

**JBC STAFF FISCAL ANALYSIS
SENATE APPROPRIATIONS COMMITTEE**

CONCERNING ENERGY-RELATED STATUTES.

Prime Sponsors: Senator Scott
Representative Becker J.

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Date Prepared: May 4, 2017

Fiscal Impact of Bill as Amended to Date

The most recent Legislative Council Staff Revised Fiscal Note (attached) reflects the fiscal impact of the bill as of 05/04/17.

	No Change: Attached LCS Fiscal Note accurately reflects the fiscal impact of the bill
	Update: Fiscal impact has changed due to <i>new information or technical issues</i>
	Update: Fiscal impact has changed due to <i>amendment adopted</i> after LCS Fiscal Note was prepared
XXX	Non-Concurrence: JBC Staff and Legislative Council Staff disagree about the fiscal impact of the bill

The Senate Agriculture, Natural Resources, and Energy Committee Report (05/03/17) specifies that no separate appropriation of state moneys is required to implement the provision that the Department of Regulatory Agencies' Public Utilities Commission (PUC) is to adopt rules under which investor-owned utilities may submit plans for the acquisition of natural gas reserves to meet their long-term supply needs. However, even when bills specify that no appropriation is required, legislative rules require that Fiscal Notes analyze the workload and cost impacts to state agencies that are expected to result from the bill. To the extent that workload and costs increase as estimated in the fiscal note and funding is not provided in the bill, agencies may be required to seek additional funding through the annual budget process in the future. Consistent with this analysis, the Fiscal Note assumes that the PUC is required to receive an appropriation of \$292,761 cash funds from the Fixed Utilities Fund and an allocation of 3.3 FTE to implement this provision.

Consistent with the Committee Report, though, Joint Budget Committee staff has not included funding for the PUC in the attached amendment, **J.001**, which adds an appropriations clause for the non-PUC related provisions of the bill that require funding. Additionally, consistent with the Committee Report, Joint Budget Committee staff's assessment of the TABOR impact of the bill decreases from \$468,340 to \$113,750 due to the requirement that the PUC fulfill its obligations within existing resources.

Amendments in This Packet for Consideration by Appropriations Committee

Amendment	Description
J.001	Staff-prepared appropriation amendment

Current Appropriations Clause in Bill

The bill requires but does not contain an appropriation clause.

Description of Amendments in This Packet

J.001 Staff has prepared amendment **J.001** (attached) to add a provision reducing a total of \$70,000 General Fund for the Office of the Governor's Colorado Energy Office for FY 2017-18 as a result of the elimination of the current law requirement that the Office produce an emissions study for innovative trucks.

Additionally, the Fiscal Note indicates that the bill requires a \$2.1 million appropriation (\$1.1 million cash funds from the Energy Fund and \$1.0 million cash funds from the Innovative Energy Fund) and an allocation of 19.3 FTE to the Colorado Energy Office for FY 2017-18. This provision is not included in amendment **J.001** because money in the Energy Fund and the Innovative Energy Fund is continuously appropriated to the Office, and, as such, an appropriation is not required for this bill.

Points to Consider*General Fund Impact*

The Joint Budget Committee (JBC) has proposed a budget package for FY 2017-18 based on the March 2017 Legislative Council Staff revenue forecast. The JBC has included as part of its FY 2017-18 budget package a \$3,100,000 General Fund transfer to the Energy Fund and the Innovative Energy Fund for implementation of this bill. If the full \$3.1 million is not used to fund this legislation, it will remain in the General Fund reserve.

TABOR/ Excess State Revenues Impact

The Joint Budget Committee has proposed a budget package for FY 2017-18 based on the March 2017 Legislative Council Staff revenue forecast. This bill is projected to increase cash fund revenues by \$113,750 for FY 2017-18, which would increase the amount required to be refunded under TABOR based on this revenue forecast. As TABOR refunds are paid from the General Fund, this bill would reduce the amount of General Fund available for other purposes.