



Fiscal Impact Statement

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

INITIATIVE 308: DESIGNATE SPORTING GOODS SALES TAX REVENUE FOR CONSERVATION

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Summary Information

Overview. The measure designates certain sales tax revenue as wildfire and conservation revenue and exempts it from state revenue limits.

Types of impacts. The measure is projected to affect the following areas:

- State Revenue
- State Transfers
- State Expenditures
- TABOR Refunds
- Local Government

Disclaimer. This initial fiscal impact statement has been prepared for an initiative approved for petition circulation by the Secretary of State. If the initiative is placed on the ballot, Legislative Council Staff may revise this estimate for the ballot information booklet (Blue Book) if new information becomes available. Any appropriations required to implement this measure will be addressed through the annual or supplemental budget process if this measure is approved by voters.

Table 1
State Fiscal Impacts

Type of Impact ¹	Budget Year FY 2026-27	Out Year FY 2027-28	Out Year FY 2028-29
State Revenue	\$0	\$0	\$0
State Expenditures	\$18,598	\$54.9 million	\$164.6 million
Transferred Funds	\$0	\$175.0 million	\$180.2 million
Change in TABOR Refunds	\$0	-\$175.0 million	not estimated
Change in State FTE	0.0 FTE	4.8 FTE	14.5 FTE

Fund sources for these impacts are shown in the tables below.

Initiative 308

Table 1A
State Expenditures

Fund Source	Budget Year FY 2026-27	Out Year FY 2027-28	Out Year FY 2028-29
General Fund	\$18,598	\$8,702	\$8,703
Cash Funds	\$0	\$54.8 million	\$164.3 million
Centrally Appropriated	\$0	\$103,140	\$314,199
Total Expenditures	\$18,598	\$54.9 million	\$164.6 million
Total FTE	0.0 FTE	4.8 FTE	14.5 FTE

Table 1B
State Transfers

Fund Source	Budget Year FY 2026-27	Out Year FY 2027-28	Out Year FY 2028-29
General Fund	\$0	-\$175.0 million	-\$180.2 million
Cash Funds	\$0	\$175.0 million	\$180.2 million
Net Transfer	\$0	\$0	\$0

Summary of Measure

The measure designates state sales tax revenue collected from sporting goods and equipment sales as wildfire and conservation revenue. Beginning in FY 2027-28, it exempts this revenue from TABOR, and distributes it from the Conserve and Protect Colorado’s Water, Land, and Forests Fund created by the bill as follows:

- 47.5 percent to Great Outdoors Colorado (GOCO) Trust Fund;
- 47.5 percent to the Colorado Wildfire Prevention and Water Fund;
- 2.5 percent to the Outdoor Equity Fund; and
- 2.5 percent to the Outdoor Recreation Economic Development Cash Fund.

In their March revenue forecasts, the measure requires Legislative Council Staff and/or the Office of State Planning and Budgeting to estimate and determine the amount of wildfire and conservation revenue to be exempted and distributed in the upcoming fiscal year. Sporting goods and equipment revenue to be designated as wildfire and conservation revenue may be reduced in years when exemption of the revenue results in a lower level of availability for certain state income tax credits allowed under current law. The wildfire and conservation revenue created by the measure must supplement and not supplant existing wildfire and conservation funding.

State Revenue

The measure designates sales tax revenue from sporting goods and equipment sales as wildlife and conservation revenue, estimated at \$175.0 million in FY 2027-28, and \$180.2 million in FY 2028-29 with similar amounts in future years.

State Transfers

Various transfers are required by the measure, as presented in Table 2 and discussed below.

Table 2
State Transfers

Fund Source	Out Year FY 2027-28	Out Year FY 2028-29
General Fund	-\$175.0 million	-\$180.2 million
Great Outdoors Colorado Trust Fund	\$83.1 million	\$85.6 million
Outdoor Recreation Economic Development Cash Fund	\$4.4 million	\$4.5 million
Outdoor Equity Fund	\$4.4 million	\$4.5 million
Prescribed Fire Claims Cash Fund	\$10.0 million	\$0
Colorado Water Conservation Board Construction Fund	\$18.3 million	\$21.4 million
Wildfire Mitigation Capacity Development Fund	\$18.3 million	\$21.4 million
Forest Restoration and Wildfire Risk Mitigation Grant Program Cash Fund; and/or Vibrant Communities Fund	\$36.5 million	\$42.8 million
Net Transfer	\$0	\$0

The measure creates the Conserve and Protect Colorado’s Water, Land, and Forests Fund. On July 1, 2027 and on each July 1 thereafter, the measure requires a transfer from the General Fund to the Conserve and Protect Colorado’s Water, Land, and Forests Fund in an amount equal to the wildfire and conservation revenue, estimated at \$175.0 million for FY 2027-28, and \$180.2 million in FY 2028-29 with similar amounts in future years. Money is distributed from the Conserve and Protect Colorado’s Water, Land, and Forests Fund to other cash funds in the following shares:

- 47.5 percent to the Colorado Wildfire Prevention and Water Fund, which is then distributed to other cash funds as discussed below;
- 47.5 percent to the Great Outdoors Colorado Trust Fund; and

- 2.5 percent to each of the Outdoor Recreation Economic Development Cash Fund and the Outdoor Equity Fund.

Colorado Wildfire Prevention and Water Fund

The measure creates the Colorado Wildfire Prevention and Water Fund, which receives 47.5 percent of wildfire and conservation revenue from the Conserve and Protect Colorado's Water, Land, and Forests Fund. On July 1 of each fiscal year beginning in FY 2027-28, the money in the Colorado Wildfire Prevention and Water Fund is transferred as follows:

- \$10.0 million to the Prescribed Fire Claims Cash Fund (FY 2027-28 only);
- 50 percent of money remaining to the following two cash funds, in amounts determined by the state forester:
 - Forest Restoration and Wildfire Risk Mitigation Grant Program Cash Fund, and
 - Healthy Forests and Vibrant Communities Fund;
- the other 50 percent of money remaining to the following two cash funds, in amounts determined by the executive director of the Department of Natural Resources (DNR):
 - Wildfire Mitigation Capacity Development Fund, and
 - Colorado Water Conservation Board Construction Fund.

Based on department feedback, it is assumed that each fund within DNR will receive half of the total money in the fund to be transferred to the department.

State Expenditures

The measure is expected to increase state expenditures by \$18,598 in FY 2026-27, \$54.9 million in FY 2027-28, and \$164.6 million in FY 2028-29 with similar amounts in future years. Expenditures are from various funds and agencies are shown in Table 3 and Table 4, and described below.

In years where revenue subject to TABOR falls under the Referendum C cap, the measure will correspondingly reduce money in the General Fund available to save or spend. Wildfire and conservation revenue, and corresponding expenditures, may be reduced in FY 2028-29 and future years when exemption of the revenue results in a lower level of availability for certain state income tax credits allowed under current law.

Initiative 308

Table 3
State Expenditures by Agency

Agency	Budget Year FY 2026-27	Out Year FY 2027-28	Out Year FY 2028-29
Great Outdoors Colorado	\$0	\$0	\$23.1 million
Department of Natural Resources	\$0	\$18.4 million	\$84.4 million
Department of Higher Education	\$0	\$36.5 million	\$42.8 million
Department of Public Safety	\$0	\$0	\$10.0 million
OEDIT	\$0	\$0	\$4.4 million
Department of Revenue	\$18,598	\$8,702	\$8,702
Total Costs	\$18,598	\$54.9 million	\$164.6 million
Total FTE	0.0 FTE	4.8 FTE	14.5 FTE

Table 4
State Expenditures by Fund

Agency	Budget Year FY 2026-27	Out Year FY 2027-28	Out Year FY 2028-29
General Fund	\$18,598	\$8,702	\$8,702
GOCO Trust Fund	\$0	\$0	\$23.1 million
Wildlife Cash Fund	\$0	\$0	\$20.0 million
Parks and Outdoor Recreation Cash Fund	\$0	\$0	\$20.0 million
Fire Claims Cash Fund	\$0	\$0	\$10.0 million
Forest Restoration and Wildfire Risk Mitigation Grant Program Cash Fund; and/or Healthy Forests and Vibrant Community Fund	\$0	\$36.5 million	\$42.8 million
Wildfire Mitigation Capacity Development Fund	\$0	\$18.3 million	\$21.4 million
Colorado Water Conservation Board Construction Fund	\$0	\$0	\$18.3 million
Outdoor Equity Fund	\$0	\$0	\$4.4 million
Outdoor Recreation Economic Development Cash Fund	\$0	\$0	\$4.4 million
Centrally Appropriated	\$0	\$0.1 million	\$0.3 million
Total Costs	\$18,598	\$54.9 million	\$164.6 million
Total FTE	0.0 FTE	4.8 FTE	14.5 FTE

Department of Revenue

The measure is expected to increase General Fund expenditures within the Department of Revenue (DOR) by \$18,598 in FY 2026-27, and \$8,702 in FY 2027-28 and future years for programming and data reporting. The DOR anticipates creating a new line on the sales tax return form for retailers to report sporting goods and equipment sales. For FY 2026-27, the DOR will additionally incur \$4,786 in document management costs to make corresponding changes to the paper sales tax return form. These expenditures will occur in the Department of Personnel and Administration (DPA) using reappropriated funds from the DOR.

Great Colorado Outdoors

The measure is expected to increase expenditures within GOCO by \$23.1 million in FY 2028-29, with similar amounts in future years. Because spending from the Great Outdoors Colorado Trust Fund must be approved by the GOCO Board, money credited to the trust fund in FY 2027-28 is expected to be approved for spending in FY 2028-29.

After paying for administrative costs, GOCO uses money in the fund for distributions to local governments, distributions to Colorado Parks and Wildlife (CPW) within DNR for wildlife programs, distributions to CPW for outdoor recreation programs, and for GOCO's spending on open space. Based on historical allocations of money from the trust fund, this fiscal impact statement estimates distributions to CPW as a result of this measure will total \$40.0 million, distributions to local governments will total \$20.0 million, and GOCO will spend the remaining funds on open space and administrative costs.

Department of Natural Resources

The measure is expected to increase expenditures within DNR by up to \$18.4 million in FY 2027-28, and \$84.4 million in FY 2028-29 with similar amounts in future years. These expenditures are presented in Table 5 and discussed below.

Table 5
State Expenditures
Department of Natural Resources

Cost Component	Budget Year FY 2026-27	Out Year FY 2027-28	Out Year FY 2028-29
Personal Services	\$0	\$325,066	\$1,082,033
Operating Expenses	\$0	\$6,144	\$67,516
Capital Outlay Costs	\$0	\$42,000	\$63,000
CWCB Projects	\$0	\$0	\$17,881,447
Wildlife Programs	\$0	\$0	\$19,854,889
Outdoor Recreation Programs	\$0	\$0	\$19,854,889
Outdoor Equity Grant Program	\$0	\$0	\$4,228,682
CO Strategic Wildfire Action Program	\$0	\$17,902,307	\$21,017,766
Centrally Appropriated Costs	\$0	\$103,140	\$314,199
Total Costs	\$0	\$18,378,657	\$84,364,422
Total FTE	0.0 FTE	4.8 FTE	14.5 FTE

Colorado Water Conservation Board (CWCB)

The measure is expected to increase expenditures from the Colorado Water Conservation Board fund by \$17.9 million in FY 2028-29 with similar amounts in future years.

The Colorado Water Conservation Board makes recommendations to the legislature each year for water projects to be supported by the fund, and appropriations are made through the annual water projects bill. Revenue transferred to the fund in FY 2027-28 is expected to be appropriated for spending in the following fiscal year.

Wildlife and Outdoor Recreation Programs

Of the wildfire and conservation revenue credited to the GOCO Trust Fund, \$20.0 million per year is expected to be distributed to each the Wildlife Cash Fund and the Parks and Outdoor Recreation Cash Fund. Revenue collected in FY 2027-28 and each year thereafter is expected to be available for spending in the following fiscal year, and actual distributions to the funds will be determined by the GOCO Board.

Money in the Wildlife Cash Fund is used by CPW for educational programs about wildlife, programs to maintain the state’s wildlife, and projects to protect and restore wildlife habitats.

Money in Parks and Outdoor Recreation Cash Fund is used to establish, maintain, and improve state park and recreation areas throughout Colorado.

Outdoor Equity Grant Program

The measure is expected to increase Outdoor Equity Grant Program Fund expenditures within CPW by \$4.4 million in FY 2028-29 with similar amounts in future years.

Because the fund is annually appropriated, wildfire and conservation revenue credited to the fund in FY 2027-28 are expected to be appropriated and spent in FY 2028-29.

The Outdoor Equity Grant Program was established by [House Bill 21-1318](#), allowing CPW to provide grant funding to increase outdoor access and opportunities for youth and families from communities traditionally underrepresented in outdoor recreation and conservation.

Colorado Strategic Wildfire Action Program

The measure is expected to increase Wildfire Mitigation Capacity Development Fund expenditures by \$17.9 million in FY 2027-28, and \$21.0 million in FY 2028-29 with similar amounts in future years.

The Colorado Strategic Wildfire Action Program administered by CPW supports wildfire risk reduction through Workforce Development Grants and Landscape Resilience Investments. Through the programs, CPW provides entry-level experience and training opportunities in wildfire mitigation and forestry and funds landscape-scale fuels reduction projects.

Staff

The measure is anticipated to drive increased staffing for DNR for the various programs impacted by the measure, including 4.8 FTE in FY 2027-28 and 14.5 FTE in FY 2028-29 and future years. Programs within DNR have support staff to manage budget, accounting, and procurement activities and require additional staff members to administer the increased funding towards DNR programs. Anticipated increases in staff include:

- for CPW, a contract administrator, accountant, budget and policy analyst, and grants specialist (3.8 FTE) starting in FY 2028-29 to support the budget, accounting, procurement, and GOCO liaison workload associated with the increase in funds for the Outdoor Equity Grant Program and wildlife and outdoor recreation programs receiving distributions from the GOCO Trust Fund;
- for the Colorado Water Conservation Board (CWCB), a contract administrator, program assistant, and physical sciences researcher/scientist (3.0 FTE) starting in FY 2028-29 to implement and manage the increased revenue for water projects. This estimate is based on a 50/50 distribution assumption between the CWCB and Colorado Strategic Wildfire Action Program;
- for the Colorado Strategic Wildfire Action Program within DNR, 2.0 FTE program assistants beginning in FY 2027-28 to support the increase in workload associated with increased funding for grantmaking; and

- for the Executive Director's Office, contract administrators and accountants (5.5 FTE) beginning at various dates between July 2027 and July 2028 for administrative and procurement support, contract drafting, and tracking and reporting.

Centrally Appropriated Costs

Pursuant to a Joint Budget Committee policy, certain costs associated with this measure are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills. These costs, which may include employee insurance, supplemental employee retirement payments, indirect cost assessments, and other costs, are shown in Table 4 above.

Department of Higher Education

The measure is expected to increase expenditures for the Colorado State Forest Service within the Department of Higher Education by \$36.5 million in FY 2027-28 and \$42.8 million in FY 2028-29 with similar amounts in future years. Expenditures will be split between the Forest Restoration and Wildfire Risk Mitigation Grant Program Cash Fund and the Healthy Forests and Vibrant Communities Fund, in an amount to be determined by the state forester. Both funds are continuously appropriated to the Colorado State Forest Service.

Forest Restoration and Wildfire Risk Mitigation Grant Program

Established in 2017, the Forest Restoration and Wildfire Risk Mitigation grant program provides grants for community-level projects that reduce the risk of wildfire in the wildland-urban interface and/or promote forest health. State agencies, local governments, non-profit groups, public or private utilities providers, and local community groups may be eligible for grant awards.

Healthy Forests and Vibrant Communities Fund

The Healthy Forests and Vibrant Communities Fund is continuously appropriated to the Colorado State Forest Service for forest management and fuel reduction projects, loans to forest products businesses, wildfire risk assessments, and developments of wildfire protection plans for communities.

Office of Economic Development and International Trade

The measure is expected to increase Outdoor Recreation Economic Development Cash Fund expenditures within OEDIT by \$4.4 million in FY 2027-28, and \$4.5 million in FY 2028-29 with similar amounts in future years. Because the fund is annually appropriated, wildfire and conservation revenue credited to the fund in FY 2027-28 is expected to be appropriated for and spent in FY 2028-29 for programs administered by the Colorado Outdoor Recreation Industry Office within OEDIT.

Department of Public Safety

The measure is expected to increase Prescribed Fire Claims Cash Fund expenditures within the Department of Public Safety (CDPS) by \$10.0 million in FY 2028-29 only. Because the fund is annually appropriated, wildfire and conservation revenue credited to the fund in FY 2027-28 is expected to be appropriated and spent in FY 2028-29. Established by [Senate Bill 25-007](#), money in the fund is used to pay eligible damage claims resulting from prescribed fire projects.

Departments of Personnel and Treasury

Workload will increase for the Departments of Personnel and Administration (DPA) and Treasury to manage and perform accounting for the cash funds created in the measure. These departments may seek additional funding through the annual budget process based on the cumulative impact of all cash funds created through legislation.

TABOR Refunds

The measure is expected to decrease the amount of state revenue required to be refunded to taxpayers by \$175.0 million in FY 2027-28. This estimate assumes the March 2026 LCS revenue forecast. A forecast of state revenue subject to TABOR is not available beyond FY 2027-28.

Because TABOR refunds are paid from the General Fund, decreased General Fund revenue subject to TABOR will lower the TABOR refund obligation, but result in no net change to the amount of General Fund otherwise available to spend or save in FY 2027-28, and any future years when the state is over its revenue limit.

Local Government

The bill is expected to increase local government distributions from the GOCO Trust Fund by \$20.0 million per year beginning in FY 2028-29. The bill is additionally expected to increase funding available to local governments from certain wildlife and conservation programs beginning in FY 2027-28.

Effective Date

If approved by voters at the 2026 general election, this measure takes effect upon proclamation of the Governor, no later than 30 days after the official canvass of the vote is completed.

State and Local Government Contacts

Forest Service

Information Technology

Local Affairs

Natural Resources

Office of Economic Development

Personnel

Public Safety

Revenue

Treasury