



**Colorado
Legislative
Council
Staff**

SB16-087

FISCAL NOTE

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

Drafting Number: LLS 16-0900
Prime Sponsor(s): Sen. Baumgardner

Date: February 10, 2016
Bill Status: Senate Transportation
Fiscal Analyst: Erin Reynolds (303-866-4146)

BILL TOPIC: HIGHWAY-RAIL CROSSING SIGNALIZATION FUND FUNDING

Fiscal Impact Summary	FY 2016-2017	FY 2017-2018
State Revenue	\$0	\$0
<i>State Diversions</i>		
General Fund	(\$240,000)	(\$244,800)
Cash Funds	\$240,000	\$244,800
State Expenditures	Increase.	
Cash Funds	See State Expenditures section.	
Appropriation Required: None.		
Future Year Impacts: Ongoing state diversion.		

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 these moneys to be diverted to the Highway-Rail Crossing Signalization Fund as follows, with any remainder to be credited to the General Fund:

- in FY 2016-17, the lesser of the total of the 3 percent of public utilities fees or \$240,000; and
- in FY 2017-18 and each year thereafter, the lesser of the total of the 3 percent of public utilities fees or \$240,000, plus an annual inflation adjustment of 2 percent for each fiscal year beginning in FY 2017-18.

This diversion replaces the existing law that \$240,000 be paid annually, subject to annual appropriation, from the General Fund to the Highway-Rail Crossing Signalization Fund.

Background

The Highway-Rail Crossing Signalization Fund in the State Treasurer's office was created to promote public safety and to provide for the payment of costs of installing, reconstructing, and

improving automatic and other safety appliance signals or devices at grade crossings of tracks over any public highway or road. The fund may not be used to pay for any projects that use any federal highway funding. The last appropriation to the Highway-Rail Crossing Signalization Fund occurred in 2003, when it was granted \$13,524 in spending authority.

The Fixed Utilities Fund (FF) and the Telecommunications Utilities Fund (T.F.) pay for the majority of PUC operating expenses. Revenue to these funds comes from fees assessed against 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 FF assessments for electric and natural gas utilities is capped at 0.25 percent of gross revenue, while the rate of T.F. assessments for telecommunications utilities is capped at 0.20 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 \$240,000 will be diverted to the Highway-Rail Crossing Signalization Fund each year beginning in FY 2016-17, plus the cumulative inflation adjustment in out years.

State Revenue

The bill results in a diversion of **\$240,000 in FY 2016-17, and \$244,800 in FY 2017-18** from the General Fund to the Highway-Rail Crossing Signalization Fund. This diversion does not affect overall net revenue to the state.

State diversion. The bill creates a diversion of fixed utility fees that would be credited to the General Fund under current law, but that will be diverted to the Highway-Rail Crossing Signalization Fund instead under the bill. Beginning in FY 2016-17, \$240,000 will be diverted to the Highway-Rail Crossing Signalization Fund each year from the General Fund. In FY 2017-18, \$240,000 plus an additional 2 percent annual inflation adjustment will be diverted, resulting in a total diversion of \$244,800.

State Expenditures

State expenditures from the Highway-Rail Crossing Signalization Fund will increase beginning in FY 2016-17. The amount of the increase will depend on the number and value of grants awarded by the PUC to fund rail crossing safety improvements. The PUC has statutory authority to approve payments from the fund, and interest on the fund is continuously appropriated to the PUC. It should be noted that the Colorado Department of Transportation is eligible to request funding for rail crossing signalization projects that are not federally funded.

Effective Date

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

State and Local Government Contacts

Information Technology
Transportation

Regulatory Agencies
Treasury

Revenue