



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Fiscal Note

Drafting Number:	LLS 21-0842	Date:	May 18, 2021
Prime Sponsors:	Rep. Pico; Valdez D. Sen. Kirkmeyer; Moreno	Bill Status:	House SCMVA
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Bill Topic: CONFORM THE TERM LEASE PURCHASE TO ACCOUNTING STANDARD

Summary of Fiscal Impact: **No fiscal impact.** The bill changes certain state and local public contract leasing definitions in Colorado Revised Statutes to conform to current governmental accounting standards. The bill does not affect the revenue or expenditures of any state or local government, so is assessed as having no fiscal impact.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: This fiscal note reflects the introduced bill.

Summary of Legislation

This bill replaces the term “lease-purchase agreement” with “financed purchase of an asset or certificate of participation agreement,” and makes other similar and related changes in Colorado Revised Statutes, to conform to current requirements established by the Governmental Accounting Standards Board (GASB).

Background

GASB, which sets government accounting reporting requirements, recently made changes to lease reporting requirements. According to the new requirements, state and local public contracts that transfer ownership of an asset to a lessee at the end of the contract must now be accounted for and reported as a financed purchase or sale of an asset. The requirement is effective for federal fiscal year 2022.

Assessment of No Fiscal Impact

The bill modifies statutory accounting definitions for certain public contract transactions to conform to GASB accounting and reporting standards. It will not affect state or local revenue and expenditures; therefore, this bill is assessed as having no fiscal impact.

Effective Date

The bill takes effect July 1, 2021.

State and Local Government Contacts

Counties

Law

Local Affairs

Personnel

State Auditor

Judicial

Legislative Council Staff

Office of State Planning and Budgeting

Secretary of State