



Legislative Council Staff

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Fiscal Note

Drafting Number:
Prime Sponsors:

LLS 21-0883
Sen. Ginal; Rankin
Rep. Snyder; Hanks

Date: May 11, 2021
Bill Status: Senate Local Government
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Bill Topic: **WILDFIRE RISK MITIGATION**

Summary of Fiscal Impact:

- State Revenue
- State Expenditure
- State Transfer
- TABOR Refund
- Local Government
- Statutory Public Entity

The bill expands the uses of wildfire mitigation funding, and allows for additional staffing to support wildfire mitigation efforts. It transfers \$29.8 million in the current FY 2020-21, and \$1.8 million in FY 2021-22 for wildfire risk mitigation.

Appropriation Summary:

No appropriation is required. Affected cash funds are continuously appropriated to their respective departments.

Fiscal Note Status:

The fiscal note reflects the introduced bill.

Table 1
State Fiscal Impacts Under SB 21-258

| | | Current Year FY 2020-21 | Budget Year FY 2021-22 | Out Year FY 2022-23 |
|---------------------|---------------------|----------------------------|---------------------------|------------------------|
| Revenue | | - | - | - |
| Expenditures | Cash Funds | \$29,800,000 | \$1,800,000 | - |
| Transfers | General Fund | (\$25,000,000) | - | - |
| | Cash Funds | (\$4,800,000) | (\$1,800,000) | - |
| | Cash Funds | \$29,800,000 | \$1,800,000 | - |
| | Net Transfer | \$0 | \$0 | - |
| TABOR Refund | | - | - | - |

Summary of Legislation

The bill creates the Hazard Mitigation Fund to assist local jurisdictions with obtaining matching funds required for certain federal hazard mitigation grants. The bill also creates the Wildfire Mitigation Capacity Development Fund and enumerates authorized expenses and allocations, including administrative overhead rates. These cash funds are continuously appropriated to the Department of Natural Resources (DNR).

Under specified circumstances, the bill allows the Forest Restoration and Wildfire Risk Mitigation Grant Program in the Colorado State Forest Service at the Department of Higher Education (DHE) to give grant assistance for projects on federal land. The forest service may use up to 7.0 percent of appropriations for administration, up from 3.0 percent under current law, and hire additional nontemporary field staff.

The DNR will enter into a memorandum of understanding (MOU) with the Division of Fire Protection and Control in the Department of Public Safety (DPS), and with the Colorado State Forest Service to coordinate efforts on wildfire mitigation.

In the current FY 2020-21, this bill makes the following transfers:

- \$17,500,000 from the General Fund to the newly created Wildfire Mitigation Capacity Development Fund in the DNR;
- \$5,000,000 from the General Fund to the Healthy Forests and Vibrant Communities Fund in the Colorado State Forest Service;
- \$2,500,000 from the General Fund to the Wildfire Risk Mitigation Revolving Fund in the Colorado State Forest Service;
- \$3,000,000 from the Wildfire Preparedness Fund in the DPS to the newly created Hazard Mitigation Fund in the DNR;
- \$600,000 from the Wildfire Preparedness Fund in the DPS to the Wildfire Emergency Response Fund in the DPS; and
- \$1,200,000 from the Colorado Firefighting Air Corps Fund in the DPS to the Wildfire Emergency Response Fund in the DPS.

In FY 2021-22, the bill makes the following transfers:

- \$1,200,000 from the Colorado Firefighting Air Corps Fund in DPS to the Wildfire Emergency Response Fund in the DPS; and
- \$600,000 from the Wildfire Preparedness Fund to the Wildfire Emergency Response Fund in the DPS.

State Transfers

In the current FY 2020-21, the bill transfers a total of \$29,800,000 from the General Fund and from Cash Funds to wildfire mitigation programs in the forest service, the DPS, and in the DNR. For FY 2021-22, the bill transfers another \$1,800,000 from two DPS cash funds to the Wildfire Emergency Response Fund in the DPS.

State Expenditures

State expenditures in amounts equivalent to the transfers noted above are shown in the same year as the funds transfer; however, actual expenses may span multiple fiscal years. The DNR will have an increase in expenditures to conduct the activities listed in the bill including:

- developing a comprehensive statewide risk assessment by June 15, 2021;
- increasing staff resources for wildfire mitigation projects;
- assessing wildfire mitigation programs and efforts; and
- identifying and funding priority landscape scale wildfire mitigation projects.

The DNR, DPS, and DHE will have increases in workload to participate in the MOU to direct the bill's implementation. These increases are expected to be accomplished with existing staff.

Local Government Impact

Local jurisdictions that receive grant funding will have an increase in expenditures on wildfire mitigation efforts and an increase in workload for managing mitigation projects and participating in community engagement on wildfire issues.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State and Local Government Contacts

Higher Education

Local Affairs

Natural Resources