



## Legislative Council Staff

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# Fiscal Note

**Drafting Number:** LLS 23-0144  
**Prime Sponsors:** Rep. Story  
Sen. Cutter

**Date:** January 18, 2023  
**Bill Status:** House Agriculture  
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**Bill Topic:** **UPDATES TO STATE FOREST SERVICE TREE NURSERY**

**Summary of Fiscal Impact:**

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

The bill requires upgrades and improvements to the Colorado State Forest Service tree nursery in Fort Collins. It increases expenditures in FY 2023-24.

**Appropriation Summary:**

For FY 2023-24, the bill requires an appropriation of \$1.9 million for use by the Colorado State Forest Service.

**Fiscal Note Status:**

The fiscal note reflects the introduced bill, as recommended by the Wildfire Matters Review Committee.

**Table 1**  
**State Fiscal Impacts Under HB 23-1060**

		Budget Year FY 2023-24	Out Year FY 2024-25
<b>Revenue</b>		-	-
<b>Expenditures</b>	General Fund	\$1,920,000	-
<b>Transfers</b>		-	-
<b>Other Budget Impacts</b>	General Fund Reserve	\$288,000	-

## Summary of Legislation

The bill requires the Colorado State Forest Service (CSFS) to upgrade and improve its seedling tree nursery to expand capacity and contribute to reforestation efforts. Specifically, the nursery must:

- upgrade fields where bare-root trees and shrubs are grown, including installing a new pump and pump house, overhauling the irrigation system, and improving the roads in the fields;
- purchase a new seed storage cooler; and
- purchase two refrigerated box trucks.

The bill repeals the nursery upgrade requirements on January 1, 2026.

## Background

In the 2022 legislative session, the General Assembly passed [House Bill 22-1323](#), which required that CSFS upgrade the nursery greenhouses, shade house structures, container and shipping supplies, and to contract with a nursery professional to conduct an analysis of priority investments necessary to address reforestation needs in response to more frequent weather and disease incidents. The General Assembly appropriated \$5 million in FY 2022-23 for these upgrades with spending authority through FY 2023-24.

## State Expenditures

The bill increases state expenditures in the CSFS by \$1.92 million in FY 2023-24 from the General Fund. Expenditures are shown in Table 2 and detailed below.

**Table 2**  
**Expenditures Under HB 23-1060**

	<b>FY 2023-24</b>	<b>FY 2024-25</b>
<b>Colorado State Forest Service</b>		
Bare Root Field Upgrades	\$1,300,000	-
Seedling Coolers	\$500,000	-
Delivery Trucks	\$120,000	-
<b>Total Cost</b>	<b>\$1,920,000</b>	<b>-</b>

Estimated nursery improvements are the result of research conducted by nursery staff. The CSFS solicited an estimate of costs from various vendors for necessary nursery improvements. The estimate for field upgrades are based on costs of materials and equipment used for upgrades to the nursery over the past few fiscal years.

## **Other Budget Impacts**

**General Fund reserve.** Under current law, an amount equal to 15 percent of General Fund appropriations must be set aside in the General Fund statutory reserve beginning in FY 2022-23. Based on this fiscal note, the bill is expected to increase the amount of General Fund held in reserve by the amounts shown in Table 1, which will decrease the amount of General Fund available for other purposes.

## **Effective Date**

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

## **State Appropriations**

For FY 2023-24, the bill requires a General Fund appropriation of \$1,920,000 to the Department of Higher Education for allocation to the Colorado State Forest Service at Colorado State University.

## **State and Local Government Contacts**

Forest Service                      Information Technology