



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado’s Legislature

SB 25-081: TREASURER'S OFFICE

Prime Sponsors:

Sen. Bridges; Amabile
Rep. Bird

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Published for: Senate Finance
Drafting number: LLS 25-0292

Version: Initial Fiscal Note
Date: February 13, 2025

Fiscal note status: This fiscal note reflects the introduced bill.

Summary Information

Overview. The bill creates the Building Urgent Infrastructure and Leveraging Dollars (BUILD) Authority and revises state capital financing standards.

Types of impacts. The bill is projected to affect the following areas on an ongoing basis:

- State Expenditures
- State Revenue
- Statutory Public Entity

Appropriations. For FY 2025-26, the bill requires an appropriation of \$26,614 to the Department of the Treasury.

**Table 1
State Fiscal Impacts**

| Type of Impact¹ | Budget Year FY 2025-26 | Out Year FY 2026-27 |
|-----------------------------------|-----------------------------------|--------------------------------|
| State Revenue | \$0 | \$0 |
| State Expenditures | \$34,010 | \$9,488 |
| Transferred Funds | \$0 | \$0 |
| Change in TABOR Refunds | \$0 | \$0 |
| Change in State FTE | 0.4 FTE | 0.1 FTE |

¹ Fund sources for these impacts are shown in the tables below.

**Table 1A
State Expenditures**

| Fund Source | Budget Year FY 2025-26 | Out Year FY 2026-27 |
|---------------------------|-----------------------------------|--------------------------------|
| General Fund | \$26,614 | \$7,598 |
| Cash Funds | \$0 | \$0 |
| Federal Funds | \$0 | \$0 |
| Centrally Appropriated | \$7,396 | \$1,890 |
| Total Expenditures | \$34,010 | \$9,488 |
| Total FTE | 0.4 FTE | 0.1 FTE |

Summary of Legislation

The bill creates the Building Urgent Infrastructure and Leveraging Dollars (BUILD) Authority as an independent statutory public entity to leverage capital and finance certain infrastructure projects related to transportation, energy, water systems, and public facilities. It also modifies the State Public Financing Cash Fund and state capital financing options.

Building Urgent Infrastructure and Leveraging Dollars Authority

Governance

The authority is governed by a nine-member board of directors, which includes the State Treasurer, the State Architect, and the Chair of the General Assembly's Capital Development Committee (CDC), among others. The board has the power to:

- issue tax-exempt bonds payable solely by the authority;
- enter into partnerships and seek federal matching funds to finance projects;
- negotiate interest rate exchange agreements and credit enhancements;
- levy fees and charges on state agencies for reimbursement; and
- invest money held in reserve or in securities, among other things.

The bill creates the BUILD Authority Operational Fund to support administrative functions.

Bonds

The bill establishes the terms and requirements for the authority to issue and sell bonds to fund projects. Additionally, the BUILD Authority Bonding Fund is created to pay principal and interest on bonds issue. All income and assets, including real property and bonds, are exempt from state and local income, property, and sales and use taxes.

Infrastructure and Long-Term Development Assistance Program

The bill creates the Infrastructure and Long-Term Development Assistance Program and requires the authority to administer the program, develop policies, and determine an application process for eligible infrastructure projects. To be considered for financing, an applicant must submit an application in accordance with the authority's prescribed procedures. The authority must consider an applicant's financial contribution toward a project, long-term commitments to hiring local residents, presence of a project labor agreement, and engagement with under-represented communities.

Additionally, the bill creates the Eligible Project Revolving Fund to administer the program.

Reporting

Starting September 2026, and each year thereafter, the authority must submit a report to the General Assembly, the Governor, and the CDC outlining its activities as well as operating and financial statements from the previous fiscal year.

State Capital Financing

State Public Financing Cash Fund

Current law requires any debts incurred or bonds issued on behalf of the state to include an issuance fee of up to \$100,000 or two percent of the total borrowed amount, whichever is less. This fee is credited into the State Public Financing Cash Fund to reimburse the State Treasurer for administration of the debt or bond and other activities. The bill removes the upper limit on the issuance fee amount and the requirement that the bond counsel approve reimbursements.

Security Tokens

The bill permits the State Treasurer to use a security token offering for state capital financing, and adopt rules to implement this process. Security tokens are defined in statute as digital, liquid contracts made verifiable and secure using blockchain technology that establish an owner's right to a fraction of a financial asset, such as a stock, bond, or certificate.

Assumptions

The bill allows the authority to generate revenue from a variety of sources; however, a specific source of funding has not been identified at this time and will depend on future decisions and business planning by the authority board. As a result, the fiscal note assumes that start up costs in the Department of the Treasury are paid from the General Fund. Once funding is secured, the fiscal note assumes that the authority's administrative costs, and costs in the Department of the Treasury will be paid from the BUILD Operational Fund.

As a statutorily created public entity, the authority is not entitled to legal services provided by the Department of Law; however, the bill permits the authority to contract with state agencies to perform duties and functions. The fiscal note assumes that the authority will use outside general counsel, rather than legal services provided by the Department of Law. Similarly, the authority may contract with the Department of Personnel and Administration for administrative services. The fiscal note assumes the authority will manage their own administration.

The Office of the State Architect in the Department of Personnel and Administration (DPA) oversees state-funded construction projects and enforces policies related to project labor agreements (PLA). The bill requires that the authority review financing applications and consider whether a project has a PLA. The fiscal note assumes that the state can use a blanket PLA for multiple public projects, rather than one for each individual project. If the note assumes the latter, expenditures in DPA will increase from additional staffing costs to review, negotiate, and enforce separate PLAs for each project.

State Revenue

The bill increases revenue to the Department of the Treasury from issuance fees to the extent that reimbursement rates from borrowed money exceeds current limits of \$100,000 or two percent of the total borrowed amount. This fee is credited into the State Public Financing Cash Fund in the Department of the Treasury and is not subject to TABOR.

The bill may also reduce state revenue from income, sales, and use tax. This revenue impact will depend on the actions taken by the authority and the projects and transactions that would have otherwise occurred under current law, and thus cannot be estimated.

State Expenditures

The bill increases state expenditures by about \$34,000 in FY 2025-26 and \$9,500 in FY 2026-27 and ongoing. These costs will be incurred in the Department of the Treasury and the Legislative Department as shown in Table 2, and described in the sections below. Costs are paid from the General Fund. The bill also minimally affects workload in the DPA and may increase expenditures in the Department of Law.

Table 2
State Expenditures
All Departments

| Department | Budget Year FY 2025-26 | Out Year FY 2026-27 |
|----------------------------|-----------------------------------|--------------------------------|
| Department of the Treasury | \$34,010 | \$8,503 |
| Legislative Department | \$0 | \$985 |
| Total Costs | \$34,010 | \$9,488 |

Department of the Treasury

The bill increases expenditures in the Department of the Treasury by about \$34,000 in FY 2025-26 and \$8,500 in FY 2026-27 and ongoing, as shown in Table 2A below. In the first year, the department requires 0.4 FTE Policy Analyst III to staff the board, hire a director, and assist the State Treasurer with administrative functions. After the authority is established and operating beginning in FY 2026-27, the department only requires 0.1 FTE to support the responsibilities of the State Treasurer. See Assumptions Section above.

Workload in the department will also increase to adopt rules for using security tokens for capital financing projects. This is expected to be minimal and no change in appropriations is required.

Table 2A
State Expenditures
Department of the Treasury

| Cost Component | Budget Year FY 2025-26 | Out Year FY 2026-27 |
|------------------------------|-----------------------------------|--------------------------------|
| Personal Services | \$26,102 | \$6,526 |
| Operating Expenses | \$512 | \$128 |
| Centrally Appropriated Costs | \$7,396 | \$1,849 |
| Total Costs | \$34,010 | \$8,503 |
| Total FTE | 0.4 FTE | 0.1 FTE |

Legislative Department

Starting in FY 2026-27, expenditures in the Legislative Department will increase by \$985 per year from two legislative members of the Capital Development Committee for per diem and expense reimbursement costs that occur during the legislative interim. The fiscal note assumes that the board will meet four times per year, with two occurring during the interim.

Department of Personnel and Administration

Workload in the DPA will increase for the Office of the State Architect to staff the board and manage additional project labor agreements for public projects. This workload is expected to be minimal and no change in appropriation is required. If the authority chooses to contract with DPA for administrative services, the costs will increase, paid using revenue provided by the authority.

Department of Law

If the authority chooses to contract with the Department of Law for legal services, costs and workload will increase for the department, paid using money provided by the authority.

Centrally Appropriated Costs

Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. These costs, which may include employee insurance, supplemental employee retirement payments, leased space, and indirect cost assessments, are shown in the expenditure table(s) above.

Statutory Public Entity

The bill creates the BUILD Authority as a statutory public entity, which will be administered by an appointed board. The authority may generate revenue from the issuance of bonds, bond proceeds, fees and service charges, loan repayments, investment income, federal funds, government entities, and gifts, grant and donations. The exact revenue streams and amount of revenue to the authority will depend on future decisions by the board and cannot be estimated at this time.

The authority will also incur operating and program expenditures, including staff costs, computer systems, and costs related to the distribution of project financing. The fiscal note assumes that these costs will be paid using bond revenue and other income generated by the authority. However, as discussed in the State Expenditures section above, the initial costs for convening of the board and hiring of an executive director are assumed to be handled by the Department of the Treasury.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

State Appropriations

For FY 2025-26, the bill requires a General Fund appropriation of \$26,614 to the Department of the Treasury, and 0.4 FTE.

State and Local Government Contacts

| | | |
|----------|---------------------------|-----------|
| Governor | Law | Personnel |
| Labor | Legislative Council Staff | Treasury |

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](#).