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Fiscal Note

Drafting Number: LLS 22-0933 Date: April 20, 2022
Prime Sponsors: Rep. McCormick; Catlin Sen. Donovan; Simpson Bill Status: House Agriculture
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Bill Topic: WILDFIRE PREVENTION WATERSHED RESTORATION FUNDING

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

The bill transfers \$20.0 million from the Economic Relief and Recovery Cash Fund to cash funds in the Colorado State Forest Service and the Department of Natural Resources. The bill increases state expenditures over two years.

Appropriation Summary: No appropriation is necessary, as the cash funds receiving funds are continuously appropriated.

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

Table 1 State Fiscal Impacts Under HB 22-1379

Table with 3 columns: Category, Budget Year FY 2022-23, and Out Year FY 2023-24. Rows include Revenue, Expenditures (Cash Funds, Total costs), Transfers (Cash Funds, Net Transfer), and Other Budget Impacts.

1 FY 2022-23 funding will be spent over two fiscal years, as described in the State Expenditures section. Money in the Economic Recovery and Relief Cash Fund comes from federal ARPA funds.

Summary of Legislation

The bill makes the following transfers totaling \$20.0 million from the Economic Recovery and Relief Cash Fund:

- \$3.0 million to the Healthy Forests and Vibrant Communities Fund in the Colorado State Forest Service (CSFS) to support wildfire risk mitigation and watershed resilience;
- \$2.0 million to the Wildfire Mitigation Capacity Development Fund in the Department of Natural Resources (DNR) for wildfire mitigation and fuel reduction projects; and
- \$15.0 million to the Colorado Water Conservation Board Construction Fund in the DNR for watershed restoration and flood mitigation project grants, administering the grant program, and to provide grants and assistance in applying for grants to local governments.

Expenditures from the funds must adhere to the relevant compliance, reporting, record-keeping, and program evaluation requirements established by the Office of State Planning and Budgeting and the State Controller.

State Transfers

On the effective date of the bill or immediately thereafter, the treasurer is required to transfer \$20 million from the Economic Recovery and Relief Cash Fund to three cash funds for use by the CSFS and the Colorado Water Conservation Board (CWCB) in the DNR.

State Expenditures

Both the DNR and the CSFS will have an increase in expenditures from the cash funds. This fiscal note assumes that most of the spending will occur in FY 2022-23, with carryover spending occurring in FY 2023-24, or until all funding is encumbered or spent in accordance with federal requirements under ARPA.

Effective Date

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

State and Local Government Contacts

Forest Service

Natural Resources