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Fiscal Note

Drafting Number:	LLS 24-1113	Date:	March 27, 2024
Prime Sponsors:	Rep. Bird; Taggart Sen. Bridges; Kirkmeyer	Bill Status:	House Appropriations
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Bill Topic: SEVERANCE TAX TRANSFERS

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

Budget package bill. The bill increases the annual amount that can be appropriated from the Severance Tax Operational Fund to the Conservation District Grant Fund and transfers a variety of severance tax revenues to the General Fund. It increases state expenditures on an ongoing basis.

Appropriation Summary: For FY 2024-25, the bill includes an appropriation of \$250,000 to the Department of Agriculture.

Fiscal Note Status: The fiscal note reflects the introduced bill. The bill is recommended by the Joint Budget Committee as part of the FY 2024-25 budget package.

Table 1
State Fiscal Impacts Under HB 24-1413

		Budget Year FY 2024-25	Out Year FY 2025-26
Revenue		-	-
Expenditures	Cash Funds	\$250,000	up to \$250,000
	Total Expenditures	\$250,000	up to \$250,000
Transfers	General Fund	\$69,346,364	-
	Cash Funds	(\$69,346,364)	-
	Net Transfer	\$0	-
Other Budget Impacts		-	-

Summary of Legislation

The bill allows an additional \$250,000 to be appropriated from the Severance Tax Operational Fund to the Conservation District Grant Fund beginning FY 2024-25, by changing the allowable amount from \$450,000 to \$700,000 annually. The bill also makes multiple one-time transfers from cash funds to the General Fund in FY 2024-25.

State Transfers

The bill transfers a total of approximately \$69.3 million to the General Fund in FY 2024-25. These one-time transfers include:

- \$18,259,805 from the Severance Tax Operational on June 30, 2025;
- \$26,086,559 from the Severance Tax Perpetual Base Fund on July 1, 2024; and
- \$25,000,000 from the Local Government Severance Tax Fund on July 1, 2024.

State Expenditures

The bill increases state expenditures in the Department of Agriculture (CDA) by \$250,000 in FY 2024-25 and up to that amount in future years. These funds are continuously appropriated to the CDA for grants to conservation districts for implementing and maintaining soil and water conservation efforts.

Effective Date

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

State Appropriations

For FY 2024-25, the bill includes an appropriation of \$250,000 from the Severance Tax Operational Fund to the Department of Agriculture.

State and Local Government Contacts

Joint Budget Committee

The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit the [General Assembly website](#).