

Proposed Legislation – 2010 Projects Bill Amendment

**MONEY DEDICATED TO CWCB TO CONTRACT WITH THE
US BUREAU FOR THE ALP WATER**

SECTION _____. Animas-La Plata project water acquisition – appropriation. (1) Section 39-29-109 (2) (a) (I) CRS is hereby amended by the addition of new subsection (E):

(a) **The perpetual base account.** (I) (A) The moneys in the severance tax trust fund as of July 1, 1995, and one-half of the severance tax receipts credited to the fund for fiscal years commencing on and after July 1, 1995, shall be credited to the perpetual base account of the fund and used for state water projects pursuant to sections 37-60-119 and 37-60-122, C.R.S. The authorization and contract for each such project shall require repayment of principal and interest to the fund, and moneys so repaid shall be credited to the perpetual base account of the fund.

(B) Notwithstanding any provision of this paragraph (a) to the contrary, on April 22, 2009, the state treasurer shall deduct twenty million dollars from the perpetual base account of the fund and transfer such sum to the general fund.

(C) Notwithstanding any provision of sub-subparagraph (A) of this subparagraph (I) to the contrary, on June 1, 2009, the state treasurer shall deduct fifteen million dollars from the perpetual base account of the fund and transfer such sum to the general fund.

(D) This subparagraph (I) is repealed, effective July 1, 2009.

(E) (1) NOTWITHSTANDING ANY OTHER PROVISION OF THIS PARAGRAPH (a) TO THE CONTRARY, THE STATE TREASURER SHALL TRANSFER TO THE DEPARTMENT OF NATURAL RESOURCES, COLORADO WATER CONSERVATION BOARD THE SUM OF THIRTY SIX MILLION DOLLARS (\$36,000,000), FOR THE PURCHASE OF ALL OR A PORTION OF COLORADO'S ALLOTMENT OF ANIMAS LA PLATA PROJECT WATER. THE OBLIGATION OF REVENUE USED TO SATISFY THIS APPROPRIATION SHALL OCCUR IN THREE ANNUAL INSTALLMENTS OF TWELVE MILLION DOLLARS (\$12,000,000) AT THE END OF EACH FISCAL YEAR, WITH THE FIRST INSTALLMENT OCCURRING ON JUNE 30, 2011.

(2) NOTWITHSTANDING ANY OTHER LAW, INCLUDING THE PROVISIONS OF 24-30-1303 C.R.S., THE DEPARTMENT OF NATURAL RESOURCES, ACTING THROUGH THE COLORADO WATER CONSERVATION BOARD, SHALL HAVE THE AUTHORITY TO ENTER INTO AN AGREEMENT OR CONTRACT WITH THE US BUREAU OF RECLAMATION TO ACQUIRE ALL OR A PORTION OF THE STATE'S ALLOCATION OF WATER IN THE ANIMAS LA PLATA PROJECT ONCE SUFFICIENT FUNDS HAVE BEEN APPROPRIATED TO THE BOARD FOR SUCH PURPOSES. THIS AUTHORITY TO ACQUIRE WATER SHALL INCLUDE THE ABILITY TO CONTRACT WITH, AND ALLOCATE ACQUIRED WATER TO, LOCAL ENTITIES AND WATER PROVIDERS; TO RECEIVE AND EXPEND MONEY FROM ENTITIES IN REPAYMENT; TO UNDERTAKE

OPERATIONS, MAINTENANCE AND REPLACEMENT COSTS; TO PAY THE COSTS OF STORAGE OR OTHER NECESSARY EXPENSES; AND TO OTHERWISE IMPLEMENT THE PROJECT AND UTILIZE THE WATER TO BE ACQUIRED. THE BOARD ALSO HAS THE AUTHORITY TO UNDERTAKE SUCH ACTION AS IS NECESSARY TO LEASE, SUBLEASE, EXCHANGE, SELL, OR ASSIGN ITS WATER AND TO OTHERWISE EFFECTUATE THE USE OF PROJECT WATER. IN THE EVENT OF A CONFLICT BETWEEN THE APPLICATION OF STATE OR FEDERAL LAW OR RULES, INCLUDING CHAPTER 3 OF THE STATE FISCAL RULES IN EXISTENCE AS OF THE DATE OF THIS SECTION, FEDERAL LAWS AND RULES SHALL APPLY.

(3) THE MONEYS TRANSFERRED TO THE BOARD IN SUBSECTION (1) SHALL REMAIN AVAILABLE UNTIL EXPENDED.

(4) IF BY JUNE 30, 2015 THE FUNDS APPROPRIATED IN SUBSECTION (1) HAVE NOT BEEN FULLY EXPENDED, THE FUNDS SHALL BE CONSIDERED TO BE DE-AUTHORIZED AND SHALL REVERT TO THE PERPETUAL BASE ACCOUNT OF THE SEVERANCE TAX TRUST FUND.

(II) One-half of the severance tax receipts credited to the fund for fiscal years commencing on or after July 1, 2009, shall be credited to the perpetual base account of the fund and used for state water projects pursuant to sections 37-60-119 and 37-60-122, C.R.S.; except that the total amount of severance tax receipts credited to the perpetual base account during said fiscal year shall not exceed fifty million dollars unless the cap established in subparagraph (III) of this paragraph (a) is exceeded. The authorization and contract for each such project shall require repayment of principal and interest to the fund, and moneys so repaid shall be credited to the perpetual base account of the fund.