

# FISCAL NOTE

**Bill #:** HB0302

**Title:** Clarify liability for fire suppression costs

**Primary**

**Sponsor:** Dick Haines

**Status:** As Introduced

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Sponsor signature	Date	Chuck Swysgood, Budget Director	Date
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## Fiscal Summary

	<b><u>FY2002 Difference</u></b>	<b><u>FY2003 Difference</u></b>
<b>Expenditures:</b>		
General Fund	14,100	86,500
State Special Revenue	6,900	43,000
<b>Revenue:</b>		
State Special Revenue	6,900	43,000
<b>Net Impact on General Fund Balance:</b>	<b>(14,100)</b>	<b>(86,500)</b>

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<b><u>Yes</u></b>	<b><u>No</u></b>		<b><u>Yes</u></b>	<b><u>No</u></b>	
	X	Significant Local Gov. Impact		X	Technical Concerns
	X	Included in the Executive Budget		X	Significant Long-Term Impacts
	X	Dedicated Revenue Form Attached		X	Family Impact Form Attached

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## Fiscal Analysis

### ASSUMPTIONS:

#### **Department of Natural Resources and Conservation**

1. Fire prevention precautionary measures for the wildland-urban interface can be determined by using guidelines provided by the Department of Natural Resources and Conservation (DNRC) and the Department of Justice, Fire Prevention & Investigation Bureau.
2. The DNRC currently provides inspections when requested by property owners through the use of department personnel or contracted services (fire departments or private sector). DNRC is currently funded for 80 inspections per year.

3. This bill will require DNRC to provide field inspections to property owners upon request. Based on the existing number of homes in the wildland/urban interface, the department estimates that at least 93,500 property owners will meet the criteria to request a prevention inspection.
4. DNRC estimates that at least 200 additional qualifying property owners will request an inspection in FY 2002 and 1,270 owners will ask DNRC for an inspection in FY 2003. The average cost of each inspection will be \$100 plus expenses for printing and distribution of guidelines and forms (\$1,000 in FY 2002 and \$2,500 in FY 2003). The increased number of field inspections will result in a greater workload for the department.
5. DNRC will continue to perform the inspections and contract with fire departments and qualified private inspectors for all inspections beyond current level staffing.
6. Based on current statutory requirements (76-13-207), one third of the cost will be funded from fire protection assessment fees paid by owners of classified forest lands.

FISCAL IMPACT:

	FY2002 <u>Difference</u>	FY2003 <u>Difference</u>
FTE	0.00	0.00
<u>Expenditures:</u>		
Operating Expenses	21,000	129,500
<u>Funding:</u>		
General Fund (01)	14,100	86,500
State Special Revenue (02)	<u>6,900</u>	<u>43,000</u>
TOTAL	\$21,000	\$129,500
<u>Revenues:</u>		
State Special Revenue (02)	6,900	43,000
<u>Net Impact to Fund Balance (Revenue minus Expenditure):</u>		
General Fund (01)	(14,100)	(86,500)

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

1. Upon request by DNRC, a local fire department will be paid \$100 per field inspection if they choose to participate in the certification process.

LONG-RANGE IMPACTS:

1. DNRC estimates that landowners could request more than 1200 field inspections each year to have their property certified. If insurance companies require annual re-inspections, the department's inspection workload will steadily increase as the number of re-inspections is compounded onto new inspection requests. In addition, the annual number of inspections will increase as a result of the state's increasing population and more people building in the wildland/urban interface areas. This would result in a continuing long-term general fund commitment.
2. This bill would necessitate an increase in the fire assessment rate charged to private forest landowners.