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Fiscal Note

Drafting Number: LLS 23-0966 Date: April 20, 2023
Prime Sponsors: Rep. Bird; Bockenfeld Bill Status: House Appropriations
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Bill Topic: JUSTICE REINVESTMENT CRIME PREVENTION INITIATIVE

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

The bill modifies the Justice Reinvestment Crime Prevention Initiative in the Department of Local Affairs to allow components of the initiative to continue beyond FY 2022-23. The bill creates a one-time transfer and requires future state expenditures to be subject to annual appropriations.

Appropriation Summary: For FY 2023-24, the bill requires and includes a \$3.0 million appropriation of reappropriated funds to the Department of Local Affairs. See State Appropriations section.

Fiscal Note Status: The fiscal note reflects the introduced bill, which was recommended by the Joint Budget Committee.

Table 1
State Fiscal Impacts Under HB 23-1299

Table with 3 columns: Category, Budget Year FY 2023-24, Out Year FY 2024-25. Rows include Revenue, Expenditures (Cash Funds), Transfers, and Other Budget Impacts.

1 This bill requires the reappropriation of \$3.0 million that is currently continuously appropriated to the Department of Local Affairs and will be subject to appropriations under the bill starting in FY 2023-24. This results in no net change in state expenditures..

Summary of Legislation

The bill changes the Targeted Crime Reduction Grant Program Cash Fund (fund) in the Department of Local Affairs (DOLA) from a continuously appropriated fund to a fund subject to annual appropriation starting in FY 2023-24. Any money appropriated or transferred to the fund that remains in the fund at the end of FY 2023-24 may be spent during FY 2024-25. For FY 2024-25 and beyond, the bill allows appropriations made to the fund in a given fiscal year that remain unspent at the end of that fiscal year to be spent in the following fiscal year.

Additionally, the bill clarifies that the Justice Reinvestment Initiative Expansion Account (account) within the fund is repealed September 1, 2024. On July 1, 2024, any unexpended or unencumbered balance in the account must be transferred to the Targeted Crime Reduction Grant Program Cash Fund rather than the General Fund.

Finally, the bill extends the sunset of all parts of the Justice Reinvestment Crime Prevention Initiative to September 1, 2027.

Background

DOLA currently administers the Justice Reinvestment Crime Prevention Initiative. The initiative provides small business lending and grant programs aimed at reducing crime and promoting community development in north Aurora, southeast Colorado Springs, and the Grand Junction and Trinidad areas. Currently, the small business lending program does not receive an appropriation, and the grant program for north Aurora and southeast Colorado Springs receives an appropriation of \$3.0 million from the General Fund. The grant program for Grand Junction and Trinidad is funded by a one-time \$3.5 million General Fund transfer, through [House Bill 21-1215](#), to the Reinvestment Initiative Expansion Account in the Targeted Crime Reduction Grant Program Cash Fund. Since the transfer, grants have been awarded through the cash fund, which is continuously appropriated to DOLA.

State Transfers

On July 1, 2024, the bill transfers the unexpended and unencumbered balance of the account to the fund; however, this fiscal note assumes that since the bill extends the spending authorization for the account, no funds will be transferred.

State Expenditures

Although the bill includes an appropriation to DOLA, because these are reappropriated funds from a previously continuously appropriated fund, the bill does not increase or decrease state expenditures relative to current law.

Effective Date

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

State Appropriations

For FY 2023-24, the bill requires and includes an appropriation of \$3,000,000 from reappropriated funds in the Targeted Crime Reduction Grant Program Cash Fund to the Department of Local Affairs.

State and Local Government Contacts

Joint Budget Committee

Local Affairs