



**Colorado
Legislative
Council
Staff**

HB16-1184

FISCAL NOTE

FISCAL IMPACT: State Local Statutory Public Entity Conditional No Fiscal Impact

Drafting Number: LLS 16-1010
Prime Sponsor(s): Rep. Rankin
 Sen. Grantham

Date: March 1, 2016
Bill Status: House Appropriations
Fiscal Analyst: Jessika Shipley (303-866-3528)

BILL TOPIC: HCSM FUND TRANSFERS TO BROADBAND FUND

Fiscal Impact Summary	FY 2016-2017	FY 2017-2018
State Revenue		
Cash Fund	See State Revenue section.	
State Expenditures		
FTE Position Change		
Appropriation Required: None.		
Future Year Impacts:		

Summary of Legislation

This bill, *recommended by the Joint Budget Committee*, requires that High Cost Support Mechanism (HCSM) funds allocated to the Broadband Fund be transferred on July 1 of each year rather than upon allocation. Additionally, all money in the Broadband Fund (fund) is to be continuously appropriated to the Broadband Deployment Board (board). Any other money in the fund is subject to annual appropriation by the General Assembly.

Background

The Public Utilities Commission (PUC) provides financial assistance to telecommunications companies that provide basic telephone or broadband service in areas that lack effective competition by assessing a surcharge on all telecommunications companies in the state, and allocating those contributions to the HCSM. A portion of the HCSM is transferred to the fund, which is administered by the board. The board awards grants for projects aimed at deploying broadband service in underserved areas of the state. From 2016 to 2023, the HCSM surcharge is statutorily reduced by a percentage of the amount of contributions that were allocated to the fund in the previous year.

State Revenue

This bill changes the timing for an existing transfer of funds and continuously appropriates the portion of the fund that was allocated from the HCSM. The transfer timing and continuous appropriation will likely affect interest earnings from the fund. If the money is spent sooner, the additional interest will be minimal; however, if the money is typically spent at the end of the year, interest earnings will be greater.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State and Local Government Contacts

Information Technology

Regulatory Agencies