

STATE and LOCAL FISCAL IMPACT

Drafting Number: LLS 12-0478**Date:** February 20, 2012**Prime Sponsor(s):** Rep. Ramirez
Sen. Nicholson**Bill Status:** House Local Government**Fiscal Analyst:** Alex Schatz (303-866-4375)

TITLE: CONCERNING THE ABILITY OF THE COLORADO GEOLOGICAL SURVEY TO EXEMPT REVIEW OF THE GEOLOGIC FACTORS OF A PRELIMINARY SUBDIVISION PLAN UPON REQUEST FROM THE BOARD OF COUNTY COMMISSIONERS OF A COUNTY.

Fiscal Impact Summary	FY 2012-2013	FY 2013-2014
State Revenue Cash Funds - reduction	(\$14,000)*	(\$14,000)*
State Expenditures	See State Expenditures section.	
FTE Position Change		
Effective Date: August 8, 2012, if the General Assembly adjourns on May 9, 2012, as scheduled, and no referendum petition is filed.		
Appropriation Summary for FY 2012-2013: None required.		
Local Government Impact: See Local Government Impact section.		

* New revenue in the form of an exemption review fee may offset potential revenue losses under the bill. See discussion in the State Revenue section.

Summary of Legislation

Under current law, county governments that receive a proposed subdivision plan must, as part of the review process, refer the plan to the Colorado Geological Survey (CGS) in the Department of Natural Resources (DNR) for a geologic evaluation. This bill authorizes the CGS, at its discretion, to exempt a plan from the referral requirement at the written request of the board of county commissioners, or its authorized representative, of the county where the proposed subdivision is located.

Background

Each year, the CGS reviews approximately 460 subdivision proposals referred by county governments. To perform its evaluation of geologic factors, the CGS charges the referring entity for the actual cost to CGS of review, averaging \$700 per case.

The DNR estimates that in each year under the bill approximately 40 geologic evaluation exemption requests are submitted and 20 are approved. Based on the current caseload of 460 geologic evaluations per year, the estimated reduction of CGS geologic evaluations for subdivision referrals (to 440 evaluations) is less than 5 percent under the bill.

State Revenue

Granting 20 exemption requests per year will reduce state revenue to the CGS by approximately \$700 per exemption, or \$14,000 each fiscal year. The fiscal note assumes that subdivision activity statewide remains at the average level of recent years.

The CGS is authorized to collect fees for all services rendered under the statute amended by the bill. The DNR fiscal note response for this analysis did not indicate that the department is considering instituting a fee to review exemption requests. However, such a fee would be authorized to cover actual costs, which would likely partially, but not fully, recoup revenue lost from the grant of exemptions.

State Expenditures

CGS workload is increased to establish exemption criteria and thereafter review exemption requests. Increased workload from exemption review is offset by reduced workload for those cases exempted from detailed geologic evaluation.

Local Government Impact

The requirement that county governments formally request the exemption from CGS review on a case-by-case basis will result in minimal administrative costs to the county board, planning department, or other authorized representative each time the exemption is sought. For cases where the exemption is granted, county governments costs will be reduced by the amount of the avoided CGS review fee.

Departments Contacted

Natural Resources
Regulatory Agencies
Agriculture

Local Affairs
Transportation

Regulatory Agencies
Public Health and Environment