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Revised Fiscal Note

(replaces fiscal note dated April 23, 2021)

Drafting Number: LLS 21-0884 Date: May 20, 2021
Prime Sponsors: Sen. Danielson; Simpson Bill Status: House Agriculture
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Bill Topic: WATERSHED RESTORATION GRANT PROGRAM STIMULUS

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

The bill transfers \$20.0 million from the General Fund to the Colorado Water Conservation Board Construction Fund for watershed restoration grants and to conduct a watershed analysis. It increases state expenditures and local government revenue and expenditures.

Appropriation Summary: For the current FY 2020-21, the bill includes an appropriation of \$20.0 million to the Department of Natural Resources.

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

Table 1
State Fiscal Impacts Under SB 21-240

Table with 4 columns: Category, Sub-category, Current Year FY 2020-21\*, Budget Year FY 2021-22, Out Year FY 2022-23. Rows include Revenue, Expenditures (Cash Funds, Total Expenditures), Transfers (General Fund, Cash Funds, Net Transfer), and TABOR Refund.

\* The money is appropriated for the current FY 2020-21 and remains available until fully expended.

## Summary of Legislation

The bill transfers \$20.0 million from the General Fund to the Colorado Water Conservation Board (CWCB) Construction Fund and appropriates the money for watershed restoration and flood mitigation grants. Grants must support work to restore, mitigate, and protect streams and riparian areas susceptible to flooding and erosion following a wildfire, including installation or repair of water and debris control structures. The department must report on the spending in its annual SMART Act hearing.

The money is allocated as follows:

- up to \$500,000 to conduct a statewide watershed analysis to investigate the susceptibility of water supplies to wildfire impacts by December 31, 2022;
- up to \$1.5 million to assist grantees with technical engineering services and overall program management;
- up to \$750,000 to administer the grant program; and
- the remaining money for grants, at least \$10.0 million of which must be awarded by July 1, 2022, with the remaining money awarded by December 31, 2022.

## State Transfers

The bill transfers \$20.0 million from the General Fund to the CWCB Construction Fund within three days of the bill's effective date, which is assumed to fall in FY 2020-21.

## State Expenditures

The bill increases expenditures in the Department of Natural Resources by \$20.0 million from the CWCB Construction Fund. Grant awards and watershed analysis expenditures will take place by FY 2022-23; grant administration costs and technical services have no associated deadlines and are available to the department until fully expended.

**Table 2**  
**Expenditures Under SB 21-240**

<b>Cost Component</b>	<b>Allocation</b>
<b>Department of Natural Resources</b>	
Statewide Watershed Analysis	up to \$500,000
Technical and Engineering Services	up to \$1,500,000
Grant Program Administration	up to \$750,000
Grants	at least \$17,250,000
<b>Total Cost</b>	<b>\$20.0 million</b>

## **Local Government**

Revenue and expenditures will increase for local governments that receive watershed restoration or flood mitigation grants.

## **Effective Date**

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

## **State Appropriations**

For the current FY 2020-21, the bill includes an appropriation of \$20.0 million from the CWCB Construction Fund to the Department of Natural Resources. The money is available until fully expended.

## **State and Local Government Contacts**

Natural Resources