



**Colorado
Legislative
Council
Staff**

HB17-1373

FISCAL NOTE

FISCAL IMPACT: State Local Statutory Public Entity Conditional No Fiscal Impact

Drafting Number: LLS 17-1230
Prime Sponsor(s): Rep. Hansen; Bridges

Date: May 5, 2017
Bill Status: House SVMA
Fiscal Analyst: Erin Reynolds (303-866-4146)

BILL TOPIC: GENERAL FUND TRANSFERS FOR COLO ENERGY OFFICE CASH FUNDS

Fiscal Impact Summary	FY 2017-2018	FY 2018-2019
State Revenue	\$0	
Severance Tax Trust Fund	See Background section.	
State Transfer		
General Fund	(3.1 million)	
Cash Funds	3.1 million	
State Expenditures	<u>\$3.1 million</u>	
Cash Funds	3.1 million	
Federal Funds	See State Expenditures section.	
FTE Position Change	24.0 FTE	
Appropriation Required: \$3.1 million – Colorado Energy Office (FY 2017-18).		
Future Year Impacts: None.		

Summary of Legislation

The bill restores \$3.1 million of funding that repeals in FY 2016-17 to both the Clean and Renewable Energy Fund and the Innovative Energy Fund in the Colorado Energy Office (CEO) in the Office of the Governor for FY 2017-18 only.

- **Clean and Renewable Energy Fund.** The bill restores a one-year \$1.6 million General Fund transfer to the fund, which was repealed as of January 1, 2017.
- **Innovative Energy Fund.** The bill replaces an off-the-top Severance Tax Trust Fund transfer of \$1.5 million, which repeals July 1, 2017, to the Innovative Energy Fund with a one-year General Fund transfer of the same amount.

Background

House Bill 12-1315. In 2012, the Governor's Energy Office was reorganized as the CEO. The mission of the office was modified to encourage all sources of energy development. The bill created both the Clean and Renewable Energy Fund and the Innovative Energy Fund.

Severance Tax Trust Fund. Because the Severance Tax Trust Fund transfer repeals under current law and is not reauthorized under this bill, DNR and the Department of Local Affairs will split an additional \$1.5 million from the Severance Tax Trust Fund; however, this is not a direct impact of this bill.

State Revenue

The bill creates a one-year state transfer of **\$3.1 million** from the General Fund to two funds in the CEO.

State transfers. The bill transfers \$3.1 million from the General Fund in FY 2017-18. This includes \$1.6 million to the Clean and Renewable Energy Fund, and \$1.5 million to the Innovative Energy Fund.

State Expenditures

The bill increases state expenditures by **\$3.1 million and 24.0 FTE** in FY 2017-18.

Colorado Energy Office. The bill increases state cash fund expenditures by \$3.1 million and 24.0 FTE in the CEO in FY 2017-18.

The Clean and Renewable Energy Fund and the Innovative Energy Fund support CEO operational expenses of payroll, leased space, and intergovernmental expenses. These funds also currently support:

- financing programs such as the Property Assessed Clean Energy program and energy performance contracting;
- programming to reduce energy use and savings in agricultural operations, public buildings, and rural schools;
- technical assistance and trainings, including programs on hydropower development, energy-related building codes, and industrial waste heat to power;
- energy research on technologies, case studies, and demonstration projects on all state energy resources;
- energy emergency planning and liquid fuels management, including propane supply monitoring, coordinating petroleum marketer hours of service exemptions, updating the state energy assurance plan, and natural disaster responses;
- electric vehicle grant funding for public infrastructure; and
- STEM energy education initiatives.

Colorado Energy Office — Federal funds. The bill affects \$1.7 million of federal funds. In order to receive a \$620,000 U.S. Department of Energy grant for the State Energy Program, the CEO provides a 20 percent match from the Energy Fund and the Innovative Energy Fund. The CEO also administers the \$1.1 million U.S. Department of Agriculture Regional Conservation Partnership Program for the state, which delivers grants directly to grantees. This program requires CEO administration paid for by the Energy Fund and the Innovative Energy Fund. The bill allows the CEO to access or pass-through this funding.

Technical Note

Senate Bill 17-301 currently includes an appropriation to the Colorado Energy Office of \$2.1 million from FY 2017-18 through FY 2020-21.

Effective Date

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

State Appropriations

In FY 2017-18, the bill requires a \$3.1 million appropriation, which includes \$1.6 million from the Energy Fund and \$1.5 million from the Innovative Energy Fund, and an allocation of 24.0 FTE to the Colorado Energy Office.

State and Local Government Contacts

Colorado Energy Office

Treasury