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Revised Fiscal Note

(replaces fiscal note dated April 5, 2022)

Drafting Number: LLS 22-0968 Date: April 18, 2022
Prime Sponsors: Sen. Hansen; Rankin Bill Status: House Trans. & Local Govt.
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Bill Topic: EARLY STAGE FRONT RANGE PASSENGER RAIL FUNDING

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

The bill makes several transfers from the General Fund to multiple cash funds for development of the front range passenger rail corridor. The bill increases state expenditures in FY 2022-23 through FY 2024-25, and increases ongoing expenditures in a statutory public entity starting in the current FY 2021-22.

Appropriation Summary: For FY 2022-23, conditional upon passage of Senate Bill 22-130, the bill requires appropriations of \$500,000 to the Department of Personnel. No appropriation is required to the Department of Transportation, as the State Highway Fund is continuously appropriated.

Fiscal Note Status: This revised fiscal note reflects the reengrossed bill.

Table 1
State Fiscal Impacts Under SB 22-176

Table with 4 columns: Category, Current Year FY 2021-22, Budget Year FY 2022-23, Out Year FY 2023-24. Rows include Revenue, Expenditures (Cash Funds, Total Expenditures), Transfers (General Fund, Cash Funds, Net Transfer), and Other Budget Impacts.

1 Funding transferred to CDOT in FY 2022-23 will be spent over a period of three years starting in FY 2022-23, with around \$2.2 million per year spent on development of the Burnham Yard property through FY 2024-25. Funding transferred to the DPA will be spent in FY 2022-23 only. See State Expenditures section for more detail.

Summary of Legislation

The Front Range Passenger Rail District was established by Senate Bill 21-238 to implement an interconnected passenger rail system along the Interstate 25 corridor. This bill transfers money from the General Fund to support development of the Front Range Passenger Rail corridor, including funding for rail district operations and to develop the Burnham Yard property, which will be used to consolidate and expand rail lines in the Front Range Passenger Rail corridor through Denver. Development of the Burnham Yard property will include development planning, conceptual design work, analysis of impacts to surrounding communities, and stakeholder engagement related to moving the existing rail line. This work is required by the Federal Railroad Administration before a full National Environmental Policy Act analysis can occur.

State Transfers

The bill makes General Fund transfers of \$1.9 million in FY 2021-22 and \$7.0 million in FY 2022-23 to fund development of the Front Range Passenger Rail corridor, conditional upon passage of Senate Bill 22-130, as shown in Table 2 and discussed below.

**Table 2
 Transfers Under SB 22-176**

	Current Year FY 2021-22	Budget Year FY 2022-23
General Fund	(\$1,900,000)*	(\$7,000,000)
Southwest Chief Rail Line Economic Development, Rural Tourism, and Infrastructure Repair and Maintenance Fund / Front Range Passenger Rail District Fund	\$1,900,000*	-
State Highway Fund	-	\$6,500,000
Unused State-Owned Real Property Fund	-	\$500,000*
Net Transfer	\$0	\$0

** Conditional upon passage of SB 22-130. If SB 22-130 does not become law, \$2.4 million will be transferred to the Southwest Chief Cash Fund in FY 2021-22, and no funding will be transferred to the Unused State-Owned Real Property Fund in FY 2022-23.*

The bill transfers \$6.5 million from the General Fund to the State Highway Fund on July 1, 2022 for the Department of Transportation (CDOT) to develop the Burnham Yard Rail Property. If SB 22-130 becomes law, the bill transfers \$1.9 million to the Southwest Chief Rail Line Economic Development, Rural Tourism, and Infrastructure Repair and Maintenance Fund on June 15, 2022, from the General Fund. On June 30, 2022, the remaining fund balance is transferred to the Front Range Passenger Rail District, and the fund repeals July 1, 2022. Likewise, if SB 22-130 becomes law, \$500,000 is transferred to the Unused State-Owned Real Property Fund for use by the Department of Personnel (DPA) to assist with planning and stakeholder engagement related to development of the Burnham Yard Rail Property. If SB 22-130 does not become law, the transfer in FY 2021-22 will be \$2.4 million instead of \$1.9 million, and there will be no transfer to the Unused State-Owned Real Property Fund in FY 2022-23.

State Expenditures

The bill increases annual State Highway Fund expenditures in CDOT by \$2.2 million in FY 2022-23 through FY 2024-25. Conditional upon passage of SB 22-130, the bill increases state cash fund expenditures in the DPA by \$500,000 in FY 2022-23 only. Expenditures are shown in Table 3 and described below.

**Table 3
 Expenditures Under SB 22-176**

Cost Components	FY 2022-23	FY 2023-24
Department of Transportation		
Environmental Assessment	\$2,170,000	\$2,170,000
CDOT Subtotal	\$2,170,000	\$2,170,000
Department of Personnel		
Site Plan Development	\$500,000	-
DPA Subtotal	\$500,000	-
Total	\$2,670,000	\$2,170,000

Department of Transportation. Costs will increase in CDOT by \$6.5 million over a three-year period starting in FY 2022-23 to develop the Burnham Yard property for use by the Front Range Passenger Rail corridor. Costs include conducting public outreach, an environmental analysis, preliminary engineering, surveying and utilities investigation, railroad coordination, geotechnical investigation, and project management. CDOT workload will be accomplished using 3.0 FTE of existing staff. Funds in the State Highway Fund are continuously appropriated to CDOT.

Department of Personnel. Conditional upon passage of SB 22-130, costs will increase in the DPA by \$500,000 in FY 2022-23 to engage with stakeholders to create a site plan that supports transit-oriented development at the Burnham Yard Rail Property site, and to possibly develop recommendations for sub-allocation of parcels at the site. The DPA is required to consider various opportunities for the site, including rail service, housing development, recreation, retail and connections to the surrounding community; promote collaboration and opportunities for public-private partnership in infrastructure development and operation; and enable investment of public and private capital. Lastly, the DPA and its stakeholders must actively reach out to communities and registered neighborhood organizations in the vicinity of the Burnham Yards rail property regarding all stages of development, and provide meaningful opportunities for members of those communities to express their views about development of the property.

Local Government

Workload will increase for local governments to the extent that development of the Front Range Passenger Rail corridor and the Burnham Yard property require planning, engagement, and coordination with CDOT, DPA and the Front Range Passenger Rail District. Workload to engage with the DPA as stakeholders in the creation of a site plan for the Burnham Yard property is conditional upon passage of SB 22-130.

Statutory Public Entity

The Front Range Passenger Rail District, an independent political subdivision of the state, is responsible for researching, developing, constructing, operating, and maintaining an interconnected passenger rail system along the Front Range. For FY 2021-22, revenue will increase in the Front Range Passenger Rail District by \$1.9 million to provide funding for matching grants from the federal government, conditional upon passage of SB 22-130. If SB 22-130 does not pass, revenue will instead increase by \$2.4 million. This funding will be used on an ongoing basis to develop the district's rail service development plan, operations plan, and Front Range Passenger Rail District financial plan.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature, except that sections 2 and 3 of the bill only take effect if SB 22-130 becomes law, in which case they take effect upon the effective date of this bill or SB 22-130, whichever is later. Section 4 of the bill only takes effect if SB 22-130 does not become law.

State Appropriations

For FY 2022-23, the bill requires appropriations of \$500,000 to the Department of Personnel from the Unused State-Owned Real Property Fund, conditional upon passage of Senate Bill 22-130.

State and Local Government Contacts

Counties	Information Technology
Local Affairs	Municipalities
Personnel	Regional Transportation District
Transportation	Treasury