



Legislative Council Staff
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Fiscal Note

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Prime Sponsors:

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Bill Status: Bill Request
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Bill Topic: **STANDARDS FOR WILDFIRE MITIGATION EFFORTS**

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

The bill requires the Colorado State Forest Service to promulgate rules for wildfire mitigation efforts supported by state funds. It will increase state expenditures in FY 2024-25 only, and potentially increases local government workload and costs on an ongoing basis.

Appropriation Summary: For FY 2024-25, the bill requires an appropriation of \$221,793 to the Colorado State Forest Service.

Fiscal Note Status: The fiscal note reflects the bill draft as requested by the Wildfire Matters Review Committee.

Table 1
State Fiscal Impacts Under Bill 7

		Budget Year FY 2024-25	Out Year FY 2025-26
Revenue		-	-
Expenditures	General Fund	\$221,793	-
	Centrally Appropriated	\$9,363	
	Total Expenditures	\$231,156	-
Transfers		-	-
Other Budget Impacts	General Fund Reserve	\$33,269	-

Summary of Legislation

No later than January 1, 2025, this bill requires that the Colorado State Forest Service (CSFS) at Colorado State University (CSU) adopt rules for wildlife mitigation efforts that are supported by state funds. The rules must require that any state-funded wildfire mitigation efforts:

- are based on the best available science and tools in ecological restoration strategies;
- focus on reducing damage to structures and harm to people, restoring natural fire regimes, and minimize unintended ecological damage;
- do not harm underserved communities;
- are cost-effective and enable strategic investment of limited resources; and
- are developed and implemented transparently with relevant stakeholders.

Any state or local emergency management agency conducting wildfire mitigation supported by state funds must comply with the CSFS rules.

State Expenditures

The bill increases state expenditures in the Colorado State Forest Service by about \$230,000 in FY 2024-25 only, paid from the General Fund. Expenditures are shown in Table 2 and detailed below.

Table 2
Expenditures Under Bill 7

	FY 2024-25
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Colorado State Forest Service	
Facilitator Costs	\$176,000
Personal Services	\$45,793
Centrally Appropriated Costs ¹	\$9,363
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Total Cost	\$231,156
Total FTE	0.5 FTE
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¹ Centrally appropriated costs are not included in the bill's appropriation.

Facilitator Costs. The CSFS will need to hire a contractor to facilitate the development of the standards for wildfire mitigation efforts and engage with stakeholders. The facilitator will be responsible for the preparation and facilitation of meetings, documentation, and finding venues for workshops.

Personal services. CSFS requires 0.5 FTE of term-limited funding for a Forestry Program Specialist to research existing rules, develop a request for proposals, and oversee the facilitator contract.

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.

Local Government

The bill requires that local emergency management agencies and local governments conducting mitigation supported by state funds comply with rules adopted by CSFS. Depending on the content of those rules, local governments may have increased costs to conform existing land use code to the state rules. These costs cannot be estimated at this time.

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.

Technical Note

The bill requires that the CSFS adopt rules no later than January 1, 2025; however, the bill cannot take effect until 90 days after the General Assembly adjourns. If the bill takes effect August 8, 2024, the CSFS will have less than 5 months to complete the rule making process. It is estimated the CSFS requires six months to develop draft standards, two months for stakeholder feedback, and up to four months for revisions and finalization. All costs in the fiscal note are based on one full fiscal year to implement.

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 \$221,793 to the Department of Higher Education, for allocation to the Colorado State Forest Service.

State and Local Government Contacts

Forest Service

Higher Education

Natural Resources