

CHAPTER 199

WATER AND IRRIGATION

SENATE BILL 25-283

BY SENATOR(S) Roberts and Simpson, Catlin, Marchman, Bridges, Pelton B., Amabile, Bright, Cutter, Daugherty, Exum, Frizell, Jodeh, Kipp, Kirkmeyer, Liston, Lundeen, Michaelson Jenet, Mullica, Pelton R., Snyder;
also REPRESENTATIVE(S) McCormick and Soper, McCluskie, Bacon, Bird, Boesenecker, Brown, Caldwell, Clifford, Duran, Gonzalez R., Hamrick, Jackson, Lieder, Lindsay, Martinez, Mauro, Pugliese, Richardson, Ricks, Smith, Stewart K., Story, Titone, Velasco.

AN ACT

CONCERNING THE COLORADO WATER CONSERVATION BOARD OPERATIONS, AND, IN CONNECTION THEREWITH, FUNDING PROJECTS AND MAKING AN APPROPRIATION.

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. Continuation of the satellite monitoring system - operation and maintenance - appropriation. (1) For the 2025-26 state fiscal year, \$380,000 is appropriated to the department of natural resources for use by the division of water resources. This appropriation is from the Colorado water conservation board construction fund created in section 37-60-121, C.R.S. To implement this section, the division of water resources may use this appropriation to install, maintain, and operate satellite-monitored stream gauges and lysimeters for water rights administration and data collection pursuant to section 37-80-102 (10), C.R.S.

(2) The money appropriated in subsection (1) of this section remains available for the designated purposes until it is fully expended.

SECTION 2. Continuation of the Colorado floodplain map modernization program - appropriation. (1) For the 2025-26 state fiscal year, \$500,000 is appropriated to the department of natural resources for use by the Colorado water conservation board. This appropriation is from the Colorado water conservation board construction fund created in section 37-60-121, C.R.S. To implement this section, the Colorado water conservation board may use this appropriation to continue to assist with the preparation of revised and improved floodplain studies and maps for communities throughout Colorado and participate in federally sponsored floodplain map modernization activities.

Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.

(2) The money appropriated in subsection (1) of this section remains available for the designated purposes until it is fully expended.

SECTION 3. Continuation of the weather modification permitting program - appropriation. (1) For the 2025-26 state fiscal year, \$500,000 is appropriated to the department of natural resources for use by the Colorado water conservation board. This appropriation is from the Colorado water conservation board construction fund created in section 37-60-121, C.R.S. To implement this section, the Colorado water conservation board may use this appropriation to assist water conservation and conservancy districts with the development of cloud seeding programs to provide benefits to recreation, streams, and reservoirs through snowpack enhancement.

(2) The money appropriated in subsection (1) of this section remains available for the designated purposes until it is fully expended.

SECTION 4. Restoration of litigation fund cash balance - appropriation. On July 1, 2025, the state treasurer shall transfer \$2,000,000, or so much thereof as may be necessary to restore the balance of the litigation fund to \$2,000,000, from the unreserved cash in the Colorado water conservation board construction fund created in section 37-60-121, C.R.S., to the litigation fund created in section 37-60-121 (2.5), C.R.S., to assist in addressing legal issues associated with compact compliance or any other litigation activities as specified under section 37-60-121, C.R.S.

SECTION 5. Continuation of the Colorado Mesonet project - appropriation. (1) For the 2025-26 state fiscal year, \$200,000 is appropriated to the department of natural resources for use by the Colorado water conservation board. This appropriation is from the Colorado water conservation board construction fund created in section 37-60-121, C.R.S. To implement this section, the Colorado water conservation board may use this appropriation to support the Colorado Mesonet, including for the following activities: Operation, maintenance, travel, communications, and database and website management for temperature and precipitation stations.

(2) The money appropriated in subsection (1) of this section remains available for the designated purposes until it is fully expended.

SECTION 6. Continuation of the water forecasting partnership project - appropriation. (1) For the 2025-26 state fiscal year, \$2,000,000 is appropriated to the department of natural resources for use by the Colorado water conservation board. This appropriation is from the Colorado water conservation board construction fund created in section 37-60-121, C.R.S. To implement this section, the Colorado water conservation board may use this appropriation to support the development of new ground and aerial remote sensing data, to develop hydrologic modeling practices, to provide reliable volumetric water supply forecasting, and to provide better characterization of snowpack.

(2) The money appropriated in subsection (1) of this section remains available for the designated purposes until it is fully expended.

SECTION 7. Continuation of the Arkansas river decision support program - appropriation. (1) For the 2025-26 state fiscal year, \$300,000 is appropriated to the department of natural resources for use by the Colorado water conservation board. This appropriation is from the Colorado water conservation board construction fund created in section 37-60-121, C.R.S. To implement this section, the Colorado water conservation board may use this appropriation to continue implementation efforts identified in the Arkansas river decision support system (ArkDSS) feasibility study completed in December 2011.

(2) The money appropriated in subsection (1) of this section remains available for the designated purposes until it is fully expended.

SECTION 8. Continuation of technical assistance for federal irrigation improvement cost-sharing program - appropriation. (1) For the 2025-26 state fiscal year, \$500,000 is appropriated to the department of natural resources for use by the Colorado water conservation board. This appropriation is from the Colorado water conservation board construction fund created in section 37-60-121, C.R.S. To implement this section, the Colorado water conservation board may use this appropriation to provide technical assistance for applicants seeking competitive federal grant funds.

(2) The money appropriated in subsection (1) of this section remains available for the designated purposes until it is fully expended.

SECTION 9. Decision support systems model enhancements to support the Colorado water plan - appropriation. (1) For the 2025-26 state fiscal year, \$1,000,000 is appropriated to the department of natural resources for use by the Colorado water conservation board. This appropriation is from the Colorado water conservation board construction fund created in section 37-60-121, C.R.S. To implement this section, the Colorado water conservation board may use this appropriation to support efforts to refine and extend the existing decision support systems model and to complete technical updates to the Colorado water plan.

(2) The money appropriated in subsection (1) of this section remains available for the designated purposes until it is fully expended.

SECTION 10. Basin implementation plan analysis and updates - appropriation. (1) For the 2025-26 state fiscal year, \$4,500,000 is appropriated to the department of natural resources for use by the Colorado water conservation board. This appropriation is from the Colorado water conservation board construction fund created in section 37-60-121, C.R.S. To implement this section, the Colorado water conservation board may use this appropriation to support updated efforts to evaluate baseline data to determine existing and future water demand and supply to develop an updated basin implementation plan for each of the 8 major river basins across the state.

(2) The money appropriated in subsection (1) of this section remains available for the designated purposes until it is fully expended.

SECTION 11. Continuation of the Colorado watershed restoration program - appropriation. (1) For the 2025-26 state fiscal year, \$5,000,000 is appropriated

to the department of natural resources for use by the Colorado water conservation board. This appropriation is from the Colorado water conservation board construction fund created in section 37-60-121, C.R.S. To implement this section, the Colorado water conservation board may use this appropriation to support planning, engineering, and implementation measures to address technical needs for watershed restoration and flood mitigation projects throughout the state to provide aquatic habitat protection; quantification of environmental flow needs; and monitoring of efforts to support healthy stream and watershed goals outlined in the state water plan.

(2) The money appropriated in subsection (1) of this section remains available for the designated purposes until it is fully expended.

SECTION 12. Statewide turf analysis - appropriation. (1) For the 2025-26 state fiscal year, \$1,400,000 is appropriated to the department of natural resources for use by the Colorado water conservation board. This appropriation is from the Colorado water conservation board construction fund created in section 37-60-121, C.R.S. To implement this section, the Colorado water conservation board may use this appropriation to conduct an analysis to answer key questions related to understanding the total amount of irrigable turf, nonfunctional turf, tree canopy, and other vegetation types in populated areas of the state to gain a better understanding of outdoor and landscape water use and develop possible water savings practices related to turf replacement.

(2) The money appropriated in subsection (1) of this section remains available for the designated purposes until it is fully expended.

SECTION 13. Colorado department of agriculture - scaling Colorado soil health- transfer - appropriation. (1) On July 1, 2025, the state treasurer shall transfer \$500,000 from the Colorado water conservation board construction fund created in section 37-60-121, C.R.S., to the plant health, pest control, and environmental protection cash fund created in section 35-1-106.3 (1), C.R.S., to assist in the continuation of the soil health program.

(2) (a) For the 2025-26 state fiscal year, \$500,000 is appropriated to the department of agriculture for use by the conservation services division. This appropriation is from the plant health, pest control, and environmental protection cash fund created in section 35-1-106.3 (1), C.R.S. To implement this subsection (2)(a), the conservation services division may use this appropriation to continue the Colorado soil health program to improve soil health throughout the state.

(b) The money appropriated in subsection (2)(a) of this section remains available for the designated purposes until it is fully expended.

SECTION 14. Yampa river and Walton creek confluence restoration - appropriation. (1) For the 2025-26 state fiscal year, \$2,000,000 is appropriated to the department of natural resources for use by the Colorado water conservation board. This appropriation is from the Colorado water conservation board construction fund created in section 37-60-121, C.R.S. To implement this section, the Colorado water conservation board may use this appropriation to conduct a large-scale ecological river and wetland restoration project encompassing one

hundred five acres of channel, floodplain, and riparian improvements at the Yampa river and Walton creek confluence.

(2) The money appropriated in subsection (1) of this section remains available for the designated purposes until it is fully expended.

SECTION 15. South fork focus zone irrigated acreage retirement - appropriation. (1) For the 2025-26 state fiscal year, \$6,000,000 is appropriated to the department of natural resources for use by the Colorado water conservation board. This appropriation is from the Colorado water conservation board construction fund created in section 37-60-121, C.R.S. To implement this section, the Colorado water conservation board may use this appropriation to support efforts to comply with the republican river compact administration resolution by retiring irrigated acreage in the south fork focus zone by 2029.

(2) The money appropriated in subsection (1) of this section remains available for the designated purposes until it is fully expended.

SECTION 16. Water project loan authorization - park creek reservoir expansion project. (1) Pursuant to section 37-60-122 (1)(b), C.R.S., the Colorado water conservation board is authorized to make a loan in the amount of \$12,978,500 from the severance tax perpetual base fund created in section 39-29-109 (2)(a), C.R.S., to the North Poudre Irrigation Company for the completion of the park creek reservoir expansion project.

(2) The money authorized in subsection (1) of this section remains available for the designated purposes until it is fully expended.

(3) The Colorado water conservation board may make loans for the project specified in subsection (1) of this section from money that is or may become available to the severance tax perpetual base fund. The total amount of the loans will be in the amount listed in subsection (1) of this section plus or minus the amount, if any, as may be justified by reason of fluctuations in construction costs or as may be justified by reason of changes in the plans for the project due to differing or unforeseen site conditions, errors or omissions in the plans and specifications, changes instituted by regulatory agencies, or changes in material quantities beyond contract limits.

SECTION 17. Grant-making for projects that assist in implementing the state water plan - appropriation. (1) For the 2025-26 state fiscal year, \$29,200,000 is appropriated to the department of natural resources for use by the Colorado water conservation board. This appropriation is from the water plan implementation cash fund created in section 37-60-123.3 (1)(a), C.R.S. To implement this subsection (1), the Colorado water conservation board may use this appropriation for grant-making for projects that assist in the implementation of the state water plan pursuant to section 37-60-106.3 (6), C.R.S., through the Colorado water conservation board's application and guidelines process.

(2) The money appropriated in subsection (1) of this section remains available for the designated purposes until it is fully expended.

SECTION 18. In Colorado Revised Statutes, 37-60-124, **amend** (2) introductory portion and (3); and **repeal** (1) as follows:

37-60-124. Water conservation and drought mitigation planning - powers and duties of board. (1) ~~There is hereby created as an office under the Colorado water conservation board the office of water conservation and drought planning. The office shall have such staff as are necessary and appropriate to carry out the duties established for the office.~~

(2) ~~The office of water conservation and drought planning~~ BOARD shall promote water conservation and drought mitigation planning ~~by performing~~ AND SHALL MAINTAIN AS MUCH STAFF AS IS REQUIRED TO PERFORM, to the degree feasible, duties including, but not limited to, the following:

(3) The personal services, operating, travel and subsistence, capital, and legal services expenses of administering the ~~office of~~ water conservation and drought planning ~~and the programs and activities authorized by subsection (2) of this section may be paid from such moneys as are~~ MONEY AS IS appropriated, allocated, or otherwise credited to the Colorado water conservation board construction fund.

SECTION 19. In Colorado Revised Statutes, 37-60-126, **amend** (2)(a), (2)(b), (3), (6), (7), (8), and (12)(c); **repeal** (1)(c) and (1)(d); and **add** (12)(b.7) as follows:

37-60-126. Water conservation and drought mitigation planning - programs - relationship to state assistance for water facilities - guidelines - grant program - definitions - repeal. (1) As used in this section and section 37-60-126.5, unless the context otherwise requires:

(c) ~~"Grant program" means the water efficiency grant program established pursuant to subsection (12) of this section.~~

(d) ~~"Office" means the office of water conservation and drought planning created in section 37-60-124.~~

(2)(a) ~~Each~~ A covered entity shall, subject to section 37-60-127, develop, adopt, make publicly available, and implement a plan pursuant to which ~~such~~ THE covered entity shall encourage its domestic, commercial, industrial, and public facility customers to use water more efficiently. ~~Any~~ A state or local governmental entity that is not a covered entity may develop, adopt, make publicly available, and implement such a plan.

(b) The ~~office~~ BOARD shall review previously submitted conservation plans to evaluate their consistency with the provisions of this section and the guidelines established pursuant to ~~paragraph (a) of subsection (7)~~ SUBSECTION (7)(a) of this section.

(3) The manner in which the covered entity develops, adopts, makes publicly available, and implements a plan established pursuant to subsection (2) of this section shall be determined by the covered entity in accordance with this section. The plan ~~shall~~ MUST be accompanied by a schedule for its implementation. The plans and schedules shall be provided to the ~~office~~ BOARD within ninety days after

their adoption. For those entities seeking financial assistance, the ~~office~~ BOARD shall then notify the covered entity and the appropriate financing authority that the plan has been reviewed and whether the plan has been approved in accordance with this section.

(6) The board is ~~hereby~~ authorized to recommend the appropriation and expenditure of revenues as are necessary from the unobligated balance of the five percent share of the severance tax operational fund designated for use by the board for the purpose of ~~the office~~ providing assistance to covered entities to develop water conservation plans that meet the provisions of this section.

(7) (a) The board shall adopt guidelines ~~for the office~~ to review water conservation plans submitted by covered entities and other state or local governmental entities. The guidelines ~~shall~~ MUST define the method for submitting plans to the ~~office~~ BOARD, the methods for ~~office~~ review and approval of the plans, and the interest rate surcharge provided for in ~~paragraph (a) of subsection (9)~~ SUBSECTION (9)(a) of this section.

~~(b) If no other applicable guidelines exist as of June 1, 2007, The board shall adopt guidelines by July 31, 2007, for the office to use in reviewing MAY REVIEW AND AWARD GRANTS PURSUANT TO applications submitted by covered entities, other state or local governmental entities, and agencies for grants from the grant program and from the grant program established in section 37-60-126.5 (3). The guidelines shall establish deadlines and procedures for covered entities, other state or local governmental entities, and agencies to follow in applying for grants and the criteria to be used by the office and the board in prioritizing and awarding grants 37-60-106.3 (6).~~

(8) A covered entity may at any time adopt changes to an approved plan in accordance with this section after notifying and receiving concurrence from the ~~office~~ BOARD. If the proposed changes are major, the covered entity shall give public notice of the changes, make the changes available in draft form, and provide the public an opportunity to comment on such changes before adopting them in accordance with subsection (5) of this section.

(12) (b.7) ON JUNE 30, 2026, THE STATE TREASURER SHALL TRANSFER ANY MONEY REMAINING IN THE WATER EFFICIENCY GRANT PROGRAM CASH FUND TO THE SEVERANCE TAX PERPETUAL BASE FUND CREATED IN SECTION 39-29-109 (2)(a).

(c) This subsection (12) is repealed, effective July 1, 2030 2026.

SECTION 20. In Colorado Revised Statutes, 37-60-126.5, **amend** (2), (3), and (4) as follows:

37-60-126.5. Drought mitigation planning - programs - relationship to state assistance. (2) The ~~office~~ BOARD shall develop programs to provide technical assistance to covered entities and other state or local governmental entities in the development of drought mitigation plans.

(3) The board is ~~hereby~~ authorized to ~~expend revenues from the water efficiency grant program cash fund and to~~ recommend the appropriation and expenditure of

the revenues as is necessary from the unobligated balance of the five-percent share of the severance tax operational fund designated for use by the board for the purpose of assisting covered entities and other state or local governmental entities to develop drought mitigation plans that the ~~office~~ BOARD identifies as sufficient.

(4) The board shall adopt guidelines ~~for the office~~ to use in reviewing, evaluating, and approving drought mitigation plans submitted by covered entities or other state or local governmental entities in accordance with this section.

SECTION 21. In Colorado Revised Statutes, 39-29-109, **amend** (2)(a)(II.5)(B), (2)(a)(II.5)(C), and (2)(b)(III); and **repeal** (2)(a)(II.5)(D) as follows:

39-29-109. Severance tax trust fund - created - administration - distribution of money - legislative declaration - repeal. (2) State severance tax receipts must be credited to the severance tax trust fund as provided in section 39-29-108. All income derived from the deposit and investment of the money in the fund must be credited to the fund. At the end of any fiscal year, all unexpended and unencumbered money in the fund remains in the fund and must not be credited or transferred to the general fund or any other fund. All money in the fund is subject to appropriation by the general assembly for the following purposes:

(a) **The severance tax perpetual base fund.** (II.5) The board shall use the money in the fund:

(B) To direct the state treasurer to transfer amounts to the water supply reserve fund created in subsection (2)(c) of this section; AND

(C) To direct the state treasurer to transfer amounts to the interbasin compact committee operation fund created in section 37-75-107. ~~and~~

(D) ~~To direct the state treasurer to transfer amounts to the water efficiency grant program cash fund created in section 37-60-126 (12).~~

(b) **The severance tax operational fund.** (III) The fund also includes amounts that were transferred to natural resources and energy grant programs under section 39-29-109.3 and that were transferred back to the fund in accordance with subsection (2)(c)(V) of this section and sections 24-33-111 (2)(a)(I)(C) ~~37-60-126 (12)(a)(V); and 37-75-107 (3).~~

SECTION 22. In Colorado Revised Statutes, 37-75-103, **amend** (1) and (2)(b) as follows:

37-75-103. Director of compact negotiations. (1) Within thirty days after ~~June 7, 2005~~ A VACANCY, the governor OR THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF NATURAL RESOURCES shall appoint a director of compact negotiations. ~~which office is hereby created in the office of the governor.~~ The director of compact negotiations shall act as the overseer and caretaker of the compact negotiations process established in this ~~article~~ ARTICLE 75.

(2) The director of compact negotiations shall have the following responsibilities:

(b) ~~Oversee and~~ Direct the expenditure of ~~moneys~~ MONEY appropriated pursuant to this ~~article~~ ARTICLE 75; and

SECTION 23. Safety clause. The general assembly finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, or safety or for appropriations for the support and maintenance of the departments of the state and state institutions.

Approved: May 15, 2025