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Final Fiscal Note

Drafting Number: LLS 24-0324 Date: June 10, 2024
Prime Sponsors: Rep. Story Bill Status: Postponed Indefinitely
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Bill Topic: WILD CARNIVORES & LIVESTOCK NONLETHAL COEXISTENCE

Summary of Fiscal Impact: [X] State Revenue [] State Transfer [] Local Government
[X] State Expenditure [] TABOR Refund [] Statutory Public Entity

The bill would have made a variety of changes to current law governing compensation for a livestock owner after a loss from depredation and established requirements for nonlethal coexistence strategies to be used by livestock owners. It would have increased state revenue and expenditures on an ongoing basis.

Appropriation Summary: For FY 2024-25, the bill would have required an appropriation of \$1,108,379 to multiple state agencies. See State Appropriations section.

Fiscal Note Status: The final fiscal note reflects the introduced bill. The bill was postponed indefinitely by the House Agriculture, Water and Natural Resources Committee on April 1, 2024; therefore, the impacts identified in this analysis do not take effect.

Table 1
State Fiscal Impacts Under HB 24-1375

Table with 4 columns: Category, Sub-category, Budget Year FY 2024-25, and Out Year FY 2025-26. Rows include Revenue (Cash Funds, Total Revenue), Expenditures (General Fund, Cash Funds, Centrally Appropriated, Total Expenditures, Total FTE), Transfers, and Other Budget Impacts (General Fund Reserve).

Summary of Legislation

The bill makes a variety of changes to current law governing compensation for a livestock owner after a loss from depredation and establishes requirements for nonlethal coexistence strategies to be used by livestock owners.

Depredation compensation qualifications. The bill specifies that a livestock owner must use nonlethal coexistence strategies to prevent or reduce conflict in order to qualify for compensation for the loss of livestock or a livestock guardian dog. The bill also removes language around livestock guard or herding animals to specify that only a “trained and working livestock guardian dog” that incurs injury qualifies for compensation.

A livestock owner must also have the site and the livestock or livestock guardian dog inspected by a native-carnivore coexistence officer from Colorado Parks and Wildlife (CPW) in the Department of Natural Resources (DNR) to verify that the owner used nonlethal coexistence strategies and the depredation was caused by a native carnivore. During calving or lambing season, an owner must also bury or remove any dead livestock or livestock guardian dog or render the dead animal inedible within 36 hours of learning of the animal’s death.

Wolf Depredation Compensation Fund. Under current law, funds in the Wolf Depredation Compensation Fund can be used to implement the wolf restoration and management plan and provide compensation for depredation. The bill allows for the fund to also be used for financial support to rural communities for conflict prevention and coexistence strategies between wolves and livestock or livestock guardian dogs. This financial support must be used to provide the following:

- expertise and grants for buying, training, and protecting livestock guardian dogs;
- grants for constructing and maintaining carnivore-proof fencing;
- training and grants for other deterrents;
- training in the application of husbandry practices that minimize risk of wolf depredation;
- compensation for range riders; or
- educational programs for the public.

Establishing areas of known activity. The bill requires that when a native carnivore establishes a presence in an area, CPW must designate the area as an “area of known activity” and create a conflict prevention plan. This plan must include nonlethal coexistence strategies and must consider the livestock operations, habitats, and landscape conditions, timing of livestock production, and most recent scientific research. CPW must also coordinate with and educate owners in the area to implement nonlethal coexistence strategies.

Native-carnivore coexistence officers. The bill creates the role of a “native-carnivore coexistence officers” within CPW to educate and assist owners in using nonlethal coexistence strategies and document, assess, and confirm any depredation claims. Officers are also required to conduct on-site analyses of ranches to determine and advise livestock owners of nonlethal coexistence strategies.

Cooperation with the Department of Agriculture (CDA). The bill requires CPW and CDA to work together to implement certain provisions in the bill.

Reporting requirements. The bill adds additional CPW reporting requirements. The annual report to the General Assembly must also include the number and general location of livestock owners and the types of coexistence strategies used. In addition, by January 31 of each year, CPW must report information to the General Assembly on depredation, nonlethal coexistence strategies used or denied, money spent, livestock and livestock guardian dog loss trends, and recommendations.

Background

As a state enterprise, the CPW generates over 90 percent of its annual funding from sources other than taxes or the General Fund. The CPW relies primarily on license sales, state park fees, and registration fees to support operations.

State Revenue

The bill increases state revenue by approximately \$1.2 million in FY 2024-25 and \$1.0 million in FY 2025-26 and ongoing, credited to the Wildlife Cash Fund in DNR, which is subject to annual appropriation. This revenue is not subject to TABOR.

Fee impact on CPW licensees. Colorado law requires legislative service agency review of measures which create or increase any fee collected by a state agency. To cover the costs described in the State Expenditures section below, CPW is expected to raise fees to cover all or some of the costs of this bill. The actual fees will be set administratively by CPW based on cash fund balance, program costs, and the number of licenses, permits, and passes subject to the fee. However, many of CPW's permits and license fees are subject to a statutory limit, and several licenses are already close to or at, the maximum allowable price CPW is allowed to charge. Therefore, not all license costs can be raised equally.

State Expenditures

The bill increases state expenditures in CPW by about \$1.17 million in FY 2024-25 and \$1.03 million in FY 2025-26 and future years, paid from the Wildlife Cash Fund. It also increases state expenditures in the Department of Agriculture by approximately \$108,000 in FY 2024-26 and by \$101,000 in FY 25-26 and future years, paid from the General Fund. Expenditures are shown in Table 2 and detailed below.

Table 2
Expenditures Under HB 24-1375

	FY 2024-25	FY 2025-26
Department of Natural Resources		
Personal Services	\$717,443	\$717,443
Operating Expenses	\$13,184	\$13,184
Capital Outlay Costs	\$66,700	-
Legal Services	\$115,218	-
Vehicle Costs	\$103,570	\$143,360
Centrally Appropriated Costs ¹	\$153,063	\$153,063
FTE – Personal Services	10.3 FTE	10.3 FTE
FTE – Legal Services	0.5 FTE	0.0 FTE
DNR Subtotal	\$1,169,178	\$1,027,050
Department of Agriculture		
Personal Services	\$76,994	\$76,994
Operating Expenses	\$1,280	\$1,280
Capital Outlay Costs	\$6,670	-
Travel & Per Diem Costs	\$7,320	\$7,320
Centrally Appropriated Costs ¹	\$15,347	\$15,347
FTE – Personal Services	1.0 FTE	1.0 FTE
CDA Subtotal	\$107,610	\$100,940
Total	\$1,276,789	\$1,127,991
Total FTE	11.8 FTE	11.3 FTE

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

Colorado Parks and Wildlife – DNR. CPW will incur increased expenditures to hire necessary staff and modify the current practices guided by the Wolf Restoration and Management Plan to adhere to the requirements in the bill. Spending is from the Wildlife Cash Fund for any work related to lion and bear coexistence. Wolf related coexistence work may be funded by the General Fund, non-license revenue sources in the Wildlife Cash Fund, or federal grants. Because CPW does not have data to determine how staff time will be split between wolves and other native carnivores, all expenditures are assumed to be cash funded.

- **Staffing.** CPW will require an additional 10.3 FTE annually beginning FY 2024-25 for 10 native-carnivore coexistence officers and 0.3 FTE for a grant specialist. Staff costs include capital outlay and operating expenses and are described in greater detail below.
- **Native-carnivore coexistence officers.** These officers within CPW will be required to travel across Colorado regularly and require a vehicle. Tasks include inspecting livestock depredation claims, monitoring compliance by livestock owners, assisting in the creation and implementation of conflict prevention plans, maintaining records and writing reports, verifying carcass removal requirements, and supporting the grant administrator in providing recommendations for financial support to rural communities. Hiring and training native-carnivore coexistence officers will take approximately one full year since they will be required to complete a 12-month training to be P.O.S.T. certified.
- **Grant specialist.** The grant specialist is required to manage, coordinate, and administer financial support for nonlethal conflict prevention strategies. This includes working with rural communities to ensure compliance with project goals and state requirements. In addition, they will need to develop financial support criteria, solicit and assist rural communities with funding requests, and submit funding recommendations to CPW management.
- **Vehicle leases and operating costs.** The CPW requires multiple vehicle leases per year beginning in FY 2024-25. Staff will be required to travel statewide, and each staff member will require their own vehicle. These costs are reappropriated to the Department of Personnel and Administration.
- **Legal services.** The DNR will require about 900 hours, or 0.5 FTE, of legal services for general counsel, rulemaking assistance, and legal representation. Legal services are provided by the Department of Law at a rate of \$128.02 per hour.

Department of Agriculture. The CDA will incur increased expenditures to coordinate and cooperate with CPW to implement the requirements in the bill.

- **Staffing.** The CDA will require an additional 1.0 FTE annually beginning FY 2024-25 to help develop conflict prevention plans with CPW, provide technical expertise, facilitate communication between Colorado's livestock community and CPW, evaluate nonlethal conflict prevention methods for effectiveness, monitor compliance, support native carnivore coexistence officers, and fulfil reporting requirements. Staff costs include capital outlay and operating expenses.
- **Travel and per diem costs.** CDA staff will be required to travel across Colorado to coordinate and collaborate on conflict prevention efforts. This will require about 30 days of travel per year, at a per diem cost of \$69 per day, and 15 nights of lodging priced at about \$150 per night.

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 2.

Other Budget Impacts

General Fund reserve. Under current law, an amount equal to 15 percent of General Fund appropriations must be set aside in the General Fund statutory reserve. Based on this fiscal note, the bill is expected to increase the amount of General Fund held in reserve by the amounts shown in Table 1, decreasing the amount of General Fund available for other purposes.

Effective Date

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

State Appropriations

For FY 2024-25, the bill requires the following appropriations:

- \$1,016,063 from the Wildlife Cash Fund to the Department of Natural Resources, and 10.3 FTE. Of this amount, \$19,900 is reappropriated to the Department of Personnel and Administration, and \$115,218 is reappropriated to the Department of Law, with 0.5 FTE; and
- \$92,264 from the General Fund to the Department of Agriculture, and 1.0 FTE.

The Department of Agriculture has requested an appropriation of \$98,248 from the General Fund, and 1.0 FTE, as a part of the funding requested in its BA-01 Wolf Reintroduction Technical Assistance FY 2024-25 budget amendment request. If this budget request is approved, then the appropriation included in this fiscal note for the department is not necessary.

State and Local Government Contacts

Agriculture
Natural Resources

Information Technology

Law

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](#).