



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

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

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

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

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

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

Fund Source	Budget Year FY 2026-27	Out Year FY 2027-28	Out Year FY 2028-29
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
Total Expenditures	\$0	\$0	\$0
Total FTE	0.0 FTE	0.1 FTE	0.1 FTE

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.

HB1310_L.002

HOUSE COMMITTEE OF REFERENCE AMENDMENT

Committee on Agriculture, Water & Natural Resources.

HB26-1310 be amended as follows:

1 Amend printed bill, strike everything below the enacting clause and
2 substitute:

3 **"SECTION 1. Legislative declaration.** (1) The general
4 assembly finds that:

5 (a) The most important factor in determining if a structure
6 survives a wildfire is the actions taken before the wildfire to harden the
7 home and manage the home ignition zone;

8 (b) The national cohesive wildland fire management strategy is
9 based on 3 equally important tenets:

10 (I) Increasing fire suppression capability through safe and
11 effective response;

12 (II) Maintaining resilient landscapes by restoring lands to their
13 natural conditions through measures such as prescribed fire and forest
14 thinning; and

15 (III) Supporting fire-adapted communities through measures such
16 as home hardening and the creation of defensible space;

17 (c) Colorado has made significant investments in increasing the
18 state's fire suppression capability and maintaining resilient landscapes;

19 (d) The 2025 Colorado fire commission annual report, dated
20 August 2025, includes 2 recommendations that address the need to harden
21 homes and manage the home ignition zone through the use of a system of
22 scientifically developed, verifiable actions, as established by the
23 Insurance Institute for Business and Home Safety and the institute's
24 "Wildfire Prepared Home" standard;

25 (e) The implementation of scientifically developed, verifiable
26 actions to harden homes and manage the home ignition zone increases the
27 availability of insurance for Colorado homeowners and protects homes
28 against wildfires;

29 (f) As of March 2026, there has been little investment by the state
30 in grant programs that support home hardening efforts;

31 (g) Wildfires in Colorado and around the nation have
32 demonstrated that homes distant from natural vegetation can be destroyed
33 by embers if the homes are not hardened; and

34 (h) Home hardening is a critical path to preventing future
35 wildfire-initiated community conflagrations.

36 **SECTION 2.** In Colorado Revised Statutes, 24-33.5-1239,
37 **amend** (2)(c); and **add** (1)(b.5) and (1)(d) as follows:

38 **24-33.5-1239. Wildfire resilient homes grant program - fund**
39 **- rules - report - definitions - repeal.**

40 (1) As used in this section, unless the context otherwise requires:

1 (b.5) "INCOME QUALIFIED" MEANS A HOUSEHOLD INCOME AT OR
2 BELOW SEVENTY PERCENT OF THE AREA MEDIAN INCOME, AS DETERMINED
3 BY THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN
4 DEVELOPMENT.

5 (d) "PROPERTY-SPECIFIC MITIGATION ACTION" HAS THE MEANING
6 SET FORTH IN SECTION 10-4-124 (1)(c).

7 (2) (c) (I) In awarding grants pursuant to the program, the division
8 shall consider the location of the homeowner's property, whether the
9 property is a primary residence of the homeowner, the income or assets
10 from all sources of the homeowner, the type of improvement proposed by
11 the homeowner, and any other criteria established by the division
12 pursuant to subsection (3) of this section. The division may require
13 applicants to provide information on the applicant's income, and the
14 division may prioritize income levels of applicants in awarding grants.

15 (II) NOTWITHSTANDING ANY PROVISION OF THIS SECTION TO THE
16 CONTRARY, IN AWARDING GRANTS PURSUANT TO THE PROGRAM, THE
17 DIVISION SHALL PRIORITIZE:

18 (A) HOMEOWNERS WHO ARE INCOME QUALIFIED OR WHO LACK THE
19 ABILITY TO PERFORM THE STRUCTURE HARDENING WORK BECAUSE OF AGE,
20 DISABILITY, OR ILLNESS; AND

21 (B) HOMEOWNERS WHO WILL UNDERTAKE PROPERTY-SPECIFIC
22 MITIGATION ACTIONS IN PERFORMING THE STRUCTURE HARDENING WORK.

23 **SECTION 3.** In Colorado Revised Statutes, 24-33-117, **add** (6.4)
24 as follows:

25 **24-33-117. Wildfire mitigation capacity development fund -**
26 **established - financing - legislative intent - repeal.**

27 (6.4) (a) ON JULY 1, 2027, THE STATE TREASURER SHALL
28 TRANSFER SIX HUNDRED THOUSAND DOLLARS FROM THE WILDFIRE
29 MITIGATION CAPACITY DEVELOPMENT FUND TO THE WILDFIRE RESILIENT
30 HOMES GRANT PROGRAM CASH FUND CREATED IN SECTION 24-33.5-1239
31 (4)(a).

32 (b) ON JULY 1, 2028, THE STATE TREASURER SHALL TRANSFER TWO
33 MILLION DOLLARS FROM THE WILDFIRE MITIGATION CAPACITY
34 DEVELOPMENT FUND TO THE WILDFIRE RESILIENT HOMES GRANT PROGRAM
35 CASH FUND CREATED IN SECTION 24-33.5-1239 (4)(a).

36 (c) THIS SUBSECTION (6.4) IS REPEALED, EFFECTIVE JULY 1, 2029.

37 **SECTION 4. Act subject to petition - effective date.** This act
38 takes effect at 12:01 a.m. on the day following the expiration of the
39 ninety-day period after final adjournment of the general assembly (August
40 12, 2026, if adjournment sine die is on May 13, 2026); except that, if a
41 referendum petition is filed pursuant to section 1 (3) of article V of the
42 state constitution against this act or an item, section, or part of this act
43 within such period, then the act, item, section, or part will not take effect

1 unless approved by the people at the general election to be held in
2 November 2026 and, in such case, will take effect on the date of the
3 official declaration of the vote thereon by the governor."

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