

**First Regular Session
Seventy-fifth General Assembly
STATE OF COLORADO**

INTRODUCED

LLS NO. 25-1052.01 Richard Sweetman x4333

SENATE BILL 25-305

SENATE SPONSORSHIP

Kirkmeyer and Bridges, Amabile

HOUSE SPONSORSHIP

Bird and Taggart, Sirota

Senate Committees

Appropriations

House Committees

A BILL FOR AN ACT

101 **CONCERNING THE PROCESS BY WHICH THE DIVISION OF**
102 **ADMINISTRATION IN THE DEPARTMENT OF PUBLIC HEALTH AND**
103 **ENVIRONMENT ISSUES PERMITS RELATING TO WATER QUALITY.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov/>.)

Joint Budget Committee. Current law requires the division of administration (division) within the department of public health and environment to report annually to the water quality control commission (commission) and to include in the report any regulatory or legislative recommendations the division may have. The bill requires the report to

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words or numbers indicate deletions from existing law.

also include:

- Information on the division's timing in considering and issuing water quality permits (permits); and
- For the report submitted in 2026, a detailed discussion of how the division has prioritized reducing the permit backlog, implemented recommendations from water quality permittees (permittee) for permitting efficiency, and increased safe drinking water program inspections.

The bill requires the division, upon receipt of an application to modify a permit, to limit its review and its approval or denial of the application to the scope of the specific requests contained in the application.

The bill requires the commission to adopt rules on or before December 31, 2026, that establish procedures whereby the division, prior to giving public notice of a complete permit application for an individual permit and the division's preliminary analysis of the application, may provide a period of public notice and review of a preliminary draft prepared by the division. If a period of public notice and review is required by rules of the commission, the period of public notice and review may not exceed 14 days, and the purpose of the review is limited to identifying errors in the division's preliminary draft.

On or before December 31, 2027, the division must propose rules to the commission that establish a time frame during which the division will either grant or deny applications for each type of permitting action. On or before June 30, 2028, the commission must adopt rules based on the division's proposal. The rules must establish the time frames for permitting actions.

The bill requires the division to consider current debt service on existing local government water infrastructure when developing schedules of compliance for new effluent limits in local government permits. Any schedule of compliance for new effluent limits in local government permits must, consistent with state and federal law, consider the local government's financial capability to repay existing debt on water infrastructure or to fund water infrastructure upgrades before requiring new water infrastructure upgrades. To the extent allowable under federal law, the division may issue compliance schedules in a local government permit for a new effluent limit in excess of 20 years.

The bill states that, on and after May 1, 2026, after an application for permit modification or permit renewal has been pending before the division for 60 days, or for any application for permit modification or permit renewal that is pending before the division as of May 1, 2026, or if the division informs an applicant that the division will not process an application for preliminary effluent limitations, the applicant and the division may mutually agree to use a qualified and independent nongovernmental contractor (contractor) under the direction of the

division to provide the division with technical assistance in completing the permit action. The division shall maintain a list of at least 3 qualified nongovernmental contractors for this purpose.

An applicant shall bear the contractor's costs for any technical assistance provided by the contractor and shall pay the contractor for such costs. The division may charge an applicant an additional fee in an amount not exceeding 10% of the contract amount for contract administration, technical review, and additional permit processing, which fee is credited to the clean water cash fund. The division may, before issuing its final permit action, require the applicant to fully pay this fee and any contractor costs. The division shall provide oversight to ensure that contractors provide technical assistance in accordance with the terms of their contracts.

The bill requires the division, upon a permittee's request, to make available to the permittee all documents, data, and information the division relied upon in developing the permittee's permit modification or permit renewal, except to the extent that such materials are protected by an applicable privilege or exception.

The bill makes the following transfers of money:

- On July 1, 2025, \$111,000 from the water quality improvement fund to the drinking water cash fund;
- On July 1, 2025, \$3,518,564 from the perfluoroalkyl and polyfluoroalkyl substances cash fund to the clean water cash fund;
- On July 1, 2026, \$3,002,435 from the perfluoroalkyl and polyfluoroalkyl substances cash fund to the clean water cash fund; and
- On July 1, 2026, \$516,129 dollars from the perfluoroalkyl and polyfluoroalkyl substances cash fund to the drinking water cash fund.

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

2 **SECTION 1.** In Colorado Revised Statutes, 25-8-305, **amend**
3 (2)(f) and (4)(b); and **add** (2)(h) and (4)(c) as follows:

4 **25-8-305. Annual report - repeal.** (2) The annual report
5 described in subsection (1) of this section must include information on the
6 division's:

7 (f) Ratio of general fund appropriations to cash fund
8 appropriations that were authorized for the state fiscal year immediately

1 preceding the date of the report; and

2 (h) TIMING IN CONSIDERING AND ISSUING PERMITS, INCLUDING THE
3 NUMBER OF YEARS ADMINISTRATIVELY CONTINUED PERMITS HAVE BEEN
4 PENDING, CATEGORIZED BY YEARS PENDING, AND A NARRATIVE
5 DESCRIPTION OF THE DIVISION'S PLAN FOR PROCESSING ADMINISTRATIVELY
6 CONTINUED PERMITS THAT HAVE BEEN ADMINISTRATIVELY CONTINUED
7 FOR LONGER THAN FIVE YEARS.

8 (4) (b) ~~This subsection (4) is repealed, effective July 1, 2026~~ THE
9 REPORT THAT THE DIVISION SUBMITS IN 2026 MUST INCLUDE A DETAILED
10 DISCUSSION OF HOW THE DIVISION HAS PRIORITIZED REDUCING THE WATER
11 QUALITY PERMIT BACKLOG, IMPLEMENTED RECOMMENDATIONS FROM
12 PERMITTEES FOR PERMITTING EFFICIENCY, AND INCREASED THE NUMBER
13 OF SAFE DRINKING WATER PROGRAM INSPECTIONS.

14 (c) THIS SUBSECTION (4) IS REPEALED, EFFECTIVE JULY 1, 2027.

15 **SECTION 2.** In Colorado Revised Statutes, 25-8-501, **amend** (2)
16 as follows:

17 **25-8-501. Permits required for discharge of pollutants -**
18 **administration.** (2) (a) The division shall examine applications for and
19 may issue, suspend, revoke, modify, deny, and otherwise administer
20 permits for the discharge of pollutants into state waters and for the use
21 and disposal of biosolids. ~~Such~~ THE administration shall be in accordance
22 with ~~the provisions of this article~~ ARTICLE 8 and ~~regulations promulgated~~
23 RULES ADOPTED by the commission. Until modified pursuant to this
24 ~~article~~ ARTICLE 8, final permits shall be governed by their existing
25 limitations.

26 (b) UPON RECEIPT OF AN APPLICATION TO MODIFY A PERMIT, THE
27 DIVISION SHALL LIMIT ITS REVIEW AND, AS APPROPRIATE, ITS APPROVAL OR

1 DENIAL OF THE APPLICATION, TO THE SCOPE OF THE SPECIFIC REQUESTS
2 CONTAINED IN THE APPLICATION.

3 **SECTION 3.** In Colorado Revised Statutes, 25-8-502, **add** (3)(d)
4 and (7) as follows:

5 **25-8-502. Application - definitions - fees - funds created -**
6 **public participation - rules - repeal.** (3) (d) ON OR BEFORE DECEMBER
7 31, 2026, THE COMMISSION SHALL ADOPT RULES ESTABLISHING
8 PROCEDURES WHEREBY THE DIVISION, PRIOR TO GIVING PUBLIC NOTICE OF
9 A COMPLETE PERMIT APPLICATION FOR AN INDIVIDUAL PERMIT AND THE
10 DIVISION'S PRELIMINARY ANALYSIS OF THE APPLICATION PURSUANT TO
11 SUBSECTION (3)(b) OF THIS SECTION, MAY PROVIDE A PERIOD OF PUBLIC
12 NOTICE AND REVIEW OF A PRELIMINARY DRAFT PREPARED BY THE
13 DIVISION. IF A PERIOD OF PUBLIC NOTICE AND REVIEW IS REQUIRED BY
14 RULES OF THE COMMISSION, THE PERIOD OF PUBLIC NOTICE AND REVIEW
15 MAY NOT EXCEED FOURTEEN DAYS, AND THE PURPOSE OF THE REVIEW IS
16 LIMITED TO IDENTIFYING ERRORS IN THE DIVISION'S PRELIMINARY DRAFT.
17 THE DIVISION SHALL MAKE AVAILABLE ON THE DIVISION'S PUBLIC WEBSITE
18 ANY DOCUMENTS PROVIDED BY THE DIVISION DURING A PERIOD OF PUBLIC
19 NOTICE AND REVIEW.

20 (7) (a) ON OR BEFORE DECEMBER 31, 2027, THE DIVISION SHALL
21 PROPOSE RULES TO THE COMMISSION THAT ESTABLISH A TIME FRAME
22 DURING WHICH THE DIVISION WILL EITHER GRANT OR DENY APPLICATIONS
23 FOR EACH TYPE OF PERMITTING ACTION. ON OR BEFORE JUNE 30, 2028,
24 THE COMMISSION SHALL ADOPT RULES BASED ON THE DIVISION'S
25 PROPOSAL. THE RULES MUST ESTABLISH THE TIME FRAMES FOR
26 PERMITTING ACTIONS, INCLUDING:

27 (I) THE ISSUANCE OF NEW INDIVIDUAL PERMITS AND NEW GENERAL

1 PERMITS;
2 (II) THE RENEWAL OF GENERAL PERMITS AND INDIVIDUAL PERMITS;
3 (III) THE GRANTING OR DENYING OF REQUESTS FOR PERMIT
4 MODIFICATIONS; AND
5 (IV) THE DETERMINATION OF PRELIMINARY EFFLUENT
6 LIMITATIONS.

7 (b) (I) THE DIVISION SHALL BEGIN THE PROCESS TO CREATE A
8 PROPOSAL OF TIME FRAMES FOR PERMITTING ACTIONS FOR THE PURPOSES
9 OF SUBSECTION (7)(a) OF THIS SECTION ON OR BEFORE AUGUST 1, 2025.

10 (II) THIS SUBSECTION (7)(b) IS REPEALED, EFFECTIVE JULY 1, 2026.

11 **SECTION 4.** In Colorado Revised Statutes, 25-8-503, **add** (10)
12 as follows:

13 **25-8-503. Permits - when required and when prohibited -**
14 **variances - definition.** (10) (a) THE DIVISION SHALL CONSIDER CURRENT
15 DEBT SERVICE ON EXISTING LOCAL GOVERNMENT WATER INFRASTRUCTURE
16 WHEN DEVELOPING SCHEDULES OF COMPLIANCE FOR NEW EFFLUENT LIMITS
17 IN LOCAL GOVERNMENT PERMITS.

18 (b) ANY SCHEDULE OF COMPLIANCE THAT THE DIVISION DEVELOPS
19 FOR NEW EFFLUENT LIMITS IN LOCAL GOVERNMENT PERMITS MUST,
20 CONSISTENT WITH STATE AND FEDERAL LAW, CONSIDER THE LOCAL
21 GOVERNMENT'S FINANCIAL CAPABILITY TO REPAY EXISTING DEBT ON
22 WATER INFRASTRUCTURE OR TO FUND WATER INFRASTRUCTURE UPGRADES
23 BEFORE REQUIRING NEW WATER INFRASTRUCTURE UPGRADES. TO THE
24 EXTENT ALLOWABLE UNDER FEDERAL LAW, THE DIVISION MAY ESTABLISH
25 COMPLIANCE SCHEDULES IN A LOCAL GOVERNMENT PERMIT FOR A NEW
26 EFFLUENT LIMIT IN EXCESS OF TWENTY YEARS.

27 (c) AS USED IN THIS SUBSECTION (10), "WATER INFRASTRUCTURE"

1 INCLUDES WASTEWATER TREATMENT INFRASTRUCTURE, DRINKING WATER
2 TREATMENT INFRASTRUCTURE, AND RAW WATER INFRASTRUCTURE.

3 **SECTION 5.** In Colorado Revised Statutes, **add** 25-8-503.7 as
4 follows:

5 **25-8-503.7. Use of qualified and independent contractors -**
6 **powers and duties of the division - fees - definitions.** (1) ON AND
7 AFTER MAY 1, 2026, AN APPLICANT AND THE DIVISION MAY MUTUALLY
8 AGREE TO USE A QUALIFIED AND INDEPENDENT NONGOVERNMENTAL
9 CONTRACTOR UNDER THE DIRECTION OF THE DIVISION TO PROVIDE THE
10 DIVISION WITH TECHNICAL ASSISTANCE IN COMPLETING THE PERMIT
11 ACTION IF:

12 (a) AN APPLICATION FOR PERMIT MODIFICATION OR PERMIT
13 RENEWAL HAS BEEN PENDING BEFORE THE DIVISION FOR SIXTY DAYS;

14 (b) AN APPLICATION FOR PERMIT MODIFICATION OR PERMIT
15 RENEWAL IS PENDING BEFORE THE DIVISION AS OF MAY 1, 2026; OR

16 (c) THE DIVISION INFORMS AN APPLICANT THAT THE DIVISION WILL
17 NOT PROCESS AN APPLICATION FOR PRELIMINARY EFFLUENT LIMITATIONS.

18 (2) A CONTRACTOR THAT PROVIDES TECHNICAL ASSISTANCE
19 PURSUANT TO THIS SECTION MAY ASSIST THE DIVISION WITH SOME OR ALL
20 OF THE FOLLOWING, AT THE DIVISION'S DISCRETION:

21 (a) PREPARING THE DIVISION'S PROPOSED PERMIT ACTION;

22 (b) PREPARING THE DIVISION'S RESPONSES TO PUBLIC COMMENTS
23 RECEIVED ON THE PROPOSED PERMIT ACTION, IF ANY;

24 (c) PREPARING THE DIVISION'S FINAL PERMIT ACTION;

25 (d) AIDING IN THE DIVISION'S DEFENSE OF THE FINAL PERMIT
26 ACTION IN ANY ADMINISTRATIVE ADJUDICATORY PROCEEDINGS; AND

27 (e) AIDING IN THE DIVISION'S DEFENSE OF THE FINAL PERMIT

1 ACTION IN ANY JUDICIAL PROCEEDINGS.

2 (3) THE APPLICANT SHALL BEAR THE CONTRACTOR'S COSTS FOR
3 ANY TECHNICAL ASSISTANCE PROVIDED PURSUANT TO THIS SECTION AND
4 SHALL REMIT PAYMENT FOR THE COSTS DIRECTLY TO THE CONTRACTOR.
5 THE DIVISION MAY CHARGE THE APPLICANT AN ADDITIONAL FEE IN AN
6 AMOUNT NOT EXCEEDING TEN PERCENT OF THE CONTRACT AMOUNT FOR
7 CONTRACT ADMINISTRATION, TECHNICAL REVIEW, AND ADDITIONAL
8 PERMIT PROCESSING. MONEY COLLECTED AS AN ADDITIONAL FEE SHALL
9 BE CREDITED TO THE CLEAN WATER CASH FUND CREATED IN SECTION
10 25-8-210. THE DIVISION MAY, BEFORE ISSUING ITS FINAL PERMIT ACTION,
11 REQUIRE THE APPLICANT TO FULLY PAY THE ADDITIONAL FEE AND ANY
12 CONTRACTOR COSTS.

13 (4) (a) THE DIVISION, IN ITS SOLE DISCRETION, SHALL PROVIDE
14 OVERSIGHT TO ENSURE THAT CONTRACTORS PROVIDE TECHNICAL
15 ASSISTANCE IN ACCORDANCE WITH THE TERMS OF THEIR CONTRACTS. THE
16 DIVISION MAY REQUIRE A CONTRACTOR'S TECHNICAL ASSISTANCE TO
17 CONFORM TO ALL COMMISSION RULES, DIVISION POLICIES, AND DIVISION
18 PRACTICES APPLICABLE TO THE PERMIT ACTION IN QUESTION.

19 (b) THE DIVISION MAY DEEM SOME OR ALL OF THE CONTRACTOR'S
20 TECHNICAL ASSISTANCE AS UNACCEPTABLE AND MAY REJECT, REQUIRE
21 CORRECTION OF, OR DENY APPROVAL FOR SUCH ASSISTANCE. THE
22 DIVISION'S REJECTION, REQUIRED CORRECTION, OR DENIAL OF APPROVAL
23 OF A CONTRACTOR'S TECHNICAL ASSISTANCE IS NOT SUBJECT TO JUDICIAL
24 OR ADMINISTRATIVE REVIEW AND DOES NOT RELIEVE AN APPLICANT OF
25 THE OBLIGATION TO PAY THE CONTRACTOR'S COSTS FOR SUCH TECHNICAL
26 ASSISTANCE.

27 (c) THE DIVISION'S USE OF CONTRACTORS PURSUANT TO THIS

1 SECTION DOES NOT RELIEVE THE DIVISION OF ITS OBLIGATIONS UNDER THIS
2 ARTICLE 8.

3 (d) THE DIVISION IS NOT SUBJECT TO THE REQUIREMENTS OF THE
4 "PROCUREMENT CODE", ARTICLES 101 TO 112 OF TITLE 24, IN SELECTING
5 OR CONTRACTING WITH THE CONTRACTORS.

6 (5) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
7 REQUIRES:

8 (a) "CONFLICT OF INTEREST" MEANS A DIRECT AND SUBSTANTIAL
9 PERSONAL OR FINANCIAL INTEREST IN THE OUTCOME OF A PERMIT OR
10 PERMIT ACTION SUCH THAT A CONTRACTOR IS UNABLE TO FULFILL ITS
11 DUTY TO REMAIN FAIR, IMPARTIAL, OR OBJECTIVE.

12 (b) "INDEPENDENT" MEANS HAVING NO CONFLICT OF INTEREST
13 WITH A PERMITTEE.

14 (c) "QUALIFIED" MEANS HAVING SUBSTANTIAL PROFESSIONAL
15 EDUCATION, TRAINING, OR EXPERIENCE IN WATER QUALITY PERMITTING.

16 **SECTION 6.** In Colorado Revised Statutes, 25-8-210, **add**
17 (4)(a)(I.2) as follows:

18 **25-8-210. Fees established administratively - rules -**
19 **shareholding requirement - phase-in period - clean water cash fund**
20 **- creation - repeal.** (4) (a) The clean water cash fund is created in the
21 state treasury. The fund consists of:

22 (I.2) FEES COLLECTED PURSUANT TO SECTION 25-8-503.7 (3);

23 **SECTION 7.** In Colorado Revised Statutes, **add** 25-8-503.8 as
24 follows:

25 **25-8-503.8. Documents, information, and data utilized in**
26 **developing permits.** UPON A PERMITTEE'S REQUEST, THE DIVISION SHALL
27 MAKE AVAILABLE TO THE PERMITTEE ALL DOCUMENTS, DATA, AND

1 INFORMATION THE DIVISION RELIED UPON IN DEVELOPING THE PERMITTEE'S
2 PERMIT MODIFICATION OR PERMIT, INCLUDING ANY MODEL, TOOL, OR
3 TABULAR WORKSHEET AND ANY FORMULAS, MACROS, METADATA, AND
4 CALCULATIONS CONTAINED IN SUCH MATERIALS, EXCEPT TO THE EXTENT
5 THAT THE DOCUMENTS, DATA, AND INFORMATION ARE PROTECTED BY AN
6 APPLICABLE PRIVILEGE, SUCH AS THE ATTORNEY-CLIENT PRIVILEGE OR THE
7 DELIBERATIVE-PROCESS PRIVILEGE, OR ARE SUBJECT TO AN EXCEPTION
8 FROM DISCLOSURE SET FORTH IN SECTION 24-72-204.

9 **SECTION 8.** In Colorado Revised Statutes, 25-8-608, **amend**
10 (1.8) as follows:

11 **25-8-608. Civil penalties - rules - fund created - temporary**
12 **moratorium on penalties for minor violations - definitions - repeal.**

13 (1.8) (a) Notwithstanding any provision of subsection (1.5) or (1.7) of
14 this section to the contrary, on ~~April 20, 2009~~ JULY 1, 2025, the state
15 treasurer shall ~~deduct seven hundred thousand dollars~~ TRANSFER ONE
16 HUNDRED ELEVEN THOUSAND DOLLARS from the water quality
17 improvement fund ~~and transfer such sum to the general fund~~ DRINKING
18 WATER CASH FUND CREATED IN SECTION 25-1.5-209 (2).

19 (b) THIS SUBSECTION (1.8) IS REPEALED, EFFECTIVE AUGUST 1,
20 2026.

21 **SECTION 9.** In Colorado Revised Statutes, 8-20-206.5, **add**
22 (7)(d) as follows:

23 **8-20-206.5. Environmental response surcharge - liquefied**
24 **petroleum gas and natural gas inspection fund - perfluoroalkyl and**
25 **polyfluoroalkyl substances cash fund - hazardous materials**
26 **infrastructure cash fund - fuels impact reduction grant program -**
27 **definitions - repeal.** (7) (d) (I) NOTWITHSTANDING SUBSECTION (7)(c)

1 OF THIS SECTION, THE STATE TREASURER SHALL TRANSFER THE
2 FOLLOWING AMOUNTS FROM THE FUND ON THE FOLLOWING DATES:

3 (A) ON JULY 1, 2025, THREE MILLION FIVE HUNDRED EIGHTEEN
4 THOUSAND FIVE HUNDRED SIXTY-FOUR DOLLARS TO THE CLEAN WATER
5 CASH FUND CREATED IN SECTION 25-8-210;

6 (B) ON JULY 1, 2026, THREE MILLION TWO THOUSAND FOUR
7 HUNDRED THIRTY-FIVE DOLLARS TO THE CLEAN WATER CASH FUND
8 CREATED IN SECTION 25-8-210; AND

9 (C) ON JULY 1, 2026, FIVE HUNDRED SIXTEEN THOUSAND ONE
10 HUNDRED TWENTY-NINE DOLLARS TO THE DRINKING WATER CASH FUND
11 CREATED IN SECTION 25-1.5-209 (2).

12 (II) THIS SUBSECTION (7)(d) IS REPEALED, EFFECTIVE JULY 1, 2028.

13 **SECTION 10. Safety clause.** The general assembly finds,
14 determines, and declares that this act is necessary for the immediate
15 preservation of the public peace, health, or safety or for appropriations for
16 the support and maintenance of the departments of the state and state
17 institutions.