



**Colorado
Legislative
Council
Staff**

HB16-1186

**FINAL
FISCAL NOTE**

FISCAL IMPACT: State Local Statutory Public Entity Conditional No Fiscal Impact

Drafting Number: LLS 16-0934 **Date:** July 12, 2016
Prime Sponsor(s): Rep. Tyler **Bill Status:** Signed into Law
 Sen. Baumgardner **Fiscal Analyst:** Clare Pramuk (303-866-2677)

BILL TOPIC: MAP-21 RAIL FIXED GUIDEWAY SAFETY FUND GRANT MATCH

Fiscal Impact Summary	FY 2016-2017	FY 2017-2018
State Revenue	\$0	\$0
<i>State Diversions</i>		
General Fund	(150,000)	(150,000)
Cash Funds	150,000	150,000
State Expenditures	<u>up to \$150,000</u>	<u>up to \$150,000</u>
Cash Funds	up to 150,000	up to 150,000
Appropriation Required: \$150,000 - Department of Regulatory Agencies (FY 2016-17).		
Future Year Impacts: Ongoing diversions and increased expenditures.		

Summary of Legislation

Under current law, 3 percent of public utilities fees collected by the Department of Revenue (DOR) on behalf of the Public Utilities Commission (PUC) in the Department of Regulatory Agencies (DORA) must be credited to the General Fund. The bill requires that up to \$150,000 of the fees be diverted to the Fixed Utility Fund (FUF) with any remainder credited to the General Fund. This diversion will occur in FY 2016-17 and any fiscal year thereafter in which a grant match is required for the receipt of federal money under the federal Moving Ahead for Progress in the 21st (MAP-21) Century Act for rail fixed guideway system safety oversight responsibilities.

Background

The PUC is primarily funded by the FUF. Revenue to the FUF comes from fees assessed on regulated electric, natural gas, and telecommunications utilities at a rate set annually based on the amount needed to cover applicable PUC and other utility regulation expenditures in DORA. The rate is applied to each regulated company's gross intrastate utility operating revenues, as calculated by the DOR. The rate of FUF assessments for electric and natural gas utilities is capped at 0.25 percent of gross revenue.

Assumptions

Because PUC expenditures average \$12 to \$13 million per year, the 3 percent credit to the General Fund from fixed utility fees has been consistently above \$350,000 in recent years. Therefore, the fiscal note assumes that the full \$150,000 will be diverted to the FUF in FY 2016-17 and any fiscal year thereafter that the federal matching dollars are required, which is assumed to be every year.

State Revenue

The bill diverts \$150,000 beginning in FY 2016-17 in fixed utilities fees from the General Fund to the FUF. This diversion does not affect overall net revenue to the state.

State Expenditures

This bill increases expenditures for the Department of Regulatory Agencies by up to \$150,000 per year beginning in FY 2016-17 from the Fixed Utility Fund. These funds will be used to providing matching funds for the receipt of MAP-21 grant money.

Effective Date

The bill was signed into law by the Governor and took effect on June 6, 2016.

State Appropriations

Consistent with this fiscal note, for FY 2016-17, the Department of Regulatory Agencies is appropriated \$150,000 from the Fixed Utility Fund.

State and Local Government Contacts

Information Technology

Regulatory Agencies