



Legislative  
Council Staff

*Nonpartisan Services for Colorado's Legislature*

**FISCAL NOTE**

<b>Drafting Number:</b>	HB 20-1372	<b>Date:</b>	May 26, 2020
<b>Prime Sponsors:</b>	Rep. Esgar; McCluskie Sen. Rankin	<b>Bill Status:</b>	House Appropriations
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**Bill Topic:** **OPERATIONAL FUND MINED LAND RECLAMATION REPEAL**

**Summary of Fiscal Impact:**

<input type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
<input checked="" type="checkbox"/> State Expenditure	<input type="checkbox"/> Local Government
<input checked="" type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

The bill repeals two required transfers from the severance tax operational fund and repeals the Abandoned Mine Reclamation Fund on July 1, 2023. The bill will result in a minimal increase in money available for grant programs funded from the Operational Fund in FY 2020-21 only.

**Appropriation Summary:** No appropriation is required.

**Fiscal Note Status:** This fiscal note reflects the introduced bill, which was recommended by the Joint Budget Committee as part of its FY 2020-21 budget balancing package.

**Table 1**  
**State Fiscal Impacts Under HB 20-1372**

		FY 2020-21	FY 2021-22
<b>Revenue</b>			
<b>Expenditures</b>			
<b>Transfers</b>	Abandoned Mine Reclamation Fund	(\$500,000)	-
	Reclamation Warranty and Forfeiture Fund	(\$58,586)	-
	Severance Tax Operational Fund	\$558,586	
	<b>Total</b>	<b>\$0</b>	<b>\$0</b>
<b>TABOR Refund</b>			
		-	-

### **Summary of Legislation**

On July 1, 2020, the bill repeals the following transfers from the Severance Tax Operational Fund:

- \$500,000 to the Abandoned Mine Reclamation Fund; and
- up to \$127,000 to the Reclamation Warranty and Forfeiture Fund.

On July 1, 2023, the bill also repeals the Abandoned Mine Reclamation Fund,

### **Background**

The Inactive Mines Reclamation Program (program) in the Division of Reclamation, Mining, and Safety is responsible for the protection of the public from the dangers and adverse effects of past mining practices. The program has been supported by core program appropriations from the Severance Tax Operational Fund and the Abandoned Mine Reclamation Fund, which receives money through an annual transfer from the Operational Fund. The program also receives "grant program" transfers from the Operational Fund to the Reclamation Warranty and Forfeiture Fund.

### **State Transfers**

This bill eliminates the following transfers totaling \$558,586 from the Severance Tax Operational Fund.

**Table 2**  
**Eliminated Transfers Under HB 20-1372**

	<b>FY 2020-21</b>	<b>FY 2021-22</b>
Abandoned Mine Reclamation Fund	(\$500,000)	\$0
Reclamation Warranty and Forfeiture Fund*	(\$58,586)	\$0
<b>Total</b>	<b>\$558,586</b>	<b>\$0</b>

*\* Note: While the maximum amount allowed to be transferred under current law is \$127,000, only \$58,586 is projected to be transferred in FY 2020-21 and \$0 in FY 2021-22 based on the May 2020 Legislative Council Staff forecast.*

### **State Expenditures**

The \$500,000 will now be directly provided to core departmental funding from the Operational Fund through the Long Bill, rather than through a transfer and appropriation from the Abandoned Mine Reclamation Fund. There is no net fiscal impact to the fund or state expenditures through the elimination of this transfer.

The \$127,000 is the maximum amount that can be transferred from the Operational Fund to the forfeited mine sites grant program under current law. This transfer and associated appropriation is being replaced by a direct appropriation from the Operational Fund in the Long Bill.

Based on the May 2020 Legislative Council Staff revenue forecast, Operational Fund grant program transfers are projected to be \$58,586 and \$0 in FY 2020-21 and FY 2021-22. Because all grant programs are funded through the Operational Fund based on the available revenue, elimination of this transfer will increase the projected distribution to the remaining grant programs by this amount. Thus, remaining grant programs will experience a minimal increase in FY 2020-21 and no change to their distribution in FY 2021-22 as a result of the bill.

## Effective Date

The bill takes effect July 1, 2020.

## State and Local Government Contacts

JBC Staff

Local Affairs

Natural Resources