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Fiscal Note

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

Date: April 3, 2023
Bill Status: House Appropriations
Fiscal Analyst: Josh Abram | 303-866-3561, josh.abram@coleg.gov

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 and FY 2024-25 only.

Appropriation Summary: For FY 2023-24, the bill requires an appropriation of \$5.38 million for use by the Colorado State Forest Service.

Fiscal Note Status: This revised fiscal note reflects the introduced bill, as amended by the House Agriculture, Water & Natural Resources Committee. The bill was recommended by the Wildfire Matters Review Committee.

Table 1
State Fiscal Impacts Under HB 23-1060

Table with 4 columns: Category, Fund, Budget Year FY 2023-24, Out Year FY 2024-25. Rows include Revenue, Expenditures (General Fund), Transfers, and Other Budget Impacts (General Fund Reserve).

## 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;
- expand shade storage;
- improve seed storage and seedling processing; and
- purchase two refrigerated box trucks.

All funding provided for nursery upgrades, including appropriations provided for the current FY 2022-23, may be expended by CSFS through FY 2024-25. 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 \$5.38 million in FY 2023-24 from the General Fund. New expenditures are shown in FY 2023-24; however, the CSFS is given authority to spend through FY 2024-25. Expenditures are shown in Table 2 and detailed below.

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

	FY 2023-24	FY 2024-25
<b>Colorado State Forest Service</b>		
Greenhouses	\$3,250,000	-
Shade Structure Expansion	\$200,000	-
Bare Root Fields	\$1,300,000	
Growing Containers	\$32,500	
Seed Storage & Seedling Processing	\$500,000	
Delivery Trucks	\$100,000	-
<b>Total Cost</b>	<b>\$5,382,500</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 \$5,382,500 to the Department of Higher Education for allocation to the Colorado State Forest Service at Colorado State University. This appropriation may be spent through FY 2024-25.

The bill also extends the spending authority for the FY 2022-23 appropriation to the Colorado State Forest Service, which may be spent through FY 2024-25.

## State and Local Government Contacts

Forest Service                      Information Technology