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FISCAL NOTE

Drafting Number: LLS 18-1051 Date: March 22, 2018
Prime Sponsors: Sen. Baumgardner; Kefalas Bill Status: Senate Finance
Rep. Esgar; Hansen Fiscal Analyst: Kori Donaldson | 303-866-4976
Kori.Donaldson@state.co.us

Bill Topic: CREATE GOVERNOR'S MANSION MAINTENANCE FUND

- Summary of Fiscal Impact:
- State Revenue (checked)
- State Expenditure (checked)
- State Transfer (unchecked)
- TABOR Refund (checked)
- Local Government (unchecked)
- Statutory Public Entity (unchecked)

This bill creates the Governor's Mansion Maintenance Fund. The bill is expected to increase revenue to and expenditures from the fund by up to \$55,000 a year beginning in FY 2018-19.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: The fiscal note reflects the introduced bill, as recommended by the Capital Development Committee.

Table 1
State Fiscal Impacts Under SB 18-208

Table with 4 columns: Category, Sub-category, FY 2018-19, FY 2019-20. Rows include Revenue, Expenditures, and Transfers.

Summary of Legislation

This bill creates the Governor's Mansion Maintenance Fund which may be used to fund rental operations, routine maintenance, and controlled maintenance at the mansion. The fund is comprised of monies earned from mansion operations and is subject to annual appropriation. The fund balance may not exceed \$500,000 at the close of any fiscal year. The Governor's Office may expend money from the fund for operating costs and routine maintenance and the Department of Personnel and Administration may expend money from the fund for controlled maintenance projects.

Background

There are between 130 and 140 events held each year at the mansion, of which about 110 generate revenue. There is a two-tiered rental rate structure. Nonprofit organizations and government agencies are charged half the booking rate charged to corporate or other private users.

State Revenue

For FY 2018-19 and future years, state revenue is expected to increase by at least \$55,000 a year from additional income collected from rental fees. Under current law, the annual appropriation *for* rental activities functions as a cap to the amount that is collected *from* rental activities. The amount annually appropriated *for* rental operations at the mansion is \$220,000, so no more than \$220,000 is collected annually *from* rental fees. Event staff at the mansion estimate that as much as \$275,000 could be collected from rental fees annually under the current rate structure, therefore, state revenue is expected to increase by at least \$55,000 a year until such time that the rate structure is updated, at which point state revenue may increase over that amount.

TABOR Refund

This bill increases state revenue from income collected from rental fees, which will increase the amount of money required to be refunded under TABOR for FY 2018-19 and FY 2019-20. A TABOR refund obligation is not expected for the current FY 2017-18.

Since the bill increases the TABOR refund obligation without a corresponding change in General Fund revenue, the amount of money available in the General Fund for the budget will decrease by an identical amount.

State revenue subject to TABOR is not estimated for years beyond FY 2019-20.

State Expenditures

For FY 2018-19 and future years, state expenditures may increase by up to \$55,000 a year to perform additional routine and controlled maintenance at the mansion. Expenditures from the maintenance fund are subject to appropriation.

Effective Date

The bill takes effect August 8, 2018, if the General Assembly adjourns on May 9, 2018, as scheduled, and no referendum petition is filed.

State and Local Government Contacts

Governor

Personnel