



Legislative Council Staff

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Fiscal Note

Drafting Number:	LLS 24-0322	Date:	February 28, 2024
Prime Sponsors:	Rep. Story; Brown Sen. Marchman	Bill Status:	House Trans., Hous., & Local Govt.
		Fiscal Analyst:	Alexa Kelly 303-866-3469 alexa.kelly@coleg.gov

Bill Topic: HOME SALE WILDFIRE MITIGATION REQUIREMENTS

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

The bill allows a county to establish wildfire mitigation standard compliance programs for the sale of homes. It increases state and local expenditures on an ongoing basis.

Appropriation Summary: For FY 2024-25, the bill requires an appropriation of \$35,694 to the Colorado State Forest Service in the Department of Higher Education.

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

Table 1
State Fiscal Impacts Under HB 24-1300

		Budget Year FY 2024-25	Out Year FY 2025-26
Revenue		-	-
Expenditures	General Fund	\$35,694	\$48,373
	Total FTE	0.3 FTE	0.5 FTE
Transfers		-	-
Other Budget Impacts	General Fund Reserve	\$4,619	\$6,031

Summary of Legislation

The bill requires a board of county commissioners in affected counties to establish a program for homeowners selling their residence to acquire a certification of compliance based on the “phase one” and “phase two” wildfire mitigation standards outlined in the bill. Affected counties include Archuleta, Boulder, Chaffee, Clear Creek, Douglas, Eagle, El Paso, Gilpin, Gunnison, Jefferson, Ouray, Summit, and any county that adopts wildfire mitigation requirements when issuing a permit or certificate of occupancy.

Program establishment. The phase one wildfire mitigation standard compliance program, which must be set up by the end of 2024, must include the following:

- a standard county certification form completed by an authorized inspector;
- a list of inspectors authorized by the county to determine compliance with the wildfire mitigation standards;
- a uniform inspector fee paid by the homeowner; and
- a procedure for a homeowner to seek an extension or exemption from program requirements.

Alternatively, a homeowner may submit a report to the county obtained from an inspector or appropriate qualified professionals demonstrating that:

- a homeowner cannot reasonably complete the steps necessary to bring the residence into compliance prior to the closing date of a sale;
- a title company will retain, in escrow, 150 percent of the amount required to bring the residence into compliance to pay professionals to perform necessary work; and
- the purchaser of the residence agrees to complete the necessary work to bring the home into compliance within 180 days of the sale.

A county must establish an additional program for homeowners to comply with the phase two wildfire mitigation standards by the end of 2025.

Internet resources. The bill requires that the Colorado State Forest Service (CSFS) develop online resources that assist homeowners in accessing resources to comply with the county wildfire mitigation certification programs. Counties are also encouraged, but not required, to build a public facing website for homeowners to access resources related to the programs.

Background

The CSFS maintains the [Home Ignition Zone Guide](#), which is the basis for the requirements of phase one and phase two wildfire mitigation standards set forth in the bill. The guide includes information needed to prepare a home for wildfire and creating defensible space.

State Expenditures

The bill increases expenditures in the CSFS by \$35,694 in FY 2024-25, and \$48,373 in FY 2025-25 and in future years, paid from the General Fund. The CSFS requires 0.5 FTE beginning in FY 2024-25 for a wildfire mitigation specialist to add and maintain the required information required to the CSFS website. Staff will regularly coordinate with counties to determine what information exists related to funding and labor resources available to homeowners, and publish this information to the CSFS website. Costs are prorated in the first year for a January 1, 2025 start date to align with the implementation timeline requirements set forth in the bill. Costs also include salary and indirect operating expenses such as capital outlay and employee insurance.

Local Government

The affected counties will incur increased expenditures to build out the required programs, and may need to increase fees to cover expenses. In addition, counties that choose to provide online resources for homeowners will incur additional increased expenditures to collect and share any materials.

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 2024-25, the bill requires a General Fund appropriation of \$35,694 to the Department of Higher Education, for allocation to the Colorado State Forest Service, and 0.3 FTE.

State and Local Government Contacts

Counties

Forest Service

Public Safety

The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit the [General Assembly website](#).