



SOUTHWESTERN WATER CONSERVATION DISTRICT

2021 State Legislative Update: [February 22, 2021](#)

Below is a summary of 2021 water-related legislation under consideration by the Colorado General Assembly. These summaries generally apply to the bills as introduced.

Click on the bill number to view the most recent bill language and other information.

The Colorado Water Congress (CWC) State Affairs Committee met on February 16th and February 22nd. **Positions taken on bills since the SWCD board's last consideration of legislation are in red text for CWC and green text for SWCD.**

[SB21-034](#) **Water Resources Financing Enterprise**

SWCD Position: [Discussion.](#)

CWC Position: [Discussion.](#)

Sponsors: Senate (Coram)

Committee of Reference: Senate Agriculture & Natural Resources

Bill Status: Introduced on February 16th and Assigned to Senate Ag and Natural Resources.

Title: Concerning the creation of an enterprise that is exempt from the requirements of section 20 of article X of the state constitution to administer a fee-based water resources financing program.

Summary: This bill creates the water resources financing enterprise. The board of the enterprise would consist of the combined boards of the Colorado Water Resources and Power Development Authority and the Colorado Water Conservation Board. The enterprise will provide financing (including grants and low interest loans) to drinking water suppliers, wastewater treaters, and raw water suppliers. "Raw water suppliers" are limited to those providing raw water for treatment and use as drinking water.

The enterprise would be funded with a \$0.25/1000 gal. fee above 4,000 gal./mo. minimum on drinking water bills. The fee would be collected by drinking water utilities and remitted to the state. As a fee-based enterprise, new revenues collected would not be included in any TABOR calculations for state budget caps. Fees may be adjusted annually for inflation and to address "certain equity concerns."

Although clearly established as an enterprise fund, voters will be asked in November 2022 to authorize the creation of the enterprise.

Comments:

SB21-054 Transfers for Wildfire Mitigation and Response

SWCD Position: Discussion.

CWC Position: Discussion.

Sponsors: Senate (Hansen/Rankin) House (McCluskie)

Committee of Reference: Senate Appropriations

Bill Status: Introduced on February 16th and assigned to Senate Appropriations consideration on February 23rd.

Title: Concerning transfers from the general fund to cash funds to be used to address wildland fires, and, in connection therewith, making an appropriation.

Summary: SB 54 transfers from the General Fund \$13 million to three cash funds for wildfire preparedness and post-fire mitigation.

- Section 1 transfers \$6 million to the forest restoration and wildfire risk mitigation grant program cash fund.
- Section 2 transfers \$3 million from the general fund to the wildfire preparedness fund. The division of homeland security and emergency management will use these funds as
 - State match for federal hazard mitigation assistance grants to local governments that are used to mitigate wildland fire hazards; and
 - To provide local governments that are eligible to receive the federal grants with strategic planning assistance for wildland fire hazard mitigation.
- Section 3 transfers \$4 million to CWCB construction for the watershed restoration program.

Comments:

HJR21-1002 Water Projects Eligibility Lists

SWCD Position: Support

CWC Position: Support

Sponsors: House (Arndt), Senate (Donovan)

Committee of Reference: House Agriculture, Livestock & Water

Bill Status: Passed out of House Agriculture, Livestock and Water unamended on February 18th. Scheduled for the House Floor on February 22nd.

Title: Concerning approval of water project revolving fund eligibility lists administered by the Colorado water resources and power development authority.

Summary: See bill text for full fund eligibility lists.

Comments:

HB21-1008 **Forest Health Project Financing**

SWCD Position: Discussion
CWC Position: Discussion
Sponsors: House (Arndt/Catlin), Senate (Cooke/Hansen)
Committee of Reference: House Agriculture, Livestock & Water, House Finance

Bill Status: Introduced on February 16th and assigned to House Agriculture, Livestock & Water for committee consideration on February 22nd.

Title: Concerning increased options for financing forest health projects, and, in connection therewith, financing wildfire mitigation treatments.

Summary: HB 1008 provides additional options for financing forest health projects by authorizing:

- Creation of special improvement districts by a combination of local governments,
- Special assessments on property specially benefited by the improvement district, including forest health projects,
- Specifically authorizing counties, municipalities, special districts, water conservancy districts, the Colorado River District, and the Southwestern Water Conservation District to participate in and finance forest health projects; and
- A forest improvement district to use sales tax revenue for forest health projects.

The bill also extends the statutory sunset of the Colorado Water Resources Power and Development Authority to issue bonds to fund watershed protection and forest health projects from July 1, 2023, to July 1, 2033.

Comments:

HB21-1043 **Study Underground Water Storage Maximum Beneficial Use**

SWCD Position: Discussion
CWC Position: Discussion
Sponsors: House (Holtorf), Senate (Sonnenberg)
Committee of Reference: House Agriculture, Livestock & Water

Bill Status: Introduced on February 16th and assigned to House Agriculture, Livestock and Water.

Title: Concerning a study of underground water storage to maximize the beneficial use of water within Colorado.

Summary: This bill directs the CWCB, in consultation with the state engineer, to sponsor a study of underground water storage for later recovery. The study must identify:

- Specific aquifers that are hydrologically and legally available to be used for underground storage and subsequent beneficial use;
- Sources of revenue that could be used to pay for underground storage projects;
- Planned, potential or existing underground storage projects that meet the objectives identified in the study; and
- Recommend legislative changes needed to implement underground storage projects.

The bill directs the study be submitted to the Water Resources Review Committee by August 1, 2022, including recommended legislation to implement the study's recommendations

HB21-1046 Water Share Right Mutual Ditch Corporation

SWCD Position: Discussion
CWC Position: Discussion
Sponsors: House (Arndt/Catlin), Senate (Fields/Sonnenberg)
Committee of Reference: House Agriculture, Livestock & Water

Bill Status: Introduced on February 16th and assigned to House Agriculture, Livestock and Water.

Title: Concerning the use of a water right obtained through a mutual ditch corporation.

Summary: For a mutual ditch corporation, the bill creates a presumption, which may be altered by the corporation's articles of incorporation or bylaws, that the shares of stock owned in the corporation represent:

- The right to use the water rights appropriated or purchased by the corporation; and
- Corresponding rights to divert and deliver the stockholder's water rights through a ditch, canal, reservoir, or other works.

The bill also authorizes these water rights be limited to a pro rata amount at times when shareholder demand exceeds available supply.

The bill clarifies that:

- When a shareholder is not using some of or all of the available water under the shareholder's rights, the right to use the water rights does not include the right to prevent other stockholders from using any portion of the corporation's water rights; and
- The statutes covering ditch and reservoir companies do not prevent a stockholder from changing the use of the stockholder's shares or change the standards for water court approval to change a water right.

Comments:

Monitoring legislation is integral to keeping a finger on the pulse of dynamic water policy in the state. On behalf of its diverse constituents in southwestern Colorado, the Southwestern Water Conservation District (SWCD) tracks state water legislation closely, specifically through participation in the Colorado Water Congress State Affairs Committee. Beth Van Vurst, SWCD General Counsel, and Chris Treese, lobbyist, participate in the State Affairs Committee meetings weekly during the legislative session and ensure the views and priorities of southwestern Colorado are considered as the State legislature enacts new laws affecting water resources.

SWCD staff provides this written summary of water-related legislation, updated throughout the session via email to interested stakeholders and public. To be added to the list, please contact lauras@swwcd.org. We hope that you find the updates beneficial and informative.