



Legislative Council Staff
Nonpartisan Services for Colorado's Legislature

Final Fiscal Note

Drafting Number: LLS 21-0777 **Date:** August 3, 2021
Prime Sponsors: Sen. Hansen; Rankin **Bill Status:** Signed into Law
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Bill Topic: **TRANSFERS FOR WILDFIRE MITIGATION & RESPONSE**

Summary of Fiscal Impact:

<input type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
<input checked="" type="checkbox"/> State Expenditure	<input checked="" type="checkbox"/> Local Government
<input checked="" type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

The bill transfers a total of \$13.0 million from the General Fund to three cash funds for use in wildfire prevention and recovery. It increases state expenditures in FY 2021-22 only.

Appropriation Summary: The bill includes an appropriation of \$4.0 million to the Department of Natural Resources. In addition, the bill transfers \$9.0 million from the General Fund to continuously appropriated cash funds in other state agencies.

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

Table 1
State Fiscal Impacts Under SB 21-054

		Current Year FY 2020-21	Budget Year FY 2021-22	Out Year FY 2022-23
Revenue		-	-	-
Expenditures	Cash Funds	-	\$13.0 million	-
	Federal Funds	-	not estimated	-
	Total Expenditures	-	at least \$13.0 million	-
Transfers	General Fund	(\$13.0 million)	-	-
	Cash Funds	\$13.0 million	-	-
	Net Transfer	\$0	-	-
TABOR Refund		-	-	-

Summary of Legislation

The bill initiates the following transfers from the General Fund upon its effective date:

- \$6.0 million to the Forest Restoration and Wildfire Risk Mitigation Grant Program Cash Fund;
- \$3.0 million to the Wildfire Preparedness Fund, which must be used as the state match for federal wildfire hazard mitigation grants to local governments and for related strategic planning; and
- \$4.0 million to the Colorado Water Conservation Board (CWCB) Construction Fund, which is appropriated to the board for the Watershed Restoration Program.

State Transfers

In the current FY 2020-21, bill transfers \$13.0 million from General Fund as follows:

\$6.0 million to the Forest Restoration and Wildfire Risk Mitigation Grant Program Cash Fund. This program is administered by the Colorado State Forest Service housed in the Department of Higher Education. The program primarily issues grants to reduce hazardous fuels, such as dead trees, to reduce the potential risk for wildlife damage to property, infrastructure, or water supplies. The program's cash fund is continuously appropriated.

\$3.0 million to the Wildfire Preparedness Fund. This fund is administered by the Department of Public Safety. The bill specifies that the funds will be used as the state match for federal wildfire grants, and to support local government strategic planning related to those grants. The federal grants, which are distributed through FEMA, support communities in reducing future fire damage after experiencing wildfires. The cash fund is continuously appropriated.

\$4.0 million to the CWCB Construction Fund for the Watershed Restoration Program. This program is administered by the Colorado Water Conservation Board in the Department of Natural Resources. The program issues grants to support planning and implementation for watershed restoration and flood mitigation projects. This transfer is related to damage from the 2020 wildfire season.

State Expenditures

State expenditures will increase in each respective agency by the amount transferred, as described above, which totals \$13.0 million. The fiscal note assumes the transfers will be fully expended in FY 2021-22. To the extent that state expenditures are used to draw federal matching funds, federal spending will also increase, however this amount is not estimated.

Local Government

Local governments that opt to participate in the grant programs funded by the bill will receive revenue and may increase expenditures as a required match or for other purposes according to the terms of the grant.

Effective Date

The bill was signed into law by the Governor and took effect on March 21, 2021.

State Appropriations

The bill includes an appropriation of \$4.0 million to the Department of Natural Resources.

State and Local Government Contacts

Joint Budget Committee Staff