HB14-1210

Colorado Legislative Council Staff Fiscal Note

STATE and LOCAL FISCAL IMPACT

Drafting Number: LLS 14-0356
Prime Sponsor(s): Rep. Gerou
Date: February 18, 2014
Bill Status: House Local Government
Fiscal Analyst: Alex Schatz (303-866-4375)

SHORT TITLE: COUNTY & AGENCY AGREEMENT FIRE COSTS ON STATE LAND

Fiscal Impact Summary*	FY 2016-2017	FY 2017-2018
State Revenue		
State Expenditures	Workload and cost increase. See State Expenditures section.	
FTE Position Change		
Appropriation Required: None.		

* *This summary shows changes from current law under the bill for each fiscal year.*

Summary of Legislation

This bill requires state agencies that own forest land, rangeland, or wildland area to, by January 1, 2017, enter into agreements with counties in which the land is located. The agreement with a county must delineate:

- the responsibility of each party for mitigation and management of wildland fires;
- wildland fire management objectives for the prevention, suppression, and rehabilitation of wildfire on state land;
- the state agency with fiscal and operational authority for each management objective; and
- procedures to carry out the agreement, such as the use of the Division of Fire Prevention and Control (DFPC) in the Department of Public Safety for reimbursements as well as any remedial provisions.

Prior to formalizing an agreement, the parties must consult with utility providers with facilities situated on land owned by an affected state agency.

The bill does not apply to rights-of-way, conservation easements, or state trust lands. In addition, the bill does not require counties or state agencies to modify existing or future negotiated agreements concerning the reimbursement of wildfire suppression costs.

Background

County-state wildfire coordination. Under current law, the director of the DFPC and each county sheriff enter into an agreement concerning the coordination of fire suppression activities in the event of a wildfire that exceeds local capability to control. The DFPC also determines when the state is financially responsible for managing wildfire (in a "State Responsibility Fire") and enters into reimbursement agreements with counties that contribute to the state's Emergency Fire Fund. In practice, the DFPC and each county, as well as other affected agencies (e.g., federal land management agencies) agree to an annual operating plan (AOP) that describes mutual aid, firefighting resources, and specific roles for state and local officials.

State land management. More than 99 percent of forest land in Colorado is owned by the federal government, tribes, local governments, and private parties. The Department of Natural Resources (DNR) is the primary land management agency of Colorado state government. The Division of Parks and Wildlife owns approximately 440,000 acres in 53 counties across Colorado, most of it consisting of forest, range, or wildland. The State Land Board in the DNR also owns significant amounts of forest, range, and wildland, including state forests, but these state trust lands are exempt under the bill.

State lands in mutual aid agreements. The state does not operate fire departments for state parks and other state lands. Within their jurisdiction, local fire departments take command of wildfires on state lands, typically based on a mutual aid agreement. Over the last ten years, an average of 14 wildfires have occurred on state lands. Based on the gap between local costs covered by mutual aid agreements and payments for State Responsibility Fires, an annual average of approximately $17,000 in costs of wildfire suppression on state lands have not been reimbursed. This gap varies widely from year to year, from zero in most years to an estimated $89,500 after the 2012 fire season.

State Expenditures

Starting in FY 2016-17, the bill requires certain state agencies to increase workload, and expenditures of the DNR will increase. Instead of charging a county for eligible wildfire suppression costs, the bill requires DFPC and affected state agencies to establish a system for DFPC to assess costs directly to a responsible state agency, even if the DFPC has not determined that particular costs are associated with a State Responsibility Fire. On an annual basis, an estimated average of $17,000 in new wildfire suppression costs involve state land.

The expenditure impact of the bill on specific state agencies is detailed in this section.

Assumptions. Counties will incorporate requirements of the bill in the annual AOP process, as coordinated by the DFPC. For agreements to be in place by January 1, 2017, affected state agencies will allocate any newly required resources in the first half of FY 2016-17.

DNR. The DNR will experience increased workload and costs as a result of the bill. The Division of Parks and Wildlife will develop standard language to be amended into 53 county AOPs, and will also develop specific management objectives as required. Once AOPs are amended to specify the DNR as the fiscally responsible agency for state parks and wildlife areas, the DNR's annual wildfire-related costs may increase by up to $17,000 or more, depending on the number and extent of wildfire mitigation, suppression, and rehabilitation objectives for its properties.

DFPC. Workload for the DFPC will increase to incorporate amendments to AOPs in the annual process to review and readopt at least 53 of these agreements. DFPC workload will also increase to implement changes in its wildland fire billing practices. These changes will be facilitated by a standard approach, applicable to most or all counties, and are not expected to require new appropriations.

Department of Law. The Attorney General's Office represents various client agencies in state government, including the DNR and DFPC, and will be responsible for legal review and drafting to the extent that the bill requires amendments to AOPs. The amount of workload required by the bill varies by state agency, but will generally fall within the scope of budgeted legal services. If additional resources are required by the Department of Law, this will be addressed in the annual budget process.

Office of Information Technology (OIT). The OIT owns and maintains telecommunication infrastructure on certain state lands, particularly components of the state digital trunk radio system (DTRS), used for emergency communication and other government applications. As a potential utility provider under the bill, OIT's workload may increase. However, the bill does not require OIT to contribute language or serve as a party to an agreement, and no new appropriations will be required to accommodate this increase in workload.

Other state agencies. Other state agencies, including institutions of higher education and the Colorado Department of Transportation (CDOT), own land in forest, rangeland, and wildland environments. Most or all such land owned by other state agencies is expressly exempt from the bill (e.g., CDOT right-of-way) or only incidentally impacted. Thus, the fiscal note concludes that the impact of the bill on these agencies is minimal.

Local Government Impact

Implementation of the bill may increase county costs in the short-term, while resulting in cost savings in the long-term.

County costs will increase to implement the bill where existing AOPs do not address certain issues required by the bill, such as responsibility for wildfire mitigation and rehabilitation. However, because AOPs provide a framework for compliance with the bill, county legal costs associated with new language will be limited.

By assigning financial responsibility to state agencies for additional costs associated with wildfires on state lands, the bill may reduce local government costs of wildfire mitigation, suppression, and rehabilitation. The bill may reduce local government costs for an average year by up to $17,000 statewide, with potential additional cost savings for wildfire mitigation and rehabilitation.

Effective Date

The bill takes effect August 6, 2014, if the General Assembly adjourns on May 7, 2014, as scheduled, and no referendum petition is filed.

State and Local Government Contacts

Natural Resources	Public Safety	Personnel and Administration
Local Affairs	Agriculture	Military and Veterans Affairs
Higher Education	Law	Office of Information Technology
Counties	Sheriffs	Clerk and Recorders
Transportation	Municipalities	