Sponsors, Date, Bill Status, Fiscal Analyst. Values include LLS 24-1125, Rep. McCormick; Catlin; Sen. Roberts; Simpson, April 15, 2024, House Appropriations, and Alexa Kelly | 303-866-3469.

Bill Topic: COLORADO WATER CONSERVATION BOARD PROJECTS

Summary of Fiscal Impact table with checkboxes for State Revenue, State Expenditure, State Transfer, TABOR Refund, Local Government, and Statutory Public Entity.

The bill funds water projects in the Department of Natural Resources, directs transfers between cash funds for appropriation to water-related projects, and provides loan authorizations. It increases state expenditures on an ongoing basis.

Appropriation Summary: For FY 2024-25, the bill includes appropriations totaling \$55,597,500 to the Department of Natural Resources.

Fiscal Note Status: The revised fiscal note reflects the introduced bill. It has been revised to correct a total in the State Appropriations section.

Table 1
State Fiscal Impacts Under HB 24-1435

Main fiscal impact table with columns: Revenue, Expenditures, Transfers, Net Transfer, Other Budget Impacts. Sub-columns: Budget Year FY 2024-25, Out Year FY 2025-26.

**Summary of Legislation**

The bill appropriates a total of \$55,957,500 for FY 2024-25 to the Department of Natural Resources to be used by the Colorado Water Conservation Board (CWCB) and the Division of Water Resources for a variety of water-related projects. It authorizes two loan programs totaling \$256,650,000. It also transfers \$2 million to restore the balance of the litigation fund. The projects and amounts authorized in the bill are discussed in Table 2.

**Table 2  
 Appropriations, Transfers, and Loan Authorizations in HB 24-1435**

<b>Cost Components</b>	<b>Amount</b>
Appropriation to the CWCB Construction Fund for a satellite monitoring system for water rights administration.	\$380,000
Appropriation to the CWCB Construction Fund for Colorado floodplain map modernization.	\$1,000,000
Appropriation to the CWCB Construction Fund for weather modification permitting.	\$500,000
Transfer from unreserved cash in the CWCB Construction fund to the Litigation Fund to restore the fund balance to address legal issues associated with compact compliance.	\$2,000,000
Appropriation from the CWCB Construction Fund for the Colorado Mesonet project.	\$200,000
Appropriation from the CWCB Construction Fund for improved water supply forecasting.	\$2,000,000
Appropriation from the CWCB Construction Fund for modeling and data analysis by the Upper Colorado River Commission.	\$500,000
Appropriation from the CWCB Construction Fund for the installation of telemetry equipment across Colorado	\$1,827,500
Appropriation from the CWCB Construction Fund to establish groundwater resource goals in the Southern High Plains of Colorado	\$250,000
Transfer from the CWCB Construction Fund with appropriation from the Turf Replacement Fund for the statewide Turf Replacement Program, available through June 30, 2028. <sup>1</sup>	\$2,000,000
Appropriation from the CWCB Construction Fund for state water plan projects.	\$4,000,000
Transfer from the Severance Tax Perpetual Base Fund with appropriation from the CWCB Construction Fund to purchase Shoshone Power Plant water rights, available through June 30, 2031.	\$20,000,000

<sup>1</sup> Approximately \$320,000 of the amount for the Turf Replacement Program will cover administrative expenses and term-limited staff support.

**Table 2**  
**Appropriations, Transfers, and Loan Authorizations in HB 24-1435 (Cont.)**

<b>Cost Components</b>	<b>Amount</b>
Appropriation from the Water Plan Implementation Cash Fund for grants to assist in implementing the state water plan.	\$23,300,000
Loan authorization for the purpose of completing the Loan Windy Gap Firing Project.	\$155,650,000
Loan authorization for the purpose of new regional water supply project at the Northern Integrated Supply Project.	\$101,000,000
<b>Total Expenditures</b>	<b>\$314,607,500</b>

The bill also amends current law to allow CWCB more flexibility to spend \$5.0 million previously transferred from the Economic Recovery and Relief Cash Fund to provide assistance and grant opportunities to entities applying for federal "Infrastructure Investment and Jobs Act" funding, and other federal water-related funding opportunities.

### **State Transfers**

For FY 2024-25, the bill transfers a total of \$24 million, including:

- \$2,000,000 from unreserved cash in the CWCB Construction Fund to the CWCB Litigation Fund;
- \$2,000,000 from the CWCB Construction Fund to the Turf Replacement Fund; and
- \$20,000,000 from the Severance Tax Perpetual Fund to the CWCB Construction Fund.

### **State Expenditures**

For FY 2024-25, total expenditures in the DNR increase by approximately \$315 million, which is expected to be spent over several fiscal years. These funds are available for the purposes designated in the bill and are available until expended, unless otherwise noted in Table 2.

**Loan authorization.** The bill includes authorization for the CWCB to loan approximately \$256.7 million from the CWCB Construction Fund and the Severance Tax Perpetual Base to the Windy Gap Firing Project and the Northern Integrated Supply Project, respectively. These funds are available until fully expended. State expenditures for loans is recovered in loan payments based on terms negotiated by the DNR; loan repayment revenue will vary depending on the interest rates issued and the length of the loan term. This fiscal note assumes that interest is calculated to pay the administrative costs to originate and manage the loan, and that any state revenue from interest payments will be minimal.

## Local Government

Funding provided by the bill may increase revenue to local water districts and water providers.

## Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

## State Appropriations

For FY 2024-25, the bill includes appropriations totaling \$55,957,500 to the Department of Natural Resources, which includes:

- \$30,657,500 from the CWCB Construction Fund;
- \$2,000,000 from the Turf Replacement Fund; and
- \$23,300,000 from the Water Plan Implementation Cash Fund.

## State and Local Government Contacts

Natural Resources

Treasury

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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](#).