



Legislative Council Staff

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Final Fiscal Note

Drafting Number: LLS 22-0933 Date: August 5, 2022
Prime Sponsors: Rep. McCormick; Catlin Sen. Donovan; Simpson Bill Status: Signed into Law
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Bill Topic: WILDFIRE PREVENTION WATERSHED RESTORATION FUNDING

- Summary of Fiscal Impact: State Revenue, State Expenditure, State Transfer, TABOR Refund, Local Government, Statutory Public Entity

The bill transfers \$20.0 million from the Economic Relief and Recovery Cash Fund to cash funds in the Colorado State Forest Service and the Department of Natural Resources. The bill increases state expenditures over two years.

Appropriation Summary: For FY 2022-23, the bill appropriates \$15.0 million from the Colorado Water Conservation Board Construction Fund to the Department of Natural Resources

Fiscal Note Status: The note reflects the introduced bill.

Table 1 State Fiscal Impacts Under HB 22-1379

Table with 3 columns: Category, Budget Year FY 2022-23, and Out Year FY 2023-24. Rows include Revenue, Expenditures (Cash Funds, Total costs), Transfers (Cash Funds, Net Transfer), and Other Budget Impacts.

1 FY 2022-23 funding will be spent over two fiscal years, as described in the State Expenditures section. Money in the Economic Recovery and Relief Cash Fund comes from federal ARPA funds.

Summary of Legislation

The bill makes the following transfers totaling \$20.0 million from the Economic Recovery and Relief Cash Fund:

- \$3.0 million to the Healthy Forests and Vibrant Communities Fund in the Colorado State Forest Service (CSFS) to support wildfire risk mitigation and watershed resilience;
- \$2.0 million to the Wildfire Mitigation Capacity Development Fund in the Department of Natural Resources (DNR) for wildfire mitigation and fuel reduction projects; and
- \$15.0 million to the Colorado Water Conservation Board Construction Fund in the DNR for watershed restoration and flood mitigation project grants, administering the grant program, and to provide grants and assistance in applying for grants to local governments.

Expenditures from the funds must adhere to the relevant compliance, reporting, record-keeping, and program evaluation requirements established by the Office of State Planning and Budgeting and the State Controller.

State Transfers

On the effective date of the bill or immediately thereafter, the treasurer is required to transfer \$20 million from the Economic Recovery and Relief Cash Fund to three cash funds for use by the CSFS and the Colorado Water Conservation Board (CWCB) in the DNR.

State Expenditures

Both the DNR and the CSFS will have an increase in expenditures from the cash funds. This fiscal note assumes that most of the spending will occur in FY 2022-23, with carryover spending occurring in FY 2023-24, or until all funding is encumbered or spent in accordance with federal requirements under ARPA.

State Appropriations

For FY 2022-23, the bill includes an appropriation of \$15.0 million from the Colorado Water Conservation Construction Fund to the Department of Natural Resources. Funds in the Healthy Forests and Vibrant Communities Fund and the Wildfire Mitigation Capacity Development Fund are continuously appropriated.

Effective Date

The bill was signed into law by the Governor and took effect June 2, 2022.

State and Local Government Contacts

Forest Service

Natural Resources