



HB20-1164

SHORT TITLE: Housing Authority Exemptions from Water Fees

LONG TITLE: Concerning the exemption of a housing authority from certain fees imposed by a water conservancy district.

SPONSORS: Reps. Rich and Becker/Sen. Zenzinger

COMMITTEES: House Transportation & Local Government Committee

PURPOSE OF THE BILL: To exempt housing authorities from payment of water tap fees imposed by a water conservancy district.

PROPOSERS: Grand Junction Housing Authority

POTENTIAL STAKEHOLDERS: other housing authorities, water conservancy districts, affordable housing advocates.

BACKGROUND: This bill arises from the Grand Junction Housing Authority request to the Ute Water Conservancy District to waive water tap fees for affordable housing. Ute Water declined to waive the fee because it would shift costs for capital improvements and maintenance of infrastructure to other users. It appears that other water providers do not waive tap fees for affordable housing.

Housing authorities are exempt from payment of taxes and fees to the state and local governments. The GJ Housing Authority is seeking HB 20- 1164 to clarify that Water Conservancy Districts also fall under the current law that other water providers come under (see below). According to proponents, HB20 -1164 is drafted carefully to reinforce that Housing Authorities are exempt from “Tap Fee, “Development Impact Fees” or “Hook-up Fees.” is also drafted to not limit the ability of Water Conservancy Districts to charge for the sale and delivery of water (user fees). Proponents believe that HB 1164 does not affect the authority of Cities or Counties.

How does the bill change current law: The bill adds water conservancy district to the list of governmental bodies exempt from taxes and fees. Specifically, it exempts tap fees and impact fees on property owned by a housing authority.

How is the bill implemented? A water conservancy district would not bill a housing authority for a water tap or installation fee. The bill’s reference to “all other property” of a housing authority will be narrowed by amendment on second reading.

Does the bill affect prior appropriation? No.

Practical considerations: What happens if a unit owned by the housing authority is transferred by deed (sold) to a non-governmental entity? Is the value of the property enhanced by virtue of the tax/fee exemption that would have been paid if it had been constructed by a private entity?

Fiscal impact: There would be a loss of revenue to the conservancy district.

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