

**STATE and LOCAL
REVISED FISCAL IMPACT**

(replaces fiscal note dated March 26, 2010)

Drafting Number: LLS 10-0934	Date: April 1, 2010
Prime Sponsor(s): Rep. Ferrandino	Bill Status: Senate Appropriations
Sen. Tapia	Fiscal Analyst: Janis Baron (303-866-3523)

TITLE: CONCERNING THE AUGMENTATION OF THE GENERAL FUND THROUGH TRANSFERS OF CERTAIN MONEYS.

Fiscal Impact Summary	FY 2010-2011	FY 2011-2012
State Revenue		
State Transfers or Diversions Transfers from the Following Cash Funds to the General Fund:		
Medical Marijuana Program Cash Fund	(\$3,000,000)	
Severance Tax Trust Fund - Perpetual Base Account	(11,000,000)	
Local Government Severance Tax Fund	(10,000,000)	
Alternative Fuels Rebate Fund	(1,500,000)	
State Expenditures General Fund*	\$25,500,000	
FTE Position Change		
Effective Date: Upon signature of the Governor, or upon becoming law without his signature.		
Appropriation Summary for FY 2010-2011: None required.		
Local Government Impact: See Local Government Impact section.		

* *No new expenditures are required. With the transfer of \$25.5 million to the General Fund, moneys will be available for appropriation or the General Fund reserve.*

Summary of Legislation

This bill is recommended by the Joint Budget Committee as part of its budget package. For FY 2010-11, the state Treasurer is required to transfer a total of \$25.5 million from four cash funds (as noted in the table above) to the General Fund. The amounts to be transferred are specified in the bill.

State Revenue and Expenditures

Transferring moneys from these cash funds will reduce interest earnings on those funds and, in some cases, may necessitate an increase in fees to maintain financial support for the related programs. Any interest earnings or fee increases have not been estimated.

No expenditures are required under the bill.

Local Government Impact

Local governments receive severance tax revenue from the Local Government Severance Tax Fund, which is administered by the Department of Local Affairs and allocated accordingly:

- **70 percent** is available for discretionary loans and grants to local governments that are socially or economically impacted by the mining industry and to compensate local governments for the loss in property taxes resulting from the deduction of severance taxes in determining the valuation for assessment of producing mines. Moneys must be used for the planning, construction, and maintenance of public facilities, and for the provision of public services; and
- **30 percent** is distributed directly to local governments.

For FY 2010-11, the reengrossed bill specifies that of the gross receipts credited to the fund, \$3.0 million shall be reduced from the 70 percent allocation and distributed directly to local governments instead.

Overall, the transfer of \$10.0 million from the fund to the General Fund will lower the amount of money available to local governments for the purposes noted above.

Departments Contacted

Local Affairs
Revenue

Natural Resources

Public Health and Environment