

Colorado Water Congress
State Affairs Committee Meeting
Report prepared by Bruce Whitehead
Sponsored by the Southwestern Water Conservation District

April 11, 2016 Water Legislation Report #13 (2016 Legislative Session)

The State Affairs Committee met on Monday, April 11, 2016 to review bills as introduced or amended and other proposed legislation. The Second Regular Session of the Seventieth General Assembly convened on January 13, 2016, and is scheduled to adjourn on May 11, 2016. The State Affairs Committee was scheduled to meet next **Monday, April 18, 2016**, but will likely be cancelled unless new legislation is introduced. The next scheduled meeting will now be **Monday April 25, 2016** if necessary.

Other legislation introduced, or requested for discussion or action since the last meeting: **HB 1433 (Retain and Spend Severance Tax Revenues for Reserve Fund)**. A Motion to take a position this week was approved by unanimous consent.

Proposed Legislation: **Work on the budget (Long Bill) continued in the Senate last week.** There has been a 70% reduction in Severance Tax revenues. It is anticipated that there will additional cuts needed of \$60 million to \$100 million on top of \$70 million in cuts already proposed to balance the budget. The budget package has now passed in both the House and the Senate.

Legislative Updates: An update was provided on **HB 1283 (Water Loss Audit Report Standards)**, which Water Congress has taken a position of Opposition on. The legislation was **PI'd (Postponed Indefinitely)** In the House Ag Committee on April 4.

In further updates, **HB 1382 (Divert Water Piscatorial Aesthetic Beneficial Use)** was **PI'd (Postponed Indefinitely)** in the House Ag Committee on April 4. The Water Congress had not taken a position on the legislation, and it will likely be a topic for the Interim Water Committee this summer.

An update was also provided on **HB 1392 (Water Banks Administration)** and the State Affairs sub-committee work. A request had been made by the SWCD and the Colorado River District to exempt the West Slope (Divisions 4, 5, 6, and 7) from the legislation, since it is believed the bill is premature for the ongoing efforts of a Colorado River Water Bank. The bill is calendared for the House Ag Committee on the afternoon of April 11, and the proponents and bill sponsor announced that the bill would be **PI'd (Postponed Indefinitely)**. The Water Congress had not taken a position on the bill due to the work with the sub-committee. The proponents announced they will continue working on the bill, and may request that the water bank issue be discussed by the Interim Water Committee this summer.

HB 1413 (Refinance Water Pollution Control Program) was included on the agenda for discussion during the last State Affairs meeting, but was not included on the April 11 agenda for possible action. The bill was part of a budget package proposed by the JBC (Joint Budget Committee), and the budget package has already passed out of both the House and the Senate. The current fee structure will remain in place this fiscal year, but information will be gathered and reported back to the General Assembly for possible future adjustments in the rate structure.

Bills for Possible Reconsideration: N/A

Ballot Initiatives: **Initiative 40** and **Initiative 63** are similar to ballot measures that have been previously proposed, and are partly driven by Oil/Gas production and hydro-fracking. Initiative 40 is focused on local jurisdiction and local sovereignty. On Monday March 14, the State Affairs Committee recommended a position of **Opposition** to Initiative 40 to the Water Congress Board. Initiative 63 is similar to past attempts at an “Environmental Rights Measure,” but has had the Public Trust issue removed from the language. The Titles have been approved for both of these Initiatives. These proposed measures could have impacts to water rights and water providers in the state.

There have also been a number of Initiatives that have had the Title set that would increase the requirements for ballot initiatives in Colorado. **Initiative 87** would require preparation of a Fiscal Impact Statement for proposed Initiatives, **Initiatives 93 and 94** are specific to Constitutional Amendments and would increase the number of votes needed for a Constitutional Amendment from 50% to 55%, **Initiatives 95, 96 and 97** are specific to Constitutional Amendments and would not change the total number of signatures required but would require that the signatures include 2% of the registered voters in each Senate District. The State Affairs Committee will consider making a position recommendation to the Water Congress Board on Initiatives 87, and 93-97 at the next meeting on March 14. Although the State Affairs Committee is supportive of the concepts to make it more difficult to change Colorado’s Constitution, the Committee decided to wait to make a recommendation to the Water Congress Board on these Initiatives until they know which version will be pursued by the proponents. More information can on proposed ballot initiatives can be found on the Colorado Water Stewardship Project web page at <http://cowaterstewardship.com/>

Click on the following links to read the full ballot initiative language:

[Initiative 40](#) (Oppose)
[Initiative 63](#)

[Initiative 87](#)
[Initiative 95](#)

[Initiative 93](#)
[Initiative 96](#)

[Initiative 94](#)
[Initiative 97](#)

The format of each bill includes five columns and a following **Summary** cell. The 1st, 2nd, 4th, & 5th column each contain two information items as follows: 1st column has both the **Bill No.** and the **Short Title**. The 2nd column has both the **Sponsors** and the assigned **Committee**. The 3rd column contains only the **Concerning** statement, copied directly from the bill. The 4th column will show important **Amendments** and **Comments** provided by either me or John Porter. The 5th column shows both **When Introduced**, **CWC Action**, and **SWCD Position**. Once a bill no longer requires SA Comm action I will include it in a summary table, which will also show its progress. Until CWC takes action, the bill will remain in this format. I will however, **highlight in yellow** changes in any of the cells, compared to the prior report. Once, CWC has acted on a bill, I will move it to the **Status table**, where its' progress can be more easily monitored.

If you are aware of other entities that would like to receive these reports, please contact the Southwestern Water Conservation District office at 970-247-1302 with e-mail contact information.

Once introduced, copies of bills are available at www.leg.state.co.us.

Additional info is available at the CWC web site: <http://www.cowatercongress.org/stateaffairs/>

FYI: Legislator Contact Information

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Representative Don Coram:	303-866-2955	don.coram.house@state.co.us

Bill No. Title	Sponsors Committee	Concerning	Amendments Comments	When Introduced CWC Action / SWCD Position
<p>HB16 – 1433</p> <p>Retain & Spend Sev Tax Revenues For Reserve Fund</p>	<p>H Hamner/Rankin S Steadman</p> <p>Finance</p>	<p>CONCERNING THE CREATION OF A RESERVE THAT INCLUDES STATE SEVERANCE TAX REVENUE THAT IS A VOTER-APPROVED REVENUE CHANGE TO THE CONSTITUTIONAL LIMITATION ON STATE FISCAL YEAR SPENDING, AND, IN CONNECTION THEREWITH, CREATING THE SEVERANCE TAX RESERVE FUND; REQUIRING SEVERANCE TAX REVENUE THAT EXCEEDS AN ANNUAL CAP TO BE DEPOSITED IN THE RESERVE; SEEKING VOTER APPROVAL TO RETAIN AND SPEND THE SEVERANCE TAX REVENUE DEPOSITED IN THE RESERVE; PERMITTING THE GENERAL ASSEMBLY TO USE MONEY FROM THE RESERVE IF THERE IS INSUFFICIENT MONEY TO PAY FOR PROGRAMS SUPPORTED BY THE SEVERANCE TAX; AND REQUIRING ANY MONEY IN THE RESERVE THAT EXCEEDS A RESERVE CAP TO BE TRANSFERRED TO THE COLORADO WATER CONSERVATION BOARD CONSTRUCTION FUND.</p>	<p><i>Motion to consider position this week approved by unanimous consent.</i></p>	<p>04/05/16</p> <p>SUPPORT</p> <p>SWCD Position: N/A</p>
<p>SUMMARY: Beginning July 1, 2017, section 1 of the bill caps the total amount of severance tax gross receipts that are deposited in the state severance tax trust fund and the local government severance tax fund. The amount of the cap is equal to \$180 million for the 2017-18 fiscal year, adjusted for inflation each fiscal year thereafter. The state treasurer is required to transfer any money above the cap to the severance tax reserve fund (reserve), which is created in section 2.</p> <p>If the money in the state severance tax operational fund (operational fund) or the local government severance tax fund is insufficient to pay for a program supported by either fund, the general assembly may appropriate money from the reserve for the program or it may appropriate money from the reserve to the fund or, if applicable, to a cash fund that receives money from the operational fund. There is a cap on the amount of money in the reserve that is equal to 2 times the severance tax gross receipts cap. The state treasurer is required to transfer any money at the end of a fiscal year in the reserve that is above the reserve cap to the Colorado water conservation board construction fund.</p> <p>Section 5 includes a conforming amendment to reflect that the Colorado water conservation board construction fund includes these transfers.</p> <p>Section 3 requires the secretary of state to refer a ballot question to the voters at the election held on November 8, 2016, to seek voter approval for the state to retain and spend any severance tax revenue that is deposited in the reserve as a voter-approved revenue change to the constitutional limitation on state fiscal year spending. This voter-approved revenue change is conditioned on the state not repealing or reducing any of the existing severance tax exemptions or credits.</p> <p>Section 4 makes an adjustment to the excess state revenues cap so that, if approved, the new voter-approved revenue change is not included in the accounting for the revenue change that the voters made when they approved Referendum C.</p>				

Bill No. Title	Sponsors Committee	Concerning	Amendments Comments	When Introduced CWC Action / SWCD Position
SB16 – 174 CWCB Construction Fund Project	S Sonnenberg H Vigil Ag, Natural Resources & Energy	CONCERNING THE FUNDING OF COLORADO WATER CONSERVATION BOARD PROJECTS, AND, IN CONNECTION THEREWITH, MAKING APPROPRIATIONS.	<i>Amended in Senate Ag, and sent to the Senate Appropriations Committee.</i>	03/28/16 SUPPORT SWCD Position: Support
<p>SUMMARY: The bill appropriates the following amounts from the Colorado water conservation board (CWCB) construction fund to the CWCB or the division of water resources for the following projects:</p> <ul style="list-style-type: none"> • \$380,000 for continuation of the satellite monitoring system maintenance (section 1 of the bill); • \$500,000 for continuation of the Colorado floodplain map modernization program (section 2); • \$1,500,000 for continuation of the watershed restoration program (section 3); • \$175,000 for continuation of the weather modification program (section 4); • \$150,000 for the board to support the Colorado Mesonet, a spatially coherent network of weather stations reporting in near real-time via major data portals (section 5); • \$300,000 for the water forecasting partnership project (section 6); • \$2,500,000 for a Bear Creek reservoir reallocation study (section 7); • \$200,000 for an underground storage study (section 8); • \$1,000,000 for continuation of the statewide water supply initiative (section 9); and • \$200,000 for continuation of the Windy Gap reservoir bypass channel project (section 10). <p>The bill directs the state treasurer to transfer the following amounts from the CWCB construction fund:</p> <ul style="list-style-type: none"> • Up to \$500,000 to the flood and drought response fund (section 11); and • \$600,000 to the litigation fund (section 12). <p>Current law prevents the CWCB from participating in domestic water treatment and distribution systems projects; section 13 changes this prohibition to water treatment facilities.</p> <p>Section 14 gives the CWCB a variety of powers to fully utilize the state's water allocation in the Animas-La Plata project, directs the state treasurer to credit money received pursuant to the exercise of those powers to the CWCB construction fund, and continuously appropriates this money to the board for this purpose.</p> <p>Section 15 transfers the following amounts from the severance tax perpetual base fund to the CWCB construction fund:</p> <ul style="list-style-type: none"> • \$200,000 for the Windy Gap reservoir bypass channel project; • \$1,500,000 for the watershed restoration program, • \$2,500,000 for the Bear Creek reservoir reallocation study, • \$1,000,000 for the statewide water supply initiative; and • On each July 1, \$5,000,000 to fund studies, programs, or projects to implement the state water plan. 				