



Legislative
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FISCAL NOTE

Drafting Number: LLS 20-1158
Prime Sponsors: Rep. Esgar
Sen. Moreno

Date: May 26, 2020
Bill Status: House Appropriations
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Bill Topic: TRANSFERS FROM UNEXPENDED COUNTY REIMBURSEMENTS

- Summary of Fiscal Impact:**
- State Revenue
 - State Expenditure
 - State Transfer
 - TABOR Refund
 - Local Government
 - Statutory Public Entity

Budget package bill. This bill repeals the potential annual transfers from the General Fund to the Older Coloradans Cash Fund and the Veterans Assistance Grant Program that are triggered when the amount of funding included in the budget for the Senior Citizen and Disabled Veteran Property Tax Exemptions is overestimated. In addition, the bill makes a one-time transfer of \$13.0 million from the Older Coloradans Cash Fund to the General Fund in FY 2020-21.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: This fiscal note reflects the introduced bill, as recommended by the Joint Budget Committee as part of its FY 2020-21 budget balancing package.

Table 1
State Fiscal Impacts Under HB 20-1387

		FY 2020-21	FY 2021-22
Revenue		-	-
Expenditures		-	-
Transfers*	General Fund	\$13.0 million	-
	Cash Funds	(\$13.0 million)	-
	Total	\$0	-
TABOR Refund		-	-

* In addition to the one-time transfer shown in Table 1, this bill repeals an ongoing potential transfer from the General Fund. See State Transfer section for additional detail.

Summary of Legislation

Under current law, if the total amount of reimbursements to local governments for the Senior Citizen and Disabled Veteran Property Tax Exemption (senior and veterans tax exemption) is less than what was estimated in the state's budget, then 95 percent of the excess funds is transferred to the Senior Services Account (account) of the Older Coloradans Cash Fund and 5 percent is transferred to the Veterans Assistance Grant Program Cash Fund. This bill repeals these potential automatic transfers. It also transfers any remaining balance of the Senior Services Account to the Older Coloradans Cash Fund, and repeals the account. Lastly, the bill transfers \$13.0 million from the Older Coloradans Cash Fund to the General Fund on July 1, 2020.

Background

In FY 2017-18 and FY 2018-19, the Older Coloradans Cash Fund received a total of \$30.9 million and the Veterans Assistance Grant Program Cash Fund received \$1.6 million in transfers from the General Fund as a result of the amount of funding needed for the senior and veterans tax exemption being overestimated. A transfer to these funds from the General Fund is not expected in FY 2019-20.

State Transfers

The bill makes several changes regarding transfers of funds. First, it requires a one-time \$13.0 million transfer from the Older Coloradans Cash Fund to the General Fund on July 1, 2020.

Second, it repeals the potential automatic transfer from the General Fund to the Older Coloradans Cash Fund and the Veterans Assistance Grant Program Cash Fund when funding for the senior and veterans tax exemptions is overestimated. These transfers do not occur every year and depend on numerous factors, including legislative decisions on funding local reimbursement for the senior and veterans tax exemption, the number of people claiming the tax credit, and local property tax conditions. For this reason, an exact amount of the potential transfers being repealed cannot be estimated.

Third, upon the effective date of the bill, the balance of the Senior Services Account will be transferred to the Older Coloradans Cash Fund. This amount has not been estimated.

Effective Date

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

State and Local Government Contacts

Human Services Military Affairs