

FISCAL IMPACT

Drafting Number: LLS 13-0915 **Date:** April 18, 2013 **Prime Sponsor(s):** Sen. Nicholson; Roberts Bill Status: Senate Agriculture

> **Fiscal Analyst:** Alex Schatz (303-866-4375) Rep. Coram; Fischer

TITLE: CONCERNING FUNDING FOR CERTAIN ACTIVITIES RELATING TO WILDFIRE.

Fiscal Impact Summary	FY 2013-2014	FY 2014-2015	
State Revenue			
State Transfers Transfer from the General Fund to the Wildfire Preparedness Fund	\$500,000		
State Expenditures	See State Exper	See State Expenditures section.	
FTE Position Change			
Effective Date: Upon signature of the Governor that Section 2 of the bill takes effect only if House			

se Bill 13-1031becomes law, and if Section 2 tal Section 1 is not effective.

Appropriation Summary for FY 2013-2014: None required.

Local Government Impact: None.

This fiscal note is preliminary. Various state agencies have not had sufficient time to respond to the request by Legislative Council Staff for analysis of the bill. The fiscal note will be revised if warranted by the receipt of new information.

Summary of Legislation

This bill reorganizes and modifies statutes creating the Wildfire Emergency Response Fund (WERF) and the Wildfire Preparedness Fund (WPF).

The bill authorizes the Governor to order the transfer of funds from the Disaster Emergency Fund into the WERF if he or she determines an emergency is imminent. The Governor and Division of Fire Prevention and Control (DFPC) in the Department of Public Safety may increase expenditures from the WERF as part of plans for aerial tankers or wildfire hand crews presented by the DFPC in its annual Wildfire Preparedness Plan. The bill clarifies that the Governor may increase or decrease expenditures from the WERF if a wildfire situation is more or less severe than anticipated in the Wildfire Preparedness Plan.

The DFPC is authorized to contract with other governmental agencies for the use of state firefighting resources. The WPF may be used to pay for such contractual services, as well as the preparation of the Wildfire Preparedness Plan; however, payments to the DFPC pursuant to such contracts are deposited in the Wildland Fire Cost Recovery Fund.

The bill also:

- authorizes transfers from the proceeds of insurance premium taxes to the WERF and WPF, including a specific transfer of \$500,000 to the WERF in FY 2013-14;
- changes reporting dates for the Wildfire Preparedness Plan; and
- makes technical changes to update statutes concerning the authority of the DFPC.

Background

Under current law, the WERF provides funding for the initial attack on a wildfire, specifically for the first aerial tanker flight, the first hour of firefighting helicopter operations, or wildfire hand crews in the first two days of a wildfire. There is no dedicated source of funding for the WERF, though the state may be reimbursed for its use of the fund by local governments and other sources. In 2002 and 2008, respectively, \$240,250 and \$250,000 were reappropriated to the WERF from other state cash funds.

Under current law, the WPF may be used for wildfire preparedness activities in accordance with the Governor's direction, and the WPF may also be used to support the purchase of fire shelters by volunteer fire departments. Recent funding for the WPF has been provided from transfers of federal mineral lease revenue from the Department of Local Affairs (DOLA). The final DOLA transfer of \$3.25 million to the WPF will occur on July 1, 2013.

Both the WERF and WPF are continuously appropriated.

State Transfers

In FY 2013-14, the bill results in a one-time transfer of \$500,000 from the General Fund to the Wildfire Emergency Response Fund. Transferred funds are from the proceeds of insurance premium taxes, which would otherwise be deposited into the General Fund. See the Technical Note below for discussion of the transfer date.

State Expenditures

The bill increases available funding in the WERF, which will be used to respond to future wildfire emergencies. At the same time, the transfer of Genera Fund moneys will reduce funds available for other purposes by \$500,000 in FY 2013-14.

The bill has minimal effects on the workload of the state treasurer and the DFPC. The treasurer will have a minimal increase in workload to implement transfers from the proceeds of insurance premium taxes, including reconciliation with other statutory transfers from this source (e.g., payments for volunteer firefighter pensions). The DFPC will incur a one-time increase in workload to formalize new procedures related to the Wildfire Preparedness Plan and wildfire funds.

The minor increase in workload for these state agencies does not require new appropriations.

Technical Note

April 18, 2013

Transfer date. The bill does not specify a date on which the \$500,000 transfer to the Wildfire Emergency Response Fund will occur. If this transfer occurs when insurance premium tax proceeds are reconciled at the end of the fiscal year, this limits the availability of this funding for the 2013 fire season and the early part of the 2014 fire season.

Departments Contacted

Public Safety Local Affairs Natural Resources
Treasury Governor Revenue
Law Counties Municipalities