



Legislative Council Staff

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Fiscal Note

Drafting Number:	LLS 23-0792	Date:	February 6, 2023
Prime Sponsors:	Sen. Zenzinger; Kirkmeyer Rep. Sirota; Bockenfeld	Bill Status:	Senate Appropriations
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Bill Topic: STATE SEVERANCE TAX TRUST FUND ALLOCATION

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

The bill authorizes additional appropriations from the Severance Tax Operational Fund and makes an appropriation in the current FY 2022-23. The bill will transfer funds between cash funds and increase state expenditures.

Appropriation Summary: For the current FY 2022-23, the bill includes an appropriation of \$10 million to the Wildfire Mitigation Capacity Development Fund in the Department of Natural Resources.

Fiscal Note Status: The fiscal note reflects the introduced bill, which was recommended by the Joint Budget Committee as part of the FY 2022-23 supplemental budget package.

**Table 1
State Fiscal Impacts Under SB 23-139**

		Current Year FY 2022-23	Out Year FY 2023-24
Revenue		-	-
Expenditures¹	Wildfire Mitigation Capacity Development Fund	\$10 million	up to \$5 million
	Total Expenditures	\$10 million	up to \$5 million
Transfers²	Severance Tax Operational Fund	(\$10 million)	(up to \$5 million)
	Wildfire Mitigation Capacity Development Fund	\$10 million	up to \$5 million
	Net Transfer	\$0	\$0
Other Budget Impacts		-	-

¹ The Wildfire Mitigation Capacity Development Fund is continuously appropriated to the Department of Natural Resources. The timing and amount of expenditures may differ from this estimate.

² This transfer between cash funds is made via an appropriation. FY 2023-24 and future year appropriations are made at the discretion of the General Assembly, if certain conditions are met.

Summary of Legislation

When making its annual budget request, the Department of Natural Resources (DNR) submits a list and description of programs the department recommends be funded from the Severance Tax Operational Fund (operational fund). If the General Assembly appropriates less than 100 percent of the money available in the operational fund, current law authorizes additional appropriations for other specified purposes. If there is still money available following those appropriations, this bill authorizes an appropriation of up to \$10 million to the Wildfire Mitigation Capacity Development Fund (development fund) for the current FY 2022-23, and up to \$5 million annually thereafter. For the current FY 2022-23, the bill includes the appropriation of \$10 million from the operational fund to the development fund

State Transfers

In the current FY 2022-23, the bill appropriates \$10 million from the Severance Tax Operational Fund to the Wildfire Mitigation Capacity Development Fund.

State Expenditures

The bill will increase spending in the Department of Natural Resources by at least \$10 million starting in FY 2022-23 using money transferred to the Wildfire Mitigation Capacity Development Fund. The development fund supports the Colorado Strategic Wildfire Action Program (COSWAP) in the DNR, including initiatives such as reducing hazardous fuels near property, promoting forest health, encouraging fire resistant materials in new construction, and addressing density of structures through local land use zoning. COSWAP also helps develop and train a wildfire mitigation workforce. The exact timing and amount of expenditures will depend on decisions by the DNR, as well as the amount of funds transferred by the General Assembly in future years.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State Appropriations

For the current FY 2022-23, the bill includes an appropriation of \$10 million from the Severance Tax Operational Fund to the Wildfire Mitigation Capacity Development Fund. The development fund is continuously appropriated to the DNR.

State and Local Government Contacts

Joint Budget Committee