



**Colorado
Legislative
Council
Staff**

HB17-1033

**FINAL
FISCAL NOTE**

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

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| Drafting Number: LLS 17-0119 | Date: June 27, 2017 |
| Prime Sponsor(s): Rep. Becker J. Sen. Sonnenberg | Bill Status: Postponed Indefinitely |
| | Fiscal Analyst: Matt Becker (303-866-4785) |

BILL TOPIC: CWCB GRANTS LOANS DREDGE S PLATTE BASIN RESERVOIRS

| Fiscal Impact Summary | FY 2017-2018 | FY 2018-2019 |
|--|--|--------------|
| State Revenue | Potential increase from loan interest. | |
| State Expenditures | up to \$5.0 million | |
| Cash Funds | up to \$5.0 million | |
| Appropriation Required: \$5.0 million - Department of Natural Resources (FY 2017-18). | | |
| Future Year Impacts: Potential state revenue increase. | | |

NOTE: This bill was not enacted into law; therefore, the impacts identified in this analysis do not take effect.

Summary of Legislation

For FY 2017-18, this bill appropriates \$5.0 million from the Colorado Water Conservation Board Construction Fund to the Colorado Water Conservation Board (CWCB) in the Department of Natural Resources (DNR). The appropriation is for loans and grants to be used for dredging existing reservoirs located in the South Platte River basin, in order to restore their full decreed storage capacity. The grants must not exceed \$2.5 million, and the CWCB shall not award a grant or loan if the anticipated value of the increased water storage capacity does not exceed the amount of the loan or grant.

Background

The CWCB Construction Fund was created in 1971 to provide low-interest loans for water projects. Revenue for this revolving loan fund comes from interest earned on outstanding loans and the fund's cash balance, and from the distribution of royalties from federal mineral leases.

State Revenue

The bill allows the CWCB to make loans from the CWCB Construction Fund. State revenue will increase if and when interest is earned on the loans; however the terms of the loans have not yet been determined. The loans are contingent upon the CWCB application process and borrower requirements. Therefore, the change in state revenue cannot be estimated.

State Expenditures

The bill authorizes expenditures of up to \$5.0 million. The funds appropriated are available in FY 2017-18, and remain available for the designated purposes until the projects are completed.

Local Government Impact

A project funded under this bill could benefit a local irrigation district, which is a type of local government.

Effective Date

The bill was postponed indefinitely by the House Agriculture, Livestock, and Natural Resources Committee on March 13, 2017.

State Appropriations

For FY 2017-18, the bill appropriates \$5.0 million from the CWCB Construction Fund to the CWCB.

State and Local Government Contacts

Natural Resources

Information Technology