Colorado Legislative Council Staff Fiscal Note

STATE
FISCAL IMPACT

Drafting Number:	LLS 15-0836	**Date:** March 6, 2015
Prime Sponsor(s):	Rep. Vigil	**Bill Status:** House Agriculture
	Sen. Sonnenberg	**Fiscal Analyst:** Clare Pramuk (303-866-2677)

BILL TOPIC: PARKS WILDLIFE TRUST FUNDS SPEND MITIGATION MONEYS

Fiscal Impact Summary*	FY 2015-2016	FY 2016-2017
State Revenue	Minimal increase. See State Revenue section.	
State Expenditures	Potential reduction. 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 establishes the Parks for Future Generations Trust Fund (parks trust fund), amends the Wildlife for Future Generations Trust Fund (wildlife trust fund), and establishes funding sources for both trust funds. For the trust funds, the bill specifies:

- that the trust funds will receive moneys from energy or mineral royalties or leases of energy or mineral rights on park properties (parks trust fund) and wildlife properties (wildlife trust fund);
- no less than 50 percent of the total moneys deposited in the trust funds other than interest must remain intact;
- interest earned is continuously appropriated;
- the remaining balance of the moneys are subject to appropriation; and
- the commission will make annual reports to the General Assembly on the moneys expended, proposed to be expended, and matters accomplished or proposed to be accomplished.

The bill also gives the Parks and Wildlife Commission (commission) the authority to receive and expend moneys made available to the Division of Parks and Wildlife (DPW) for the purpose of mitigating or offsetting adverse impacts of development on state parks or wildlife habitat without requiring further legislative action.

Background

The wildlife trust fund was established in Senate Bill 00-230. It received an initial $5 million transfer from the Wildlife Cash Fund in the Department of Natural Resources. The principal must remain intact and the interest earned is continuously appropriated to the commission. The current balance of the wildlife trust fund is approximately $7.2 million and it earns about $70,000 in interest

annually. The wildlife trust fund may be appropriated moneys by the General Assembly and is allowed to accept grants and donations, but does not have a dedicated funding source under current law.

Revenue from energy development is uncertain. The DPW holds several mineral rights on both state park properties and state wildlife areas. For the past three years, DPW has received about $350,000 per year in revenue from these rights. Production activity at Bosque del Oso State Wildlife Area west of Trinidad was responsible for most of this revenue. However, production at this site has been suspended indefinitely due to current low resource prices. Oil and gas operations at St. Vrain State Park in Longmont are expected to result in an increase in revenue, but that site has not yet started operations.

State Revenue

Because the bill holds intact at least 50 percent of the revenue from energy development, those moneys will earn interest that might not have been earned otherwise. For fiscal year 2014, the Colorado Treasury Pool earned 1.0 percent interest, so interest earnings on the trust funds are expected to be nominal until interest rates rise.

State Expenditures

Because the moneys that will be held intact in each trust fund will no longer be available for expenditure, expenditures for the DPW will be reduced in the near term. In the long term, as the interest revenue stream matures, additional funds will be available for expenditure.

By allowing the DPW to receive and expend mitigation funds, work on mitigation projects can begin without the DPW making a budget request and receiving an appropriation. The bill does not change the amount of mitigation expenditures.

Effective Date

The bill takes effect August 5, 2015, if the General Assembly adjourns on May 6, 2015, as scheduled, and no referendum petition is filed.

State and Local Government Contacts

Natural Resources