

STATE OF COLORADO

Colorado Water Conservation Board

Department of Natural Resources

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TO: Colorado Water Conservation Board Members

FROM: Chris Sturm, Stream Restoration Coordinator
Watershed and Flood Protection Section

SUBJECT: **Agenda Item 16c, January 24-26, 2011 Board Meeting
Watershed and Flood Protection Section
Colorado Healthy Rivers Fund Re-authorization**

John W. Hickenlooper
Governor

Mike King
DNR Executive Director

Jennifer L. Gimbel
CWCB Director

Background

The Colorado Healthy Rivers Fund (CHRF) was established in 2002 as part of Checkoff Colorado, a voluntary contribution program for State taxpayers. CHRF was originally named the "Colorado Watershed Protection Fund". Voluntary contribution designation for the Colorado Watershed Protection Fund was extended with bills in 2005 and 2008. In 2008 it was renamed to the Colorado Healthy Rivers Fund. The name change was suggested to increase donations and awareness of CHRF. Voluntary contribution designation for CHRF expired on January 1, 2011 as defined in H.B. 08-1241.

Since its inception CHRF has funded 52 projects in 7 of the 8 major watersheds in the state. Over 95,000 citizens have donated over \$700,000. Local watershed groups often use CHRF grants to leverage larger sums of money from private and government sources. The CHRF money becomes the critical "local match" required by other grant programs. The local watershed groups represent non-profits, government agencies, and interested citizens working collaboratively to improve ecologic, economic, and social health within their watersheds. On average, each dollar donated to CHRF has leveraged another \$7 to complete the projects.

Discussion

The Colorado Watershed Assembly (CWA) is presently working with the DNR Legislative Liaison to find a sponsor for a new bill (re-authorization) that extends the voluntary contribution designation. Staff has prepared a CHRF fact sheet to aid this effort. Draft language for the new bill is not available at this time. CWA is contemplating a 10 year time period for the extension. Staff is not anticipating any other substantive departures from past bill language and believes that the operation of CHRF will remain the same. Presently, two designees of the Board and two designees of the Water Quality Control Commission consult with CWA to administer the funds. CWCB staff administrates the daily operations of the CHRF grant program. The CHRF Fact Sheet and the 2008 bill are attached for reference.

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Fact Sheet (DRAFT) - Colorado Healthy Rivers Fund

Background:

The Fund was established in 2002 as part of the voluntary tax check-off program. It was renamed from “Colorado Watershed Protection Fund” to “Colorado Healthy Rivers Fund” in 2008.

The statutory purpose of the fund is to assist in the restoration and the protection of lands and natural resources within watersheds of the state by providing grants for local watershed efforts. The Program was established jointly by the Colorado Water Conservation Board (CWCB) and Water Quality Control Division (WQCD), in cooperation with the Colorado Watershed Assembly (CWA).

Two types of grants are available from the fund—Planning Grants, funded at a maximum amount of \$25K and Project Grants, funded at a maximum amount of \$50K. Applications are due April 30th each year and grants are awarded by September 30th. Two Designees of the CWCB and two Designees of the Water Quality Control Commission (WQCC) administer the moneys of the Fund, upon consultation with the CWA.

Successes:

Since 2003 it has funded 52 projects in 7 of the 8 major watersheds in the state. Over 95,000 citizens have donated over \$700,000. Local watershed groups often use the Colorado Healthy Rivers Fund (CHRF) grants to leverage larger sums of money from private and other government sources. The CHRF money becomes the critical “local match” required by other grant programs. The local watershed groups represent non-profits, government agencies, and interested citizens working collaboratively to improve the ecologic, economic, and social health within their watershed. On average, each dollar donated to CHRF has leveraged another \$7 to complete the projects.

It has provided funding for a wide range of watershed and stream restoration projects including watershed planning, habitat restoration, mine remediation, water quality monitoring, fire rehabilitation, and irrigation diversion reconstruction. The CWCB is responsible for the day to day administration of the fund, including:

- Management and accounting for the moneys in the Fund;
- Disbursement and tracking of grant payments to grantees;
- Notification to successful and unsuccessful grant applicants
- Review of progress and final project reports;
- Grant compliance assurance, including grant termination if necessary;
- Project closeout for each grant; and
- Preparation of an annual report to the Board and the Commission regarding the program

Projects bring together a variety of community interests united in common goals. This collaborative approach represents diverse interests which results in projects that serve to benefit the local ecology, community, and economy. The fund must earn a minimum of \$75,000 each year in donations in order to stay in the Tax Check-off Program. The donation history is:

<u>Year</u>	<u>Amount</u>	<u># of Donations</u>	<u>Ave. Donation</u>
2003	\$98,683	14,871	\$6.64
2004	\$96,800	14,012	\$6.91
2005	\$90,059	12,761	\$7.06
2006	\$85,711	11,971	\$7.16
2007	\$83,003	10,601	\$7.83
2008	\$80,192	10,515	\$7.63
2009	\$97,482	11,611	\$8.40
2010	\$84,087	no report	no report

Note: amounts indicate State Fiscal Year donations

**Second Regular Session
Sixty-sixth General Assembly
STATE OF COLORADO**

REREVISED

*This Version Includes All Amendments
Adopted in the Second House*

LLS NO. 08-0914.01 Esther van Mourik

HOUSE BILL 08-1241

HOUSE SPONSORSHIP

Scanlan, Casso, Curry, Rose, and White

SENATE SPONSORSHIP

Schwartz, and Gibbs

House Committees

Finance
Appropriations

Senate Committees

Finance
Appropriations

A BILL FOR AN ACT

101 **CONCERNING THE VOLUNTARY CONTRIBUTION DESIGNATION**
102 **BENEFITING THE COLORADO WATERSHED PROTECTION FUND**
103 **THAT APPEARS ON THE STATE INDIVIDUAL INCOME TAX RETURN**
104 **FORMS, AND, IN CONNECTION THEREWITH, EXTENDING THE**
105 **PERIOD FOR THE CONTRIBUTION DESIGNATION AND CHANGING**
106 **THE NAME OF THE FUND.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments that may be subsequently adopted.)

Changes the name of the Colorado watershed protection fund to the Colorado healthy rivers fund.

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.

Capital letters indicate new material to be added to existing statute.

Dashes through the words indicate deletions from existing statute.

SENATE
3rd Reading Unamended
April 22, 2008

SENATE
2nd Reading Unamended
April 21, 2008

HOUSE
3rd Reading Unamended
March 4, 2008

HOUSE
2nd Reading Unamended
March 3, 2008

Extends the period that state income tax return forms shall include a line whereby individual taxpayers may make a voluntary contribution to the Colorado healthy rivers fund.

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

2 **SECTION 1.** 39-22-2402, Colorado Revised Statutes, is amended
3 to read:

4 **39-22-2402. Voluntary contribution designation - procedure.**

5 For income tax years commencing on or after ~~January 1, 2005~~ JANUARY
6 1, 2008, but prior to ~~January 1, 2008~~ JANUARY 1, 2011, the Colorado state
7 individual income tax return form shall contain a line whereby each
8 individual taxpayer may designate the amount of the contribution, if any,
9 the individual wishes to make to the Colorado ~~watershed protection~~
10 HEALTHY RIVERS fund created in section 39-22-2403.

11 **SECTION 2.** 39-22-2403 (1) and (2), Colorado Revised Statutes,
12 are amended to read:

13 **39-22-2403. Contributions credited to Colorado healthy rivers**

14 **fund - creation - appropriation.** (1) The department of revenue shall
15 determine annually the total amount designated pursuant to section
16 39-22-2402 and shall report such amount to the state treasurer and to the
17 general assembly. The state treasurer shall credit such amount to the
18 Colorado ~~watershed protection~~ HEALTHY RIVERS fund, which fund is
19 hereby created in the state treasury. All interest derived from the deposit
20 and investment of moneys in the fund shall be credited to the fund.

21 (2) The general assembly shall appropriate annually from the
22 Colorado ~~watershed protection~~ HEALTHY RIVERS fund to the department
23 of revenue its costs of administering moneys designated as contributions
24 to the fund. All moneys remaining in the fund at the end of a fiscal year,

1 after subtracting the appropriation to the department, shall be transferred
2 to the Colorado water conservation board in the department of natural
3 resources. Two designees of the board, in cooperation with two
4 designees of the water quality control commission in the department of
5 public health and environment and upon consultation with the Colorado
6 watershed assembly, shall administer the moneys in accordance with the
7 provisions of subsection (3) of this section. Moneys in the fund may be
8 used to cover all reasonable costs incurred in administering the moneys
9 in the fund.

10 **SECTION 3. Effective date.** This act shall take effect at 12:01
11 a.m. on the day following the expiration of the ninety-day period after
12 final adjournment of the general assembly that is allowed for submitting
13 a referendum petition pursuant to article V, section 1 (3) of the state
14 constitution, (August 6, 2008, if adjournment sine die is on May 7, 2008);
15 except that, if a referendum petition is filed against this act or an item,
16 section, or part of this act within such period, then the act, item, section,
17 or part, if approved by the people, shall take effect on the date of the
18 official declaration of the vote thereon by proclamation of the governor.