

**JBC STAFF FISCAL ANALYSIS
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING WILDFIRE MITIGATION ASSISTANCE FOR LANDOWNERS.

Prime Sponsors: Reps. Valdez D. and Lynch
Sens. Simpson and Lee

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Phone: 303-866-4960
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Appropriation Items of Note

Appropriation Not Required, Amendment in Packet

General Fund Impact, TABOR Excess State Revenues Impact

Significant Cost Increase in Second Year

Fiscal Impact of Bill as Amended to Date

The most recent Legislative Council Staff Revised Fiscal Note (attached) reflects the fiscal impact of the bill as of 02/22/22.

XXX	No Change: Attached LCS Fiscal Note accurately reflects the fiscal impact of the bill
	Update: Fiscal impact has changed due to <i>new information or technical issues</i>
	Update: Fiscal impact has changed due to <i>amendment adopted</i> after LCS Fiscal Note was prepared
	Non-Concurrence: JBC Staff and Legislative Council Staff disagree about the fiscal impact of the bill

The Finance Committee Report (03/07/22) includes amendments to the bill, however, Legislative Council Staff and JBC Staff agree that the committee amendments do not change the fiscal impact of the bill.

Amendments in This Packet for Consideration by Appropriations Committee

Amendment	Description
L.008	Bill Sponsor amendment - does not change fiscal impact

Current Appropriations Clause in Bill

The bill neither requires nor contains an appropriation clause for FY 2022-23.

Description of Amendments in This Packet

L.008 Bill Sponsor amendment **L.008** (attached) changes the statutory section for the grant program

created in this bill, so that the grant program is located in the same statutory section where the Healthy Forests and Vibrant Communities Fund is located (Section 23-31-313, C.R.S.). The amendment provides that appropriations for this program shall be made to the Healthy Forests and Vibrant Communities Fund, beginning no later than FY 2023-24, and clarifies that the Healthy Forests and Vibrant Communities Fund is continuously appropriated for the purposes outline in Section 23-31-313, C.R.S., including this grant program.

Legislative Council Staff and JBC Staff agree that this change will not affect the fiscal impact of this bill, other than requiring the FY 2023-24 appropriation for the grant program created in the bill to be made through an appropriation to the Healthy Forests and Vibrant Communities Fund.

Points to Consider

TABOR Excess State Revenues Impact

The March 2022 Legislative Council Staff (LCS) revenue forecast projects a TABOR surplus liability of \$1.6 billion for FY 2022-23 and \$622.6 million for FY 2023-24. These sums must be refunded to taxpayers out of the General Fund. This bill is estimated to decrease General Fund revenues by \$150,000 in FY 2022-23 and by \$300,000 in FY 2023-24, which will result in a decrease in the TABOR surplus liability of an equal amount.

Future Fiscal Impact

Although this bill would not require a General Fund appropriation for FY 2022-23, it is projected to require General Fund appropriations of \$355,725 in FY 2023-24, \$364,254 in FY 2024-25, and \$337,432 ongoing.

Future Budget Processes/Technical Issues

The bill requires an appropriation to the Colorado State Forest Service, which is part of Colorado State University, for FY 2023-24. At present, most appropriations for Colorado State Forest Service wildfire mitigation programs are funded through appropriations to continuously appropriated cash funds, which makes appropriations for wildfire mitigation more transparent than if the funding were included in the single line item for the Colorado State University System. Should this bill be modified so that appropriations for the grant program created by the bill can be made to an existing cash fund, such as the Healthy Forests and Vibrant Communities Fund? If appropriations required by this bill for the grant program are not provided through an appropriation to a cash fund, should the bill be modified to authorize a limited purpose fee-for-service contract with the Colorado State University System for the grant program? In the absence of a statutory provision authorizing this, it will be difficult to separately track funding related to this program, and total funding will be subject to adjustment based on statewide higher education funding formulas.

Sponsor amendment L.008 addresses this issue by moving the statutory location of the grant program and requiring that appropriations for the grant program be made to the Healthy

HB22-1007

JBC Staff Analysis

Forests and Vibrant Communities Fund.