



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado’s Legislature

SB 25-007: INCREASE PRESCRIBED BURNS

Prime Sponsors:

Sen. Cutter; Marchman
Rep. Velasco; Weinberg

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Fiscal note status: The fiscal note reflects the introduced bill, which was recommended by the Wildfire Matters Review Committee.

Summary Information

Overview. The bill creates a new program and cash fund in the Department of Public Safety (CDPS) to pay damage claims related to prescribed burns. It also allows reciprocity eligibility for the certified burner program in the CDPS.

Types of impacts. The bill is projected to affect the following areas. The fiscal note assumes these effects are ongoing:

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

Appropriations. For FY 2025-26, the bill requires appropriations totaling \$1,166,399 to the Department of Public Safety.

**Table 1
State Fiscal Impacts**

Type of Impact ¹	Budget Year FY 2025-26	Out Year FY 2026-27
State Revenue	less than \$10,000	less than \$10,000
State Expenditures	\$1,191,362	\$163,738
Transferred Funds	\$1,000,000	\$0
Change in TABOR Refunds	less than \$10,000	less than \$10,000
Change in State FTE	1.3 FTE	1.2 FTE

¹ Fund sources for these impacts are shown in the tables below.

**Table 1A
State Revenue**

Fund Source	Budget Year FY 2025-26	Out Year FY 2026-27
General Fund	\$0	\$0
Cash Funds	less than \$10,000	less than \$10,000
Total Revenue	less than \$10,000	less than \$10,000

**Table 1B
State Expenditures**

Fund Source	Budget Year FY 2025-26	Out Year FY 2026-27
General Fund	\$166,399	\$138,775
Cash Funds ¹	up to \$1,000,000	\$0
Federal Funds	\$0	\$0
Centrally Appropriated	\$24,963	\$24,963
Total Expenditures	up to \$1,191,362	\$163,738
Total FTE	1.3 FTE	1.2 FTE

¹ It is unknown when claim investigation and payment costs will occur. Expenditures may be less than shown for FY 2025-26, and instead be incurred in future years.

**Table 1C
State Transfers**

Fund Source¹	Budget Year FY 2025-26	Out Year FY 2026-27
General Fund	-\$1,000,000	\$0
Cash Funds	\$1,000,000	\$0
Net Transfer	\$0	\$0

¹ After the initial transfer of \$1 million is spent, future transfers will be required for claims payments to continue. It is unknown when this funding will be exhausted. The timing and source of any future transfers will be addressed through the annual budget process.

Summary of Legislation

The bill creates the Prescribed Fire Claims Cash Fund (fund) and transfers \$1 million from the General Fund to the fund. Subject to annual appropriation, the Division of Fire Prevention and Control (DFPC) in the Department of Public Safety (CDPS) will use the fund to pay damage claims resulting from prescribed fire projects that meet certain requirements, including registering plans with the CDPS. When registering projects, the CDPS will charge the prescribed fire manager a plan registration fee based on the complexity of the plan, but at least \$100. No one claim can be awarded more than 10 percent of the fund balance at the time the claim is filed. Additionally, the CDPS may contract with a third-party for administration and investigation of claims.

Finally, the bill allows reciprocity eligibility in the certified burner program in the CDPS. The program certifies individuals to conduct prescribed fires on private lands, similar to how these fires are managed on public lands. Under current law, the CDPS can only grant certified burner status to a person that has completed training offered by the CDPS. The bill allows a person with valid burner certification from another state government or entity to apply to the CDPS for certified burner status. A person with reciprocal certification must follow any other rules and standards adopted by the CDPS.

Assumptions

It is unknown how many prescribed fires are conducted on private and nonfederal public land in the state. Since 2013, the CDPS has administered a prescribed burning program that requires the presence of a person certified by the CDPS to conduct prescribed fires at all scheduled burns, except those conducted by a private landowner on their own land. These landowners must comply with any other applicable local, state, or federal requirements pertaining to open burning. Fires conducted by state agencies, local governments, or nongovernmental entities are likely to occur mostly on public land and planned in coordination with the CDPS to minimize the risk of uncontrolled spread.

Given the uncertainty about how many prescribed fires happen each year, the fiscal note does not make a specific assumption about how many prescribed fires covered by the bill may occur. Consequently, the number of claims that may be paid and costs for claim investigation and damage payments have not been estimated. Acknowledging that almost all prescribed fires are conducted or supervised by trained personnel and are coordinated with or approved by the CDPS and other firefighting agencies, the fiscal note assumes that costs will likely be minimal for most years. However, in the event that a prescribed burn becomes uncontrolled and causes damage, it is possible that claims made against the fund may exceed the available balance in a given year and require additional appropriations or transfers. The fiscal note assumes that future program funding will be addressed through the annual budget process as more information on registered burns and claims becomes known.

Lastly, the fiscal note assumes that program administration costs for are paid from the General Fund, with claim investigation and payments paid from the program cash fund.

State Revenue

The bill is expected to increase revenue to cash funds in the CDPS by less than \$10,000 per year. This revenue is from plan registration fees and certified burner application fees, as described below.

Fee Impact on Prescribed Burn Activities

Colorado law requires legislative service agency review of measures which create or increase any fee collected by a state agency. This bill increases fees on burn managers who submit prescribe burn plans to CDPS for damage coverage or who seeking reciprocal certified burner status.

The bill increases fee revenue from registration of prescribed burn plans for coverage for any damage claims that arise. It is assumed that fee revenue will be deposited to the Prescribed Fire Claims Cash Fund (see Technical Note). For informational purposes, assuming that less than 50 plans are filed and the average fee is \$200, revenue would be less than \$10,000 per year.

Revenue from fees related to reciprocal certified burner status is expected to be minimal, and is deposited into the Fire Service Education and Training Fund. For informational purposes, the current application fee for certified burner status is \$20 and certifications are valid for five years

Gifts, Grants, and Donations

The bill potentially increases state revenue to the fund from gifts, grants, or donations; however, no sources have been identified at this time. Gifts, grants, and donations are exempt from TABOR revenue limits.

State Transfers

The bill transfers \$1 million from the General Fund to the Prescribed Fire Claims Cash Fund in FY 2025-26. Additional transfers to support program costs will be required in the future, depending on how soon the initial allocation of funds is used based on claim volume and fee revenue. As discussed in the Assumptions section, any future transfers will be addressed through the annual budget process.

State Expenditures

The bill increases state expenditures in the CDPS by about \$190,000 in FY 2025-26, and by about \$160,000 in future years. In years when claims occur, expenditures may increase by up to the balance of funds in the Prescribed Fire Claims Cash Fund (currently \$1 million based on the transfer in the bill). These costs, paid from the General Fund and the Prescribed Fire Claims Cash Fund, are summarized in Table 3 and discussed below.

Table 3
State Expenditures
Department of Public Safety

Cost Component	Budget Year FY 2025-26	Out Year FY 2026-27
Personal Services	\$109,459	\$109,459
Operating Expenses	\$1,536	\$1,536
Capital Outlay Costs	\$6,670	\$0
Legal Services	\$13,374	\$0
Firefighter Staff Costs	\$35,360	\$27,780
Claim Investigation & Payments ¹	up to \$1,000,000	\$0
Centrally Appropriated Costs	\$24,963	\$24,963
FTE – Personal Services	1.2 FTE	1.2 FTE
FTE – Legal Services	0.1 FTE	0.0 FTE
Total Costs	up to \$1,191,362	\$163,738
Total FTE	1.3 FTE	1.2 FTE

¹ This amount is for informational purposes only. The timing and amount of any costs for claim investigations and damage payments will vary depending on the timing of any claims. Future year expenditures may vary depending on subsequent transfers to the fund and the available balance.

Staff

The CDPS requires 1.2 FTE to oversee the newly created Prescribed Fire Claims Cash Fund, develop the program criteria, register any prescribed fire projects desiring coverage, and supervise any necessary claim investigation contracts. In addition to the standard operating costs, specific costs for firefighter FTE are shown above and include a vehicle lease, travel costs, and the one-time purchase of equipment. Workload will also increase to adopt rules and standards for certified burner reciprocity, but this increase will be minimal and requires no change in appropriations.

Legal Services

The CDPS requires 100 hours of legal services to develop the program. Additional legal services may be needed in future years depending on claim volume. Legal services are provided by the Department of Law at a rate of \$133.74 per hour.

Claim Investigation and Payments

As discussed in the Assumptions section, claim occurrence is uncertain. Claim investigation and payment costs will be incurred as needed and as long as funding is available, and will stop once the available fund balance is depleted. The fiscal note assumes that the program is intended to be ongoing and that the General Assembly will replenish the fund when necessary.

Under the bill, the CDPS may contract for claim investigation. If needed, this contract is estimated at \$30 per hour. Since the bill grants the CDPS 60 days to process a claim after it's filed and up to 10 claims may be made on one fire (assuming that all claim the maximum amount), the contract may cost up to \$24,000. Claims investigations and payments are assumed to be paid from the Prescribed Fire Claims Cash Fund.

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 may include employee insurance, supplemental employee retirement payments, leased space, and indirect cost assessments, are shown in the expenditure table(s) above.

Local Government

Local governments that perform prescribed burns may pay the new administrative fee if they desire coverage, increasing local expenditures. But if a claim payment prevents litigation that would have required the local government to pay damages, net local expenditures may decrease.

TABOR Refunds

The bill is expected to increase the amount of state revenue required to be refunded to taxpayers by the amounts shown in the State Revenue section above. This estimate assumes the December 2024 LCS revenue forecast. A forecast of state revenue subject to TABOR is not available beyond FY 2026-27. Because TABOR refunds are paid from the General Fund, increased cash fund revenue will reduce the amount of General Fund available to spend or save.

Technical Note

The bill does not specify where the prescribed burn plan registration fee will be credited. The fiscal note assumes that this money is intended to go to the Prescribed Fire Claims Cash Fund. Additionally, the bill does not specify that money in the Prescribed Fire Claims Cash Fund can be spent on the administrative needs of the program. The fiscal note assumes General Fund must be used to cover these costs, and that the Prescribed Fire Claims Cash Fund will only be used for claim investigation and payments.

Effective Date

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

State Appropriations

For FY 2025-26, the bill requires the following appropriations:

- \$166,399 General Fund to the Department of Public Safety, and 1.2FTE. Of this amount \$13,374 is reappropriated to the Department of Law with an additional 0.1 FTE.
- \$1,000,000 from the Prescribed Burn Claims Cash Fund to the Department of Public Safety.

State and Local Government Contacts

Information Technology

Public Safety

Law

Treasury

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.