



Legislative
Council Staff

Nonpartisan Services for Colorado's Legislature

FISCAL NOTE

Drafting Number: LLS 20-1182	Date: May 26, 2020
Prime Sponsors: Rep. Esgar; McCluskie Sen. Rankin	Bill Status: House Appropriations
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Bill Topic: **MODIFY AUTOMATIC FUNDING MECHANISM FOR CAPITAL CONSTRUCTION**

Summary of Fiscal Impact:

<input type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
<input checked="" type="checkbox"/> State Expenditure	<input type="checkbox"/> Local Government
<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

Budget package bill. The bill suspends annual depreciation-lease equivalent payments for FY 2020-21 and exempts the Legislative Cash Fund from these payments on an ongoing basis.

Appropriation Summary: The bill decreases appropriations by \$7,561,261 in FY 2020-21.

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

**Table 1
State Fiscal Impacts Under HB 20-1398**

		FY 2020-21	FY 2021-22
Revenue		-	-
Expenditures	General Fund	(\$7,561,861)	-
Transfers		-	-
TABOR Refund		-	-

Summary of Legislation

With regard to certain capital construction projects, current law requires that funding be appropriated annually to support the expense of depreciation-lease equivalent payments. Such payments are credited to the Capital Construction Fund and the Controlled Maintenance Trust Fund, or to a capital reserve account, depending on the source of funds for the capital construction project being depreciated. The bill suspends these payments for FY 2020-21.

The bill further exempts the Legislative Department Cash Fund from the definition of cash fund for this purpose, and releases funds from any capital reserve account in the Legislative Department Cash Fund, including from any capital reserve account within the Redistricting Account.

State Expenditures

For FY 2020-21 only, the bill reduces General Fund expenditures for depreciation-lease equivalent payments by about \$7.6 million. These expenditures would otherwise have been distributed between the Capital Construction Fund and the Controlled Maintenance Trust Fund. Expenditure reductions and affected state agencies are displayed in Table 2.

Table 2
Reduced Annual Depreciation-Lease Equivalent Payments
for FY 2020-21

Department	General Fund
Corrections	(\$307,843)
Higher Education	(\$3,461,717)
Human Services	(\$3,103,396)
Military and Veterans Affairs	(\$87,994)
Personnel and Administration	(\$566,806)
Public Health and Environment	(\$33,505)
Total	(\$7,561,261)

Source: *Joint Budget Committee Staff*

Effective Date

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

State Appropriations

For FY 2020-21, the bill decreases General Fund appropriations by \$7,561,261, including:

- \$307,843 from the Department of Corrections;
- \$3,461,717 from the Department of Higher Education;
- \$3,103,396 from the Department of Human Services;
- \$87,994 from the Department of Military and Veterans Affairs;
- \$566,806 from the Department of Personnel and Administration; and
- \$33,505 from the Department of Public Health and Environment.

State and Local Government Contacts

Corrections
Legislative Department
Public Health and Environment

Higher Education
Military Affairs

Human Services
Personnel