



**Legislative Council Staff**

*Nonpartisan Services for Colorado's Legislature*

**Revised Fiscal Note**

(replaces fiscal note dated April 6, 2023)

<b>Drafting Number:</b>	LLS 23-0950	<b>Date:</b>	April 20, 2023
<b>Prime Sponsors:</b>	Sen. Roberts; Will Rep. McCluskie; Catlin	<b>Bill Status:</b>	House Agriculture
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**Bill Topic:** **WOLF DEPREDATION COMPENSATION FUND**

<b>Summary of Fiscal Impact:</b>	<input type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
	<input checked="" type="checkbox"/> State Expenditure	<input type="checkbox"/> Local Government
	<input checked="" type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

The bill creates the Wolf Depredation Compensation Fund in the Department of Natural Resources to compensate landowners and agricultural producers for losses from wolf depredation. Beginning in FY 2023-24, the bill creates an ongoing state transfer and an increase in state expenditures.

**Appropriation Summary:** For FY 2023-24, the bill requires and includes a reduction in General Fund appropriations of \$175,000 to the Department of Natural Resources. It also requires a separate appropriation of \$175,000 to the department.

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

**Table 1  
State Fiscal Impacts Under SB 23-255**

		<b>Budget Year FY 2023-24</b>	<b>Out Year FY 2024-25</b>
<b>Revenue</b>		-	-
<b>Expenditures</b>	General Fund	(\$175,000)	-
	Cash Funds	up to \$175,000	up to \$350,000
	<b>Total Expenditures</b>	<b>\$0</b>	<b>up to \$350,000</b>
<b>Transfers</b>	General Fund	(\$175,000)	(\$350,000)
	Cash Funds	\$175,000	\$350,000
	<b>Net Transfer</b>	<b>\$0</b>	<b>\$0</b>
<b>Other Budget Impacts</b>	General Fund Reserve	(\$26,250)	-

## **Summary of Legislation**

The bill creates the Wolf Depredation Compensation Fund (fund) in Colorado Parks and Wildlife (CPW) in the Department of Natural Resources (DNR). Money in the fund is to be used to compensate landowners and agricultural producers that suffer damages when a wolf causes the death or injury of livestock or a working animal, and to implement the Gray Wolf Restoration and Management Plan. CPW may promulgate rules to implement the bill, and rules may include criteria necessary to receive compensation or authorize compensation from the fund for indirect livestock loss.

Beginning in 2025, CPW must submit an annual report to the legislature by January 31 of each year and present the report during the department's SMART Act hearing. The report must contain details regarding claims for compensation, animals killed by wolves, and the number of wolves, wolf packs, and breeding pairs in Colorado.

## **Background and Assumptions**

In 2020, Colorado voters passed Proposition 114, which required CPW to restore gray wolves to the state. Proposition 114 also requires the state to assist livestock owners in preventing and resolving conflicts between gray wolves and livestock, and pay fair compensation to livestock owners for any losses caused by wolves.

[House Bill 21-1243](#) specified allowable fund sources that the General Assembly may use for the state's wolf reintroduction work. These funds include the General Fund and other cash funds within CPW that are not funded through licensing fees.

CPW's Draft Colorado Wolf Restoration and Management Plan, which includes a compensation program for livestock losses, anticipates that wolf reintroduction will begin in December 2023. CPW assumes that wolf depredation claims will be low in the first few years of introduction and increase as wolf numbers and their distribution increase.

## **State Transfer**

The bill transfers \$175,000 in FY 2023-24, and \$350,000 beginning in FY 2024-25 and in future years, from the General Fund to the Wolf Depredation Compensation Fund.

## **State Expenditures**

The bill increases state expenditures in DNR by up to \$350,000 in FY 2024-25 and future fiscal years paid from the Wolf Depredation Compensation Fund. These expenditures are for depredation claims payments to eligible landowners and agricultural producers. The maximum expenditures are based on General Fund transfers included in the bill; however, as wolf reintroduction is expected to begin in December 2023, actual payments are expected to be low in the initial years. CPW estimates total depredation claims of \$25,000 in FY 2023-24, increasing by approximately \$5,000 annually in subsequent years. DNR may spend money that is not required for depredation claims to implement the Gray Wolf Restoration and Management Plan. In addition, the department will require legal support for rulemaking under the bill; however, the fiscal note assumes this work can be accomplished within existing appropriations.

## **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. Based on this fiscal note, the bill is expected to decrease the amount of General Fund held in reserve in FY 2023-24 by the amounts shown in Table 1, increasing the amount of General Fund available for other purposes.

**CPW enterprise status.** CPW is designated as an enterprise for the purposes of TABOR. To maintain enterprise status, CPW can receive no more than 10 percent of its revenue from state and local governments. CPW is almost entirely cash funded; therefore, an annual transfer of \$350,000 from the General Fund is not anticipated to affect its enterprise status.

## **Effective Date**

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

## **State Appropriations**

For FY 2023-24, the bill requires and includes an adjustment to the FY 2023-24 Long Bill to decrease appropriations by \$175,000 to the Division of Parks and Wildlife in the Department of Natural Resources. In addition, the bill requires an appropriation of \$175,000 from the Wolf Depredation Compensation Fund to the Department of Natural Resources.

## **State and Local Government Contacts**

Law                                      Natural Resources