



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

FISCAL NOTE

Drafting Number: LLS 20-1113 Date: March 26, 2020
Prime Sponsors: Sen. Donovan Bill Status: Senate Agriculture
Rep. Roberts Fiscal Analyst: Max Nardo | 303-866-4776
Max.Nardo@state.co.us

Bill Topic: SPECIES CONSERVATION TRUST FUND PROJECTS

- Summary of Fiscal Impact: State Revenue, State Expenditure, State Transfer, TABOR Refund, Local Government, Statutory Public Entity

The bill authorizes expenditures in the Department of Natural Resources for a designated list of projects to conserve native species. It increases state expenditures beginning in FY 2020-21.

Appropriation Summary: For FY 2020-21, the bill authorizes \$4.0 million of expenditures in the Department of Natural Resources. See State Appropriations section.

Fiscal Note Status: The fiscal note reflects the introduced bill.

Table 1
State Fiscal Impacts Under SB 20-201

Table with 3 columns: Category, FY 2020-21, FY 2021-22. Rows include Revenue, Expenditures (Cash Funds), Transfers, and TABOR Refund.

Summary of Legislation

This bill authorizes \$4.0 million of expenditures from the Species Conservation Trust Fund (SCTF) for programs submitted by the Director of the Department of Natural Resources (DNR) that are designed to conserve native species that are listed as threatened or endangered under state or federal law, or are likely to become candidate species as determined by the United States Fish and Wildlife Service. The authorization begins in FY 2020-21 and the funds remain available until fully expended.

Background

Funding for the SCTF was renewed by HB 19-1259, which authorized annual transfers of up to \$5.0 million from the Severance Tax Operational Fund to the SCTF from FY 2019-20 to FY 2023-24. While transfers to the program are authorized through this period, expenditures remain subject to annual authorization by the General Assembly.

Severance Tax Operational Fund. The Severance Tax Operational Fund receives 25 percent of state severance tax receipts. The fund is used for core departmental programs in the DNR and natural resource and energy grant programs:

- *Core departmental programs.* These programs are prioritized in the fund and include operations for the Oil and Gas Conservation Commission; the Geological Survey; the Avalanche Information Center; the Division of Reclamation, Mining and Safety; the Water Conservation Board; the Division of Parks and Wildlife; and the fund's statutory reserve.
- *Natural resource and energy grant programs.* These include water-related programs; soil conservation; the control of invasive species; forestry and wildfire prevention grants; mine reclamation; low-income energy assistance programs; and the SCTF.

Current law provides a mechanism to balance spending from the operational fund by making proportional reductions to all natural resource and energy grant programs when insufficient funds exist to fully fund those programs and still meet the fund's statutory reserve requirement.

State Expenditures

For FY 2020-21, the bill authorizes expenditures of \$4.0 million from the SCTF for the projects listed in Table 2.

Table 2
Species Conservation Trust Fund Project Expenditures

| | FY 2020-21 |
|--|--------------------|
| Department of Natural Resources | |
| Native Terrestrial Wildlife Conservation | \$1,107,505 |
| Native Aquatic Wildlife Conservation | \$892,495 |
| Platte River Recovery Implementation Program | \$1,900,000 |
| Selenium Management and Research | \$100,000 |
| Total Cost | \$4,000,000 |

Based on the March 2020 LCS revenue forecast, the FY 2020-21 severance tax transfer to the SCTF is expected to be \$2.3 million. The other \$1.7 million in expenditures will be paid from the SCTF fund balance.

Effective Date

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

State Appropriations

The bill provides the authorization necessary for the projects listed in Table 2. No further appropriations are required.

State and Local Government Contacts

Natural Resources