



**Colorado
Legislative
Council
Staff**

SB 17-262

FISCAL NOTE

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

Drafting Number: LLS 17-1136
Prime Sponsor(s): Sen. Lambert
Rep. Hamner

Date: March 27, 2017
Bill Status: Senate Appropriations
Fiscal Analyst: Larson Silbaugh (303-866-4720)

BILL TOPIC: HUTF & CAPITAL CONSTRUCTION FUND TRANSFERS

Fiscal Impact Summary	FY 2016-2017 (current year)	FY 2017-2018	FY 2018-2019
State Revenue	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<i>State Transfers</i>			
General Fund	79.0 million	86.9 million	(44.6 million)
Highway Users Tax Fund	(79.0 million)	(31.6 million)	43.1 million
Capital Construction Fund		(55.3 million)	1.5 million
State Expenditures			
Appropriation Required: None.			
Future Year Impacts: None.			

Summary of Legislation

Under current law, the size of Senate Bill 09-228 transfers are partially determined by the size of the TABOR refund as a percent of General Fund revenue collections. **Recommended by the Joint Budget Committee**, this bill reduces the FY 2016-17 transfer to the HUTF from \$158.0 million to \$79.0 million and replaces the SB 09-228 transfers from the General Fund to the Highway Users Tax Fund (HUTF) and the Capital Construction Fund (CCF) with actual dollar amounts in FY 2017-18 through FY 2019-20. The following amounts will be transferred:

- \$79.0 million to the HUTF and \$0.0 to the CCF in FY 2017-18;
- \$160.0 million to the HUTF and \$60.0 million to the CCF in FY 2018-19; and
- \$160.0 million to the HUTF and \$60.0 million to the CCF in FY 2019-20.

Background

SB 09-228 required transfers from the General Fund to the HUTF and CCF if certain conditions were met. The transfers were required in the five years following the calendar year that Colorado personal income grew by 5.0 percent. Colorado personal income grew 6.2 percent in 2014 triggering the first transfers in FY 2015-16. In 2016, House Bill 16-1416 fixed the transfers to the HUTF and CCF for the first two years in the five year block. Table 1 shows the transfer amounts in current law.

Fiscal Year	Highway Users Tax Fund	Capital Construction Fund
FY 2015-16 (HB 16-1416)	\$199.2 million	\$49.8 million
FY 2016-17 (HB 16-1416)	\$158.0 million	\$52.7 million
FY 2017-18 (SB 09-228)	2.0% of General Fund Revenue	1.0% of General Fund Revenue
FY 2018-19 (SB 09-228)	2.0% of General Fund Revenue	1.0% of General Fund Revenue
FY 2019-20 (SB 09-228)	2.0% of General Fund Revenue	1.0% of General Fund Revenue

If the TABOR surplus exceeds 1.0 percent of General Fund revenue but is less than 3.0 percent of General Fund revenue, the transfers are reduced by 50 percent. If the TABOR surplus exceeds 3.0 percent of General Fund revenue the transfers are eliminated.

State Transfers

Compared to the March 2017 Legislative Council Staff forecast and current law, the transfers under the bill to the HUTF and CCF will be reduced by \$79.0 million in FY 2016-17 and \$86.9 million in FY 2017-18. This money will be available for appropriation from the General Fund. Table 2 shows the current law transfers based on the March Legislative Council Staff forecast and the transfers in SB 17-262.

Fiscal Year	Highway Users Tax Fund			Capital Construction Fund		
	Current Law*	SB 17-262	Difference	Current Law*	SB 17-262	Difference
FY 2016-17	\$158.0	\$79.0	(\$79.0)	\$52.7	\$52.7	\$0
FY 2017-18	\$110.6	\$79.0	(\$31.6)	\$55.3	\$0.0	(\$55.3)
FY 2018-19	\$116.9	\$160.0	\$43.1	\$58.5	\$60.0	\$1.5
FY 2019-20	NA	\$160.0	NA	NA	\$60.0	NA

**Based on the March 2017 Legislative Council Staff forecast. A forecast for FY 2019-20 is not available.*

The transfer amounts under current law are based on forecasts for General Fund revenue and the TABOR surplus and may be higher or lower depending on actual revenue collections and the TABOR surplus.

Effective Date

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

State and Local Government Contacts

Transportation Joint Budget Committee Legislative Council Staff