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Final Fiscal Note

Drafting Number: LLS 24-0556 Date: June 28, 2024
Prime Sponsors: Rep. Parenti Bill Status: Signed into Law
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Bill Topic: SUNSET CONTINUE VETERANS ASSISTANCE GRANT PROGRAM

Summary of Fiscal Impact: [X] State Revenue [] State Transfer [X] Local Government
[X] State Expenditure [] TABOR Refund [] Statutory Public Entity

Sunset bill. This bill continues the Veterans Assistance Grant Program in the Department of Military and Veterans affairs, which is scheduled to repeal on September 1, 2024. State fiscal impacts under the bill include only the continuation of the program's current expenditures, as well as a potential ongoing diversion of unspent General Fund to the program. The program is continued through September 1, 2031.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: The final fiscal note reflects the enacted bill.

Table 1
State Fiscal Impacts Under HB 24-1273^1

Table with 4 columns: Category, Budget Year FY 2024-25, Out Year FY 2025-26, and a sub-column for General Fund. Rows include New Impacts (Revenue, Expenditures), Continuing Impacts (Revenue, Expenditures), and Other Budget Impacts (General Fund Reserve).

^1 Table 1 shows the new impacts resulting from changes to the program under the bill, and the continuing impacts from extending the program beyond its current repeal date. Because the bill continues a program without making any changes, there are no new impacts. The continuing program impacts will end if the bill is not passed and the program is allowed to repeal.

Summary of Legislation

The bill continues the Veterans Assistance Grant Program in the Department of Military and Veterans Affairs (DMVA) for seven years, until September 1, 2031. Additionally, the DMVA must develop rules for the program that improve access to services for underserved veterans.

Background

The Veterans Assistance Grant Program was created in [House Bill 14-1205](#) to provide grants to nonprofit organizations and governmental agencies that provide certain services to veterans. The full sunset report can be found [here](#).

Continuing Program Impacts

Based on recent appropriations, the following state impacts will occur from continuing the program:

- **Revenue.** The Veterans Assistance Grant Program Cash Fund receives revenue from gifts, grants, and donations, which are not subject to the state TABOR limit, and any other money appropriated to the fund by the General Assembly. Since FY 2021-22, the fund has not received any revenue other than interest income and has a decreasing ending fund balance. This fiscal note assumes that any continuing revenue will be minimal.
- **Expenditures.** The DMVA will have continuing General Fund expenditures of about \$1.4 million to administer the program.
- **Diversions.** The program's cash fund receives 5 percent of any excess General Fund appropriations to reimburse local governments for the Senior Citizen and Disabled Veteran Property Tax Exemption. The fund last received a deposit from this mechanism for FY 2018-19. While future diversions are possible, this fiscal note does not estimate an exact amount, as any future diversion will depend on future appropriations for the homestead exemptions and actual reimbursements required.

If this bill is enacted, current impacts will continue for the program starting in FY 2025-26. If this bill is not enacted, the program will end on September 1, 2024, followed by a wind-down period, and state impacts will decrease starting in FY 2025-26 by the amounts shown in Table 1 above.

Local Government

As with the state impacts, continuing the program may increase local government revenue and expenditures to the extent that local government entities apply for and receive grant funding.

Effective Date

The bill was signed into law by the Governor on June 4, 2024, and takes effect on August 7, 2024, assuming no referendum petition is filed.

State and Local Government Contacts

Military Affairs

Regulatory Agencies

The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit the [General Assembly website](#).