



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado’s Legislature

SB 25-007: INCREASE PRESCRIBED BURNS

Prime Sponsors:

Sen. Cutter; Marchman
Rep. Velasco; Weinberg

Fiscal Analyst:

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Bill Outcome: Signed into Law

Drafting number: LLS 25-0188

Version: Final Fiscal Note

Date: July 3, 2025

Fiscal note status: The final fiscal note reflects the enacted bill. The bill was recommended by the Wildfire Matters Review Committee.

Summary Information

Overview. The bill creates a new program and cash fund in the Department of Public Safety (CDPS) to pay damage claims related to prescribed burns. It also allows reciprocity eligibility for the certified burner program in the CDPS.

Types of impacts. The bill is projected to affect the following areas on an ongoing basis:

- State Expenditures
- Minimal State Revenue
- Local Government

Appropriations. For FY 2025-26, the bill includes an appropriation of \$403,025 to the Department of Public Safety.

**Table 1
State Fiscal Impacts**

Type of Impact ¹	Budget Year FY 2025-26	Out Year FY 2026-27
State Revenue	\$0	\$0
State Expenditures	up to \$436,075	at least \$171,825
Transferred Funds	\$250,000	\$0
Change in TABOR Refunds	\$0	\$0
Change in State FTE	1.2 FTE	1.2 FTE

¹ Fund sources for these impacts are shown in the tables below.

**Table 1A
State Transfers**

Fund Source	Budget Year FY 2025-26	Out Year FY 2026-27
General Fund	-\$250,000	\$0
Cash Funds	\$250,000	\$0
Net Transfer	\$0	\$0

**Table 1B
State Expenditures**

Fund Source	Budget Year FY 2025-26	Out Year FY 2026-27
General Fund	\$153,025	\$138,775
Cash Funds ¹	up to \$250,000	not estimated
Federal Funds	\$0	\$0
Centrally Appropriated	\$33,050	\$33,050
Total Expenditures	up to \$436,075	at least \$171,825
Total FTE	1.2 FTE	1.2 FTE

¹ Expenditures depend on how much money is available to pay claims and when claims are made.

Summary of Legislation

The bill creates the Prescribed Fire Claims Cash Fund (fund) in the Division of Fire Prevention and Control in the Department of Public Safety (CDPS) and transfers \$250,000 to the fund on July 1, 2025. Subject to annual appropriation, the CDPS can use the fund to pay damage claims resulting from prescribed fire projects that meet certain requirements, including registering plans with the CDPS. When registering projects, the CDPS will charge the prescribed fire manager a plan registration fee based on the complexity of the plan, but at least \$100. The CDPS is only required to administer the fund and pay damage claims if sufficient money for administration of the fund is provided.

No one claim can be awarded more than \$20,000 or 10 percent of the fund balance at the time the claim is filed, whichever is greater. If a claim payment is accepted, the claimant must waive all future claims relating to the registered burn or parties involved in the burn. Additionally, the CDPS is authorized to establish rules for administration and implementation of the bill, which must be published on the CDPS's website, and may contract with a third-party for administration and investigation of claims.

The bill also allows reciprocity eligibility in the certified burner program in the CDPS. The program certifies individuals to conduct prescribed fires on private lands, similar to how these fires are managed on public lands. Under current law, the CDPS can only grant certified burner status to a person that has completed training offered by the CDPS. The bill allows a person with valid burner certification from another state government or entity to apply to the CDPS for certified burner status. A person with reciprocal certification must follow any other rules and standards adopted by the CDPS.

Finally, the bill clarifies that utilities can issue Colorado Energy Impact bonds to cover costs to mitigate the effects of extreme weather, wildfires, climate change, or other hazards. These bonds and any mitigation program or project are subject to approval by the Public Utilities Commission.

State Revenue

The bill may increase cash fund revenue in the CDPS by a minimal amount. This revenue is from plan registration fees and certified burner application fees, which are subject to TABOR, and from gifts, grants, and donations, as described below.

Fee Impact on Prescribed Burn Activities

Colorado law requires legislative service agency review of measures which create or increase any fee collected by a state agency. This bill increases fees on burn managers who submit prescribe burn plans to CDPS for damage coverage or who seeking reciprocal certified burner status.

The bill only increases fee revenue from registration of prescribed burn plans if funding is provided to pay claims. Without any funding to pay claims, burn managers would not register plans to seek coverage. It is assumed that fee revenue will be deposited to the Prescribed Fire Claims Cash Fund (see Technical Note). For informational purposes, assuming that 10 plans are filed and the minimum fee is \$100, revenue would be about \$1,000 per year.

Revenue from fees related to reciprocal certified burner status is expected to be minimal, and is deposited into the Fire Service Education and Training Fund. For informational purposes, the current application fee for certified burner status is \$20 and certifications are valid for five years.

Gifts, Grants, and Donations

The bill potentially increases state revenue to the fund from gifts, grants, or donations; however, no sources have been identified at this time. Gifts, grants, and donations, which are exempt from TABOR revenue limits, are required to implement this bill as it does not include another source of funding to pay claims.

State Transfers

In FY 2025-26, the bill transfers \$250,000 from the General Fund to the Prescribed Fire Claims Cash Fund. Transfers in future years may occur at the discretion of the General Assembly as needed based on actual claim volume and payments made. It is assumed that future transfers will be set through the annual budget process and be made through appropriations to the Prescribed Fire Claims Cash Fund.

State Expenditures

The bill increases state expenditures in the CDPS by up to \$440,000 in FY 2025-26, and by at least \$170,00 in future years. In years when claims occur, expenditures may increase by up to the balance of funds in the Prescribed Fire Claims Cash Fund. These costs, paid from the General Fund and the Prescribed Fire Claims Cash Fund, are summarized in Table 2 and discussed below.

Table 2
State Expenditures
Department of Public Safety

Cost Component	Budget Year FY 2025-26	Out Year FY 2026-27
Personal Services	\$109,459	\$109,459
Operating Expenses	\$1,536	\$1,536
Capital Outlay Costs	\$6,670	\$0
Firefighter Staff Costs	\$35,360	\$27,780
Claim Investigation and Payments	up to \$250,000	Not estimated
Centrally Appropriated Costs	\$33,050	\$33,050
Total Costs	up to \$436,075	at least \$171,825
Total FTE	1.2 FTE	1.2 FTE

Staff

The CDPS requires 1.2 FTE to seek gifts, grants, and donations; develop the program criteria; register any prescribed fire projects desiring coverage; and supervise any necessary claim investigation contracts. In addition to the standard operating costs, specific costs for firefighter FTE are shown above and include a vehicle lease, travel costs, and the one-time purchase of equipment. Workload will also increase to adopt rules and standards for certified burner reciprocity, but this increase will be minimal and requires no change in appropriations.

Claim Investigation and Payments

The CDPS can use any money received in the Prescribed Fire Claims Cash Fund to pay claims made for burns registered with the department. Claim investigation and payment costs will be incurred as needed and as long as funding is available, with up to \$250,000 in expenditures estimated for FY 2025-26 based on the transfer in the bill.

Under the bill, the CDPS may contract for claim investigation. If needed, this contract is estimated at \$30 per hour. Since the bill grants the CDPS 60 days to process a claim after it's filed and up to 10 claims may be made on one fire (assuming that all claim the maximum amount), the contract may cost up to \$24,000. Claims investigations and payments are assumed to be paid from the Prescribed Fire Claims Cash Fund.

Centrally Appropriated Costs

Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. These costs, which may include employee insurance, supplemental employee retirement payments, leased space, and indirect cost assessments, are shown in the expenditure table above.

Local Government

Local governments that perform prescribed burns may pay the new administrative fee if they desire coverage, increasing local expenditures. But if a claim payment prevents litigation that would have required the local government to pay damages, net local expenditures may decrease.

Technical Note

The bill does not specify where the prescribed burn plan registration fee will be credited. The fiscal note assumes that this money is intended to go to the Prescribed Fire Claims Cash Fund. Additionally, the bill does not specify that money in the Prescribed Fire Claims Cash Fund can be spent on the administrative needs of the program. The fiscal note assumes General Fund must be used to cover these costs, and that the Prescribed Fire Claims Cash Fund will only be used for claim investigation and payments.

Effective Date

This bill was signed into law by the Governor and took effect on May 29, 2025.

State Appropriations

For FY 2025-26, the bill includes an appropriation of \$403,025 to the Department of Public Safety. Of this amount, \$153,025 is from the General Fund, with 1.2 FTE, and \$250,000 is from the Prescribed Fire Claims Cash Fund.

State and Local Government Contacts

Law

Regulatory Agencies

Public Safety