



Legislative Council Staff

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Revised Fiscal Note

(replaces fiscal note dated May 21, 2021)

Drafting Number: LLS 21-0979 Date: May 31, 2021
Prime Sponsors: Sen. Moreno Bill Status: House Appropriations
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Bill Topic: CASH FUND SOLVENCY

- Summary of Fiscal Impact:
State Revenue (checkbox)
State Expenditure (checkbox)
State Transfer (checkbox)
TABOR Refund (checkbox)
Local Government (checkbox)
Statutory Public Entity (checkbox)

The bill establishes the Cash Fund Solvency Fund to prevent cash fund deficits. It makes several transfers in FY 2021-22 and increases state workload by a minimal amount.

Appropriation Summary: The bill includes a reduction of appropriations of \$1,135,728. See State Appropriations section.

Fiscal Note Status: The revised fiscal note reflects the introduced bill, as recommended by the Joint Budget Committee and amended by the Senate Appropriations Committee.

Table 1
State Fiscal Impacts Under SB 21-283

Table with 3 columns: Category, Budget Year FY 2021-22, and Out Year FY 2022-23. Rows include Revenue, Expenditures (Marijuana Tax Cash Fund, Marijuana Cash Fund, Total Expenditures), Transfers (General Fund, Marijuana Tax Cash Fund, Cash Fund Solvency Fund, Marijuana Cash Fund, Net Transfer), and TABOR Refund.

## **Summary of Legislation**

The bill creates the Cash Fund Solvency Fund and transfers \$3.1 million to the fund. Upon request from the Office of State Planning and Budgeting (OSPB), the State Controller may transfer money from the Cash Fund Solvency Fund to another cash fund if:

- the other cash fund's primary source of revenue is from fees;
- there is a significant decrease in fee revenue collected; and
- the other cash fund will have a deficit unless fees are increased or a loan is made.

The State Controller must establish a plan to repay the Cash Fund Solvency Fund from the cash fund that received a transfer, which may occur over multiple fiscal years.

The bill also transfers money from the General Fund and Marijuana Tax Cash Fund to the Marijuana Cash Fund to avoid a deficit, and refinances an existing \$1.1 million appropriation to the Colorado Department of Public Health and Environment so that it is directly funded from Marijuana Tax Cash Fund, rather than with Marijuana Cash Fund reappropriated from the Department of Revenue.

## **State Transfers**

The bill requires the following transfers on July 1, 2021:

- \$3,100,000 from the General Fund to the Cash Fund Solvency Fund;
- \$1,805,317 from the Marijuana Tax Cash Fund to the Marijuana Cash Fund; and
- \$1,200,000 from the General Fund to the Marijuana Cash Fund.

## **State Expenditures**

Workload will increase in OSPB and the Office of the State Controller in the Department of Personnel and Administration if the conditions for a cash fund loan from the Cash Fund Solvency Fund are met. This workload is expected to be minimal and can be accomplished within existing appropriations.

The bill also shifts \$1.1 million in spending in the Colorado Department of Public Health and Environment to the Marijuana Tax Cash Fund, which replaces a reappropriation of Marijuana Cash Fund from the Department of Revenue. This results in no net change in state expenditures.

## **Effective Date**

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

## **State Appropriations**

For FY 2021-22, the bill includes the following changes in appropriations:

- an increase of \$1,135,728 to the Department of Public Health and Environment from the Marijuana Tax Cash Fund; and
- a decrease of \$1,135,728 to the Department of Revenue from the Marijuana Cash Fund, and a corresponding decrease in the reappropriation of these funds to the Department of Public Health and Environment.

## **State and Local Government Contacts**

Personnel