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Revised Fiscal Note

(replaces fiscal note dated March 25, 2023)

Drafting Number:
Prime Sponsors:

LLS 23-0283
Sen. Baisley; Roberts
Rep. Catlin; McLachlan

Date: April 5, 2023
Bill Status: Senate Appropriations
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Bill Topic: **STATE PARKS & WILDLIFE AREA LOCAL ACCESS FUNDING**

Summary of Fiscal Impact:

- State Revenue
- State Expenditure
- State Transfer
- TABOR Refund
- Local Government
- Statutory Public Entity

The bill allows Colorado Parks and Wildlife (CPW) to charge a fee of up to \$2 on daily vehicle passes for access to state parks at the request of a local government. It also requires CPW to study local access to state parks. It increases state and local revenue and expenditures on an ongoing basis.

Appropriation Summary:

For FY 2023-24, the bill requires an appropriation of \$411,000 to the Department of Natural Resources.

Fiscal Note Status:

The fiscal note reflects the introduced bill, as amended by the Senate Agriculture and Natural Resources Committee and the Senate Finance Committee.

Table 1
State Fiscal Impacts Under SB 23-059

		Budget Year FY 2023-24	Out Year FY 2024-25	Out Year FY 2025-26
Revenue	Cash Funds	-	up to \$270,000	up to \$560,000
Expenditures	Cash Funds	\$411,000	up to \$407,000	up to \$560,000
Transfers		-	-	
Other Budget Impacts		-	-	

Summary of Legislation

The bill permits local governments to request that Colorado Parks and Wildlife (CPW) charge up to a \$2 fee, charged on a daily vehicle pass, at a state park within the boundaries of the local government requesting the fee beginning January 1, 2025. Annual or lifetime state park pass holders would not be charged this fee. In addition, CPW must perform an annual analysis of the net incremental cost of the collection and administration of the fee. CPW must transfer the funds earned from charging to the fee to the local government that requested the fee, minus the amount required to perform the annual analysis.

By July 1, 2024, CPW must establish, by rule, a process for a local government to request the additional fee charge and establish criteria for approving the requests.

The bill also requires CPW, in collaboration with local governments, to study local access to state parks. The study must identify deficits with local transportation infrastructure used by visitors to access state parks and potential sources of funding and partnerships to address these deficits. Upon completion of the study, CPW must make legislative recommendations to the General Assembly by November 1, 2024.

State Revenue

The bill increases fee revenue collected by the state and transferred to local governments by up to \$270,000 beginning in FY 2024-25 and \$560,000 in FY 2025-26 and in ongoing years. This revenue is credited to the Local Access Route Cash Fund, which is continuously appropriated for this purpose. A portion of this revenue from the fee will be retained by CPW and credited to the Parks and Outdoor Recreation Cash Fund. Fee revenue earned by, or passed 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.

Revenue retained by CPW. The bill allows CPW to retain up to 3.33 percent of the revenue from the fee collected to cover administrative costs. These retained funds will be deposited to the Parks and Outdoor Recreation Cash Fund. The amount of costs CPW will need to retain will vary depending on how many local governments request a fee be charged; therefore, the exact amount has not been estimated. Remaining funds from the fee will be distributed to the local governments. See revenue section for details.

State Expenditures

Expenditures in CPW will increase by \$411,000 in FY 2023-24, approximately \$407,000 in FY 2024-25, and up to \$560,000 beginning in FY 2025-26 and future years. Expenditures are from the Parks and Outdoor Recreation Cash Fund and the Local Access Route Cash Fund. Costs are shown in Table 2 and described below.

**Table 2
 Expenditures Under SB23-059**

	FY 2023-24	FY 2024-25	FY 2025-26
Department of Natural Resources			
Vendor Contract	\$411,000	\$137,000	-
Fee Distribution to Local Governments	-	up to \$270,000	up to \$560,000
Total	\$411,000	up to \$407,000	up to \$560,000

Vendor contract. CPW will hire a vendor to collaborate with local governments and CPW staff, and to seek input from the Department of Transportation and the Department of Local Affairs to complete the study required by the bill. The vendor is expected to work an estimated 2,740 hours at a rate of \$200 an hour, resulting in a total cost of \$548,000. It is assumed that 75 percent of these costs will be incurred in FY 2023-24 and 25 percent in FY 2024-25.

Fee distribution to local governments. The exact amount of funding 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. Based on the assumed revenue described in the State Revenue section above, distribution to local governments may be up to \$270,000 in the first year and \$560,000 in ongoing years.

Other administrative costs. CPW will have workload and costs to administer the new fee. Based on the allowable amount that may be retained for administration and the estimated revenue, up to \$17,820 may be spent from the Parks and Outdoor Recreation Cash Fund for this work. The exact spending has not been estimated and it is assumed that any required appropriation will be requested through the annual budget process.

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 distributions to local governments is outlined in Table 2 above.

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 \$411,000 from the Parks and Outdoor Recreation Cash Fund to the Division of Parks and Wildlife in the Department of Natural Resources.

State and Local Government Contacts

Counties

Natural Resources

Treasury

Information Technology

Regulatory Agencies

Law

Revenue