


Colorado Legislative Council Staff Fiscal Note
FINAL
FISCAL NOTE

Drafting Number: LLS 12-0529

Date: June 28, 2012

Prime Sponsor(s): Rep. Scott

Bill Status: Postponed Indefinitely

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TITLE: CONCERNING AN EXEMPTION FROM THE EXCAVATION REQUIREMENTS FOR THE GRAND VALLEY DRAINAGE DISTRICT.

Fiscal Impact Summary	FY 2012-2013	FY 2013-2014
State Revenue	See State Revenue and Expenditures section.	
State Expenditures		
FTE Position Change		
Effective Date: The bill was postponed indefinitely by the House Agriculture, Livestock, and Natural Resources Committee on February 15, 2012.		
Appropriation Summary for FY 2012-2013: None required.		
Local Government Impact: See Local Government Impact section.		

Summary of Legislation

This bill allows the board of directors of the Grand Valley Drainage District, a statutory public entity, to adopt a resolution exempting the district from the statewide excavation notification association (i.e., the Utility Notification Center of Colorado). The bill allows the district to exempt its maintenance efforts, including work performed by contractors, from statutory notification requirements.

State Revenue and Expenditures

The Colorado Public Utilities Commission (PUC) Pipeline Safety Program receives federal grants that may be negatively impacted by excluding certain entities from the mandatory excavation notification system. Under federal law, failure to require participation by all excavators, including all government or contract excavators, "may risk a portion of, or all, funding available through the annual federal pipeline safety grant (approximately \$40,000) and other occasional federal grants (e.g., \$45,000 for a recent state damage prevention grant).

Statutory Public Entity Impact

The Grand Valley Drainage District owns and maintains over 150 miles of ditches and drainageways. Assuming that the district passes a resolution exempting itself from the notification association, the district will experience minimal cost savings. The district may be required to perform fewer locates of its own underground facilities, and its own construction and maintenance work will require less administration to locate other utilities in proximity to these facilities.

Local Government Impact

Current law serves to protect local governments owning underground facilities, particularly utilities, from damage, by requiring notification and the opportunity to locate their underground facilities near excavation. Without notification or the opportunity to locate facilities within the boundaries of the Grand Valley Drainage District, affected local governments may experience a higher risk of damage to these facilities. The fiscal note assumes that the district will be liable for any such damage, but that increased risk may result in higher costs to local government utility owners to recover for such losses (e.g., higher insurance premiums, litigation costs).

Departments Contacted

Local Affairs
Transportation
Agriculture

Natural Resources
Public Safety
Law

Regulatory Agencies
Office of Information Technology