

**STATE  
FISCAL IMPACT**

**Drafting Number:** LLS 13-0699  
**Prime Sponsor(s):** Sen. Hodge  
 Rep. Levy

**Date:** February 12, 2013  
**Bill Status:** Senate Appropriations  
**Fiscal Analyst:** Kirk Mlinek (303-866-2756)

**TITLE:** CONCERNING THE NATURAL RESOURCE DAMAGE RECOVERY FUND.

<b>Fiscal Impact Summary</b>	<b>FY 2013-2014</b>	<b>FY 2014-2015</b>
<b>State Revenue*</b>		
General Fund		up to \$614,269
Cash Funds		
Hazardous Substance Response Fund		up to \$1,012,096
<b>State Expenditures</b>		
<b>FTE Position Change</b>		
<b>Effective Date:</b> Upon signature of the Governor, or upon becoming law without his signature.		
<b>Appropriation Summary for FY 2013-2014:</b> None required.		
<b>Local Government Impact:</b> None.		

\* *Figures are for informational purposes only as the bill expands the sources of funds that may be used to repay the loans described below, not the total amounts to be repaid.*

**Summary of Legislation**

The bill, **recommended by the Joint Budget Committee**, establishes that moneys in the Natural Resource Damage Recovery Fund are custodial funds, meaning that Department of Public Health and Environment (DPHE) may expend such funds without the need for annual appropriation. The bill also permits DPHE to accept moneys from public or private sources for the purpose of repaying loans owed to the General Fund and Hazardous Substance Response Fund that were made to pay for Rocky Mountain Arsenal litigation in the early 1980s. The loan repayment system established in the bill is repealed July 1, 2020.

**Background**

Colorado sued the United States Army and Shell Oil Company in 1983 for compensation for damages caused to the state's natural resources as a result of activities at the Rocky Mountain Arsenal. The case was settled in 2008, with the state receiving \$27.4 million, of which \$7.4 million was paid by the United States Army and \$20.0 million was paid by Shell Oil Company. Of the total settlement, \$10.0 million was deposited in the Colorado Natural Resources Foundation Fund, and \$17.4 million was deposited in the Natural Resource Damage Recovery Fund.

The state paid its lawsuit-related expenditures through loans from the General Fund and the Hazardous Substance Response Fund. Under current law, interest on the \$17.4 million balance is used to repay the loans, and disbursements from the \$17.4 million Natural Resource Damage Recovery Fund balance may not commence until the loans are paid in full. Current loan balances are \$1,012,096 for the Hazardous Substance Response Fund, and \$614,269 for the General Fund.

### **State Revenue**

State revenue will increase to the extent that public or private sources of money are received and could reduce the length of time necessary to repay the loans. Neither the amounts nor timing of any such contributions can be estimated; however, the fiscal note assumes that collection of nonstate sources of revenue will begin in FY 2013-14, and that the total will, in time, equal the amount of the General Fund and Hazardous Substance Response Fund loans identified above.

### **Departments Contacted**

Law

Public Health and Environment

Local Affairs