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Fiscal Note

Drafting Number:	LLS 23-0283	Date:	February 3, 2023
Prime Sponsors:	Sen. Baisley; Roberts Rep. Catlin; McLachlan	Bill Status:	Senate Agriculture
		Fiscal Analyst:	Alexa Kelly 303-866-3469 alex.kelly@coleg.gov

Bill Topic: STATE PARKS & WILDLIFE AREA LOCAL ACCESS FUNDING

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

The bill creates the State Park and Wildlife Area Access Grant Program, diverts Keep Colorado Wild Pass revenue to the program, and authorizes the collection of fees to support local governments with the cost of maintaining access routes to state parks and wildlife areas. It increases state and local revenue and expenditures on an ongoing basis, and modifies the distribution of certain park revenue.

Appropriation Summary: For FY 2023-24, the bill requires an appropriation of \$71,889 to the Department of Natural Resources.

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

Table 1
State Fiscal Impacts Under SB 23-059

		Budget Year	Out Year
		FY 2023-24	FY 2024-25
Revenue	Cash Funds	-	up to \$540,000
	Total Revenue	-	up to \$540,000
Expenditures	Cash Funds	\$71,889	up to \$10,123,316
	Centrally Appropriated	\$14,821	\$18,225
	Total Expenditures	\$86,710	\$10,141,541
	Total FTE	0.8 FTE	1.0 FTE
Diversions¹	Wildlife Cash Fund	-	up to (\$4,750,000)
	Parks and Outdoor Recreation Cash Fund	-	up to (\$4,750,000)
	State Park and Wildlife Area Access Grant Fund	-	up to \$9,500,000
	Net Transfer	-	\$0
Other Budget Impacts		-	-

¹ Diversion amounts assume current CPW projections for Keep Colorado Wild Pass collections. Actual distributions may vary from this estimate.

Summary of Legislation

The bill creates the State Park and Wildlife Area Access Grant Program (program) in Colorado Parks and Wildlife (CPW) in the Department of Natural Resources. The grant program will reimburse local governments for access route maintenance, construction, service, and operational work made necessary by people visiting state parks and wildlife areas. CPW must collaborate with affected local government to adopt rules for the program, which must include an application process, evaluative criteria for awarding grants, and grant amounts. The bill creates the five-member Local Government Access Grant Review Committee to assist CPW with application review and the award of grants.

Under current law, the first \$36 million of revenue generated from the Keep Colorado Wild Pass is distributed in set amounts to the Parks and Outdoor Recreation Cash Fund, Search and Rescue Fund, and Colorado Avalanche Information Center Fund, with any revenue over \$36 million split evenly between the Parks and Outdoor Recreation Cash Fund and the Wildlife Cash fund. The bill changes how additional revenue over \$36 million is distributed, as follows:

- 50 percent to the newly created State Park and Wildlife Area Access Grant Fund;
- 25 percent to the Wildlife Cash Fund; and
- 25 percent to the Parks and Outdoor Recreation Cash Fund.

The newly created State Park and Wildlife Area Access Grant Cash Fund will serve as a source of local government grant funding, subject to annual appropriations.

Finally, the bill permits local governments to request that a state park charge up to a \$2 fee on vehicle day passes, which is then allocated to the local government requesting the additional fee.

Assumptions

The fiscal note assumes the grant program and any fee revenue passed through to local governments will occur starting in FY 2024-25. See Technical Note.

State Revenue

The bill increases fee revenue collected by the state and transferred to local governments by up to \$540,000 in FY 2024-25. Fee revenue passing through a state enterprise is not subject to TABOR. Actual fee revenue will depend on the number of participating local governments and the actual number of vehicle day passes purchased in each fiscal year.

Fee impact on state park vehicle day pass purchasers. Colorado law requires legislative service agency review of measures which create or increase any fee collected by a state agency. There were about 1.1 million vehicle day passes issued per year on average in the last two years. The fiscal note assumes that the new availability and low cost of the Keep Colorado Wild pass will reduce this amount by 50 percent, leaving an estimated 540,000 day passes issued per year going forward. Assuming that roughly half of state parks will collect a \$2 fee on approximately 270,000 day pass users on behalf of local governments, the fiscal note estimates up to \$540,000 in fee revenue per year once the program is fully implemented.

State Diversions

The bill modifies how Keep Colorado Wild Pass revenue over \$36 million per year is distributed, which will divert a portion of this revenue to the newly created State Park and Wildlife Area Access Grant Program Fund. Current CPW projections indicate that around \$55 million in revenue could be collected from the pass, leaving \$19 million available for the new distribution starting in FY 2024-25, as shown in Table 2. The actual amounts transferred into each cash fund may vary from these estimated depending on actual revenue collections.

Table 2
Diversion of Keep Colorado Wild Pass Revenue
Under Senate Bill 23-059¹

Cash Fund	Current Law	Under SB 23-050	Change
Wildlife Cash Fund	up to \$9.5m	up to \$4.75m	up to (\$4.75m)
Parks and Outdoor Recreation Cash Fund	up to \$9.5m	up to \$4.75m	up to (\$4.75m)
State Park & Wildlife Area Access Grant Program	\$0	up to \$9.5m	up to \$9.5m
Total	up to \$19m	up to \$19m	\$0

¹ Diversion amounts assume current CPW projections for Keep Colorado Wild Pass collections. Actual distributions may vary from this estimate.

State Expenditures

Expenditures in CPW will increase by \$86,710 in FY 2023-24 and up to \$10.1 million each year thereafter. State expenditures in FY 2023-24 are from the Parks and Outdoor Recreation Cash Fund. Beginning in FY 2024-25, state expenditures are from the State Park and Wildlife Area Access Grant Program Fund. Costs are shown in Table 3 and described below.

Table 3
Expenditures Under SB23-059

	FY 2023-24	FY 2024-25
Department of Natural Resources		
Personal Services	\$64,139	\$76,966
Operating Expenses	\$1,080	\$1,350
Capital Outlay Costs	\$6,670	-
Site Visit Travel	-	\$5,000
Grants to Local Governments	-	up to \$9,500,000
Fee Distribution to Local Governments	-	up to \$540,000
Centrally Appropriated Costs ¹	\$14,821	\$18,225
Total	\$86,710	up to \$10,141,541
Total FTE	0.8 FTE	1.0 FTE

¹ Centrally appropriated costs are not included in the bill's appropriation.

Colorado Parks and Wildlife. CPW will have increased expenditures to manage a new grant program and make fee distributions to local governments, as outlined below.

- **Personal services.** A dedicated 1.0 FTE program manager is needed to run and provide oversight for the grant program, which will include site visits to ensure program compliance. Duties will include establishing the grant process and procedures, writing and implementing rules, collaborating with local governments, and managing the grant review committee. First-year costs are prorated for a September 1, 2023, start date. Standard operating and capital outlay costs are included, as is funding for travel. Beginning FY 2024-25, administrative costs will be paid from the State Park and Wildlife Area Access Grant Program Fund.
- **Grants to local governments.** Based on current projections, up to \$9.5 million per year will be available for grants to local governments. The exact amount of grant dollars distributed to local governments will depend on available revenue from the Keep Colorado Wild Pass. Assuming the high end of potential revenue from the annual pass (\$55 million), it is estimated that approximately \$9.5 million will be available for grants to local governments beginning in FY 2024-25.
- **Fee distribution to local governments.** The exact amount of fee dollars distributed to local governments will vary depending on how many local governments request a new fee, the fee amount, and the number of daily vehicle passes purchased. See State Revenue section for detail.
- **Centrally appropriated costs.** Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. These costs, which include employee insurance and supplemental employee retirement payments, are shown in Table 3.

Local Government

Revenue and related expenditures in local governments will increase for participating local governments. The amount of revenue passed through to local governments will depend on fees charged and grant dollars received from the program. Estimated revenue available to local governments is outlined in Table 2 above.

Technical Note

The bill requires CPW to create rules for the grant program by December 31, 2023. Because the rulemaking timeline is at least six months for CPW, the fiscal note assumes rules will be in place by February 2024.

The bill authorizes CPW to charge a new vehicle daily pass fee beginning on January 1, 2024. Assuming implementation work will take 9 months, the fiscal note assumes new vehicle fees will be effective July 1, 2024.

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 cash fund appropriation of \$71,889 from the Parks and Outdoor Recreation Cash Fund to the Division of Parks and Wildlife in the Department of Natural Resources, and 0.8 FTE.

State and Local Government Contacts

Counties
Natural Resources
Treasury

Information Technology
Regulatory Agencies

Law
Revenue