

**STATE and LOCAL
FISCAL IMPACT**

Drafting Number: LLS 08-0589
Prime Sponsor(s): Rep. Sonnenberg
 Sen. Brophy

Date: February 6, 2008
Bill Status: House Agriculture
Fiscal Analyst: David Porter (303-866-4375)

TITLE: CONCERNING THE ACQUISITION OF PROPERTY BY THE WILDLIFE COMMISSION.

Fiscal Impact Summary	FY 2008-2009	FY 2009-2010
State Revenue		
State Expenditures		
General Fund	Potential Decrease	Potential Decrease
Cash Funds		
Wildlife Cash Fund	\$ 240,000	\$ 240,000
FTE Position Change	0.0 FTE	0.0 FTE
Effective Date: August 6, 2008, if the General Assembly adjourns on May 7, 2008, as scheduled.		
Appropriation Summary for FY 2008-2009: None.		
Local Government Impact: See Local Government Impact section.		

Summary of Legislation

So that total property assets remain at January 1, 2008, levels, this bill requires the Division of Wildlife (DOW) in the Department of Natural Resources to balance new land acquisitions or water purchases, or new interests in land or water, with offsetting land or water sales. Sales must be within a year of closing.

The bill also stipulates the following:

- ▶ within existing resources, the DOW must make annual Payments in Lieu of Taxes (PILTs) to local governments or a public body corporate as if the land or water were owned by a private person or corporation; and
- ▶ the DOW must receive General Assembly approval of acquisitions through the bill process, rather than through the Capital Development Committee.

Background. Impact Assistance Grants (IAGs) and PILTs are two methods by which counties may receive funds for lost taxes on DOW property. To receive IAG and PILT moneys, counties must submit an application to the DOW. In 2006, the DOW paid PILTs or IAGs to 49 of the 55 eligible counties. The remaining 6 counties did not apply.

State Revenue

Wildlife Cash Fund. In the event that DOW acquires property, it must sell another property of equal or greater value within one year. Proceeds from property sales will be deposited into the Wildlife Cash Fund. Further, this fiscal note assumes that in order to maintain total property assets at January 1, 2008, levels, the DOW will occasionally need to sell off assets to offset appreciation growth. These sales would result in increased revenue to the Wildlife Cash Fund. This fiscal note has not estimated the amount of property that the DOW will sell off.

State Expenditures

Department of Natural Resources, Division of Wildlife. Total expenditures under HB08-1137 are anticipated to be **\$240,000 annually, beginning in FY 2008-09.** Costs are incurred for the appraisal of properties by the Division of Wildlife.

Property Transactions. In order to keep the value of the DOW's property portfolio at January 1, 2008, levels, the DOW will need to appraise current land and water holdings. As the DOW has a substantial portfolio, it will conduct 30 property appraisals each year to approximate the value of all property. The cost of these appraisals is expected to average \$8,000, for total expenditures of \$240,000 annually.

The bill also changes the process by which the division manages its land portfolio. It makes each property purchase result in two property transactions, one acquisition and one sale. Additionally, it requires General Assembly approval of acquisitions through the bill process, potentially lengthening transactions.

Taxes. This bill would require that the DOW pay PILTs to any county in which it acquires property after January 1, 2008. As a portion of PILT moneys are distributed to school districts, any additional PILTs would result in a marginal decrease in the amount of General Fund used for the state portion of school finance. This fiscal note does not attempt to determine the amount of PILT payments that would be received in the 6 counties that do not currently apply for the funds.

Local Government Impact

As described in the State Expenditures section, if the DOW acquires property in 1 of the 6 counties that currently does not apply for a PILT, both the county and school districts (through the county) will receive payments that they otherwise would not receive.

Departments Contacted

Natural Resources

Local Affairs

Legislative Council