



Legislative
Council Staff

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FISCAL NOTE

Drafting Number:	LLS 18-0224	Date:	January 16, 2018
Prime Sponsors:	Rep. Esgar; Arndt Sen. Donovan; Coram	Bill Status:	House Agriculture
		Fiscal Analyst:	Clare Pramuk 303-866-2677 Clare.Pramuk@state.co.us

Bill Topic: MUSSEL-FREE COLORADO ACT

Summary of Fiscal Impact:

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

The bill creates new financing mechanisms for the Aquatic Nuisance Species (ANS) Program in the Department of Natural Resources (DNR). It increases cash fund revenue to the program beginning January 1, 2019, and thereafter from fees on boats. It combines the balances of two existing ANS cash funds. Finally, the bill will minimally increase workload for the program to implement and administer the ANS sticker.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: This fiscal note reflects the introduced bill. The bill was recommended by the Water Resources Review Committee.

**Table 1
State Fiscal Impacts Under HB 18-1008**

		FY 2018-19	FY 2019-20
Revenue	Cash Funds	\$2,264,865	\$2,390,555
	Total	\$2,264,865	\$2,390,555
Expenditures		-	-
Transfers	Cash Funds	(<\$20,000)	-
	Cash Funds	<\$20,000	-
Total		\$0	-

Summary of Legislation

The bill creates new financing mechanisms for the ANS Program in the Division of Parks and Wildlife in the DNR. These funding mechanisms include:

- creating a \$25 ANS stamp to be purchased by Colorado resident boaters beginning January 1, 2019;
- creating a \$50 ANS stamp to be purchased by non-resident boaters who have their boats in Colorado waters for more than 60 consecutive days beginning January 1, 2019;
- adding new penalties and increasing existing penalties for violating ANS laws; and
- authorizing the division to seek reimbursement for the storage and decontamination of a conveyance that was impounded and quarantined due to the suspected presence of an ANS.

The bill combines the balances of two existing ANS cash funds into the continuously appropriated Division of Parks and Wildlife Aquatic Nuisance Species Fund. The Parks and Wildlife Commission may adjust the stamp fees based on changes in the consumer price index.

Comparable Crime

Legislative Council Staff is required to include certain information in the fiscal note for any bill that creates a new crime, changes the classification of an existing crime, or changes an element of the existing crime that creates a new factual basis for the offense. The division has only issued two citations for ANS law violations since FY 2014-15. This bill increases the penalties for several petty offenses and adds a new petty offense. All of these offenses are subject to fines but no period of incarceration. Demographic data are not available for these offenses.

Background

The ANS Program was established in 2008 to prevent, control, contain, monitor and eradicate ANS, both wildlife and plants, from state waters. The program coordinates a network of state, federal, local, and private watercraft inspection and decontamination stations. Watercraft on trailers are required to be inspected for ANS and decontaminated if needed prior to entering Colorado waters. The program operates with an average of \$4.5 million in expenditures annually and 4.0 FTE and was originally funded with Tier II severance tax funding. Due to reduced severance tax distributions, the DNR has used agency cash and federal and local grant funding to maintain the program's operating levels. In FY 2017-18, the program received \$3.6 million from the General Fund.

Based on the December 2017 Legislative Council severance tax forecast and the DNR's operational fund model, no severance tax monies are expected in FY 2018-19 and FY 2019-20 for the ANS Program.

Annual boat registration fees are determined by the length of the boat and are valid from January 1 to December 31 each year. Current fees are as follows:

- less than 20 feet in length - \$35.25;
- 20 feet to less than 30 feet - \$45.25; and
- 30 feet or greater - \$75.25.

State Revenue

This bill is expected to increase state cash fund revenue by \$2,264,865 in FY 2018-19 and \$2,390,555 in FY 2019-20 to the Division of Parks and Wildlife Aquatic Nuisance Species Fund. The revenue increase will be from fees on boat owners, reimbursement for decontamination and storage expenses, and new and increased penalties for violations of ANS law. Table 2 shows the detail of the revenue expected under the bill.

**Table 2
Revenue Summary under HB 18-1008**

Type of Revenue	FY 2018-19	FY 2019-20
Fee Revenue	\$2,258,365	\$2,383,555
Reimbursement for Decontamination and Storage	\$6,000	\$6,000
Fine Revenue	<\$500	<\$1,000
Totals	\$2,264,865	\$2,390,555

Fee impact on boat owners. Colorado law requires legislative service agency review of measures which create or increase any fee collected by a state agency. The fee amounts are set in the bill; the estimated number of stamps is based on average number of boat registrations for residents and inspections conducted on non-residents' boats. Table 3 below identifies the expected fee impact of this bill. The revenue for non-resident transactions is reduced by a \$1.85 per transaction vendor cost for processing. Because the stamp is required as of January 1, 2019, only half of the non-resident boaters are included in the count. Resident boaters are assumed to register in January, 2019.

**Table 3
Fee Impact on Boat Owners**

Fiscal Year	Type of Fee	Proposed Fee	Number Affected	Total Fee Impact
FY 2018-19	ANS Stamp - Residents	\$25	85,327	\$2,133,175
	ANS Stamp - Non-residents	\$50	2,600	130,000
	Less transaction charge	(\$1.85)	2,600	(4,810)
FY 2018-19 Total				\$2,258,365
FY 2019-20	ANS Stamp - Residents	\$25	85,327	\$2,133,175
	ANS Stamp - Non-residents	\$50	5,200	260,000
	Less transaction charge	(\$1.85)	5,200	(9,620)
FY 2019-20 Total				\$2,383,555

Reimbursement for boat decontamination and storage. The bill is expected to increase annual revenue from reimbursements by \$6,000 beginning in FY 2018-19. Division staff are expected to decontaminate approximately 25 boats per year at a average cost of \$240 per boat. Actual costs will vary depending on the severity of the ANS infestation. Costs are rarely incurred for storage, so no reimbursement revenue is estimated here.

Criminal penalties. Under current law, penalties for violation of ANS laws are deposited into the Fines Collection Cash Fund in the Judicial Department. This bill directs all penalty revenue to the Division of Parks and Wildlife Aquatic Nuisance Species Fund, thereby reducing revenue to the Fines Collection Cash Fund. Only two fines have been levied since FY 2014-15, so even though the bill increases penalties and creates two new petty offenses, these provisions are only expected to increase cash fund revenue by less than \$500 in FY 2018-19 and less than \$1,000 in FY 2019-20 and thereafter.

State Transfers

In FY 2018-19, the bill transfers the unobligated balance from the Division of Wildlife Aquatic Nuisance Species Fund to the Division of Parks and Wildlife Aquatic Nuisance Species Fund. The amount of this transfer cannot be determined at the present time but is expected to be less than \$20,000.

State Expenditures

This bill will minimally increase workload to implement and administer the ANS sticker. This workload is expected to be accomplished within existing appropriations.

Effective Date

The bill takes effect August 8, 2018, if the General Assembly adjourns on May 9, 2018, as scheduled, and no referendum petition is filed.

State and Local Government Contacts

Information Technology

Natural Resources