



## Legislative Council Staff

*Nonpartisan Services for Colorado's Legislature*

# *Fiscal Note Memorandum*

**TO:** Members of the House Agriculture, Water, and Natural Resources Committee  
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## Fiscal Assessment of L.002 to HB26-1310

This memorandum is an assessment of the fiscal impact of the attached proposed amendment L.002 to House Bill 26-1310. This fiscal assessment is for the impact of the bill with inclusion of this amendment only. Any other added amendment could influence the fiscal impact.

### Summary of Proposed Amendment

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Strike-below Amendment L.002 directs the following specific amounts from the Wildfire Mitigation Capacity Fund in the Department of Natural Resources (DNR) be transferred to the Wildfire Resilient Homes Grant Program Cash Fund in the Department of Public Safety (CDPS). These amounts are as follows:

- \$0.6 million on July 1, 2027; and
- \$2.0 million on July 1, 2028.

### Fiscal Impact of Amendment

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The fiscal impact of the amendment changes the original estimates for state transfers, expenditures, and revenue outlined in the fiscal note dated March 12, 2026. Specifically, the amendment:

- eliminates the formula-based transfer amounts specified in the introduced bill and instead transfers a set amount of dollars in FY 2027-28 and FY 2028-29 only;
- creates a net neutral effect on overall state expenditures;
- eliminates the impact to the Severance Tax Operational Fund, and the estimated changes in appropriations from severance taxes to the Wildfire Mitigation Capacity Fund;



- eliminates expenditures by CDPS beyond FY 2028-29;
- reduces the staff required in CDPS from 0.2 FTE beginning FY 2027-28 and ongoing years, to 0.1 FTE in FY 2027-28 and FY 2028-29 only; and
- eliminates the net decrease in revenue from interest earned in the Wildfire Mitigation Capacity Development Fund and corresponding TABOR refund impact, and instead results in offsetting interest accrued to funds in the DNR and CDPS.

## Bill's Revised Fiscal Impact with Amendment

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With Amendment L.002, the bill transfers money between cash funds, and reduces state expenditures and revenue. These costs are outlined in Table 1 and discussed below.

**Table 1**  
**State Fiscal Impacts with Amendment L.002**

Type of Impact	Budget Year FY 2026-27	Out Year FY 2027-28	Out Year FY 2028-29
State Revenue	\$0	\$0	\$0
State Expenditures	\$0	\$0	\$0
Transferred Funds	\$0	\$600,000	\$2,000,000
Change in TABOR Refunds	\$0	\$0	\$0
Change in State FTE	0.0 FTE	0.1 FTE	0.1 FTE

Fund sources for these impacts are shown in the tables below.

### State Revenue

By shifting funds to the from the Wildlife Mitigation Capacity Development Fund in DNR to the Wildfire Resilient Homes Grant Program Cash Fund in CDPS, the amendment may result in a change in the amount of interest earned in each fund, with more received by DPS and less by DNR. Overall, the net impact will depend on the timing of spending from the two funds, but is assumed to be offsetting impacts that result in no net change in state revenue.

### State Transfers

With the amendment, the bill transfers \$600,000 in FY 2027-28 and \$2.0 million in FY 2028-29 from the Wildlife Mitigation Capacity Development Fund in DNR to the Wildfire Resilient Homes Grant Program Cash Fund in CDPS, as shown in Table 2.



**Table 2**  
**State Transfers with Amendment L.002**

<b>Fund Source</b>	<b>Budget Year FY 2026-27</b>	<b>Out Year FY 2027-28</b>	<b>Out Year FY 2028-29</b>
Wildfire Mitigation Capacity Development Fund	\$0	-\$600,000	-\$2,000,000
Wildfire Resilient Homes Grant Program Cash Fund	\$0	\$600,000	\$2,000,000
<b>Net Transfer</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

### State Expenditures

On net, the bill results in no net change in state expenditures, as it reduces grants from the Wildfire Mitigation Capacity Development Fund in DNR and increases grants and administrative costs from the Wildfire Resilient Homes Grant Program Cash Fund in CDPS. These costs are outlined in Table 3 and discussed below.

**Table 3**  
**State Expenditures with Amendment L.002**

<b>Fund Source</b>	<b>Budget Year FY 2026-27</b>	<b>Out Year FY 2027-28</b>	<b>Out Year FY 2028-29</b>
Wildfire Mitigation Capacity Development Fund	\$0	-\$600,000	-\$2,000,000
Wildfire Resilient Homes Grant Program Cash Fund	\$0	\$597,867	\$1,997,867
Centrally Appropriated	\$0	\$2,133	\$2,133
<b>Total Expenditures</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Total FTE</b>	<b>0.0 FTE</b>	<b>0.1 FTE</b>	<b>0.1 FTE</b>

### Department of Public Safety

Expenditures in CDPS will increase in FY 2027-28 by \$600,000 and \$2.0 million in FY 2028-29 only. These costs are paid from the Wildfire Resilient Homes Grant Program Cash Fund, which is subject to annual appropriation by the General Assembly. These costs include about \$7,500 for 0.1 FTE for grant administration.

### Department of Natural Resources

Expenditures in DNR will decrease by \$600,000 in FY 2027-28 and \$2.0 million in FY 2028-29 only for COSWAP grants.



### **Department of Corrections**

Expenditures in DOC may decrease for the State Wildland Inmate Fire Team (SWIFT), which is funded by grants through COSWAP in DNR from the Wildfire Mitigation Capacity Development Fund. The SWIFT receives about \$1.8 million in funding annually from DNR grants. The exact change in expenditures will depend on how DNR awards grants with the dollars remaining for COSWAP recipients.

### **Department of Treasury**

Workload will increase for the Treasury to manage and perform accounting for the cash fund transfers created in the bill. While no appropriation is required at this time, the department may seek additional funding through the annual budget process based on the cumulative impact of all transfers created through legislation.