


Colorado Legislative Council Staff Fiscal Note
FINAL
FISCAL NOTE

Drafting Number: LLS 11-0783
Prime Sponsor(s): Sen. Lambert
 Rep. Gerou

Date: July 20, 2011
Bill Status: Signed into Law
Fiscal Analyst: Ryan Brendle (303-866-4105)

TITLE: CONCERNING THE REPEAL OF THE ALTERNATIVE FUELS REBATE PROGRAM.

Fiscal Impact Summary	FY 2010-2011	FY 2011-2012	FY 2012-2013
State Revenue			
State Transfers or Diversions Transfer from the Alternative Fuels Rebate Fund to the General Fund	(\$258,000)	(\$400,000)	(\$400,000)
State Expenditure General Fund*	\$258,000	\$400,000	\$400,000
Cash Fund- Alternative Fuels Rebate Fund	0	(310,601)	(310,601)
FTE Position Change			
Effective Date: The bill was signed into law by the Governor and took effect on March 9, 2011.			
Appropriation Summary for FY 2011-2012: None required.			
Local Government Impact: See Local Government Section.			

** No new expenditures are required. With the movement of moneys to the General Fund, moneys will be available for appropriations or the General Fund reserve.*

Summary of Legislation

Budget Balancing Bill. This bill is recommended by the Joint Budget Committee as part of its budget package. This bill repeals the Alternative Fuels Rebate Program and transfers the balance of the cash fund to the General Fund. The bill requires that remaining funds in the Alternative Fuels Rebate Fund to be transferred to the General Fund.

Under current law the Alternative Fuels Rebate Program allows certain state and local government entities and certain tax-exempt non-governmental entities to receive a tax rebate for specific types of alternative fuel vehicles and vehicles converted to use alternative fuels. The program is administered by the Colorado Department of Revenue (DOR) and rebates are given for vehicles that meet certain standards. Under current law, the Department of Revenue is required to estimate the amount of sales and use tax revenue collected from the sale of alternative fuel vehicles over and above the amount collected in FY 1997-98 and transfer that amount from the General Fund to the Alternative Fuels Rebate Fund at the end of the year.

State Transfers or Diversions

This bill transfers money from the Alternative Fuels Rebate Fund to the General Fund. In FY 2010-11, an additional \$258,000 is expected to be transferred. In each subsequent year through FY 2014-15, a repeal of the transfer to the Alternative Fuels Rebate Fund will result in an estimated \$400,000 remaining in the General Fund.

State Expenditures

Department of Revenue - (\$310,601) in FY 2011-12 and each year through FY 2014-15. Under current law, the Alternate Fuel Rebate Program is expected to receive an annual appropriation of \$310,601 each year until it is repealed after FY 2014-15. The bill repeals these expenditures.

Although the bill makes additional money available for spending in the General Fund, no new General Fund expenditures are required.

The funds from the Alternative Fuel Rebate Program are used largely by government agencies. The Department of Personnel and Administration will no longer receive an estimated \$150,000 in FY 2011-12. This revenue would normally have been deposited in their Fleet Management Fund.

State Appropriations

In FY 2011-12, the DOR requires a cash fund reduction of \$310,601 from the Alternative Fuels Rebate Fund.

Local Government Impact

Local governments will no longer be able to receive rebates for purchasing alternative fuel vehicles.

Departments Contacted

Revenue Personnel and Administration Transportation