

**STATE and LOCAL
FISCAL IMPACT**

Drafting Number: LLS 13-0700	Date: January 30, 2013
Prime Sponsor(s): Sen. Lambert	Bill Status: Senate Appropriations
Rep. Levy; Gerou	Fiscal Analyst: Alex Schatz (303-866-4375)

TITLE: CONCERNING THE WILDLAND FIRE COST RECOVERY FUND.

Fiscal Impact Summary	FY 2013-2014	FY 2014-2015
State Revenue		
Cash Funds		
Wildland Fire Cost Recovery Fund - <i>reduction</i>	(<\$5,000)	(<\$5,000)
State Expenditures	See State Expenditures section.	
FTE Position Change		
Effective Date: Upon signature of the Governor, or upon becoming law without his signature.		
Appropriation Summary for FY 2013-2014: None required.		
Local Government Impact: See Local Government Impact section.		

Summary of Legislation

This bill, **recommended by the Joint Budget Committee**, makes technical changes to the Wildland Fire Cost Recovery Fund, administered by the Department of Public Safety (DPS). Current law places limits on the use of the fund to finance wildland fire suppression activities, including a \$12 million cap on advances from the Treasury. The bill makes the fund noninterest-bearing and specifies that the controller may authorize advances in any amount for wildland fire suppression activities.

Background

House Bill 12-1283 established the Wildland Fire Cost Recovery Fund to finance costs for state and local agencies engaging in wildland fire suppression. The DPS initially makes payments for such costs out of its fund and is subsequently reimbursed by responsible parties, such as land-owning federal agencies. The fund does not carry a significant balance, relying instead on advances from the Treasury to finance its purposes. Prior to the Wildland Fire Cost Recovery Fund in DPS, the Colorado State Forest Service coordinated billings from participating agencies.

State Revenue

As a noninterest-bearing account, the Wildland Fire Cost Recovery Fund will receive no payments from interest, reducing state revenue. As of the midpoint of FY 2012-13, the fund has earned \$1,500 in interest for the year. The full-year impact of the bill will reduce state revenue from interest by less than \$5,000.

State Expenditures

The bill does not alter the amount of reimbursements or increase overall state expenditures for wildland fire suppression. However, by removing the cap in the amount that may be advanced from the Treasury, reimbursements may be made in a more timely manner when more than \$12 million in expenses accumulate before DPS receives funding from responsible parties. State expenditures on wildland fire suppression vary widely from year to year, exceeding \$12 million (\$16.6 million total) in FY 2011-12, the last full fiscal year for which data are available.

Local Government Impact

In years with a high level of wildland fire activity, the bill may accelerate the reimbursement of local government expenditures for local agencies that respond to a wildland fire event and are eligible for state reimbursement. As noted in the State Expenditures section, the overall level of reimbursements is not expected to change. The bill affects only the availability of reimbursements in the immediate timeframe of wildland fire events.

Departments Contacted

Public Safety
Higher Education

Personnel and Administration

Treasury