

**STATE
FISCAL IMPACT**

This fiscal note is provided pursuant to Joint Rule 22(b)(2). It is based on amendment SB031-L.001, which strikes everything below the enacting clause of the introduced bill.

Drafting Number: LLS 09-0332	Date: January 29, 2009
Prime Sponsor(s): Sen. Heath Rep. Riesberg	Bill Status: Senate Local Government & Energy Fiscal Analyst: Josh Abram (303-866-3561)

TITLE: CONCERNING THE CREATION OF THE CLEAN TECHNOLOGY DISCOVERY EVALUATION GRANT PROGRAM.

Fiscal Impact Summary	FY 2009-2010	FY 2010-2011
State Revenue		
Cash Funds		
Clean Technology Discovery Evaluation Fund	\$5.0 million	\$5.0 million
State Expenditures		
Cash Funds		
Clean Technology Discovery Evaluation Fund	\$5.0 million	\$5.0 million
FTE Position Change	1.0 FTE	1.0 FTE
Effective Date: The bill is effective upon signature of the Governor, or upon becoming law without his signature.		
Appropriation Summary for FY 2009-2010: See State Appropriations section.		
Local Government Impact: None.		

Summary of Legislation

This bill creates the Clean Technology Discovery Evaluation Grant Program in the Governor's Office of Economic Development and International Trade (OED). The program will provide grant assistance to aid in the commercialization of renewable energy technologies (e.g., solar, wind, biofuel, and geothermal), or technologies and products that aid in energy efficiency, conservation, or environmental mitigation.

Grants are permitted to technology transfer offices at institutions of higher education, and to early-stage clean technology companies. An early-stage clean technology company is defined as one that receives less than \$5.0 million from grants and third party investors, employs less than 20 people, and is headquartered in the state.

The director of the OED, in consultation with an industry association, shall implement and administer the program. No later than September 1, 2009, the director shall establish policies for the program, including procedures for grant applicants, criteria for making awards, and reporting requirements. No later than April 15, 2010, and each year thereafter, the director must submit a program report to the business committees of the General Assembly.

The bill requires that the OED award 25 percent of grants to higher education and 25 percent to clean technology companies. The remaining 50 percent may be used to support partnerships between the clean technology industry and higher education. Grants to higher education may not exceed \$50,000; grants to early-stage companies may not exceed \$150,000. Among other eligibility requirements, recipients must show evidence of a dedicated matching source of money equal to the grant amount requested.

The bill creates the Clean Technology Discovery Evaluation Cash Fund to consist of moneys credited to it from an additional fee of \$1.75 collected on waste tires. Money in the fund is subject to annual appropriation by the General Assembly. The OED may use up to 5 percent of the money appropriated from the fund to administer the program.

The bill is repealed effective July 1, 2014.

State Revenue

In FY 2009-10 and FY 2010-11, this bill will increase revenue from fees collected on waste tires by an estimated \$5.0 million.

Fee Impact on Individuals, Families or Business. Section 2-2-322, C.R.S., requires legislative service agency review of measures that create or increase any fee collected by a state agency. This bill adds a surcharge of \$1.75 on the disposal of waste tires. Table 1 identifies the impact of adding the surcharge.

Table 1. Fee Impact on Individuals, Families or Business					
Type of Fee	Current Fees	Proposed Fees	Fee Change	Number Affected*	Total Fee Impact*
Waste Tire Recycling Development Fee	\$1.50	\$3.25	\$1.75	2.9	\$5.0

* In millions and rounded.

State Expenditures

This bill will result in total costs equal to new revenue, or approximately \$5.0 million. Of this total, the bill will require \$82,925 and 1.0 FTE for the Office of Economic Development and International Trade in FY 2009-10. FY 2010-11 is estimated at \$77,697 and 1.0 FTE.

Grants. As shown in the revenue section of this fiscal note, the grant fund is anticipated to receive \$5.0 million in new fee revenue. This fiscal note assumes that the program will make total

grant awards equal to the amount available in the fund, after administrative costs are met. It is further assumed that applicants in higher education and the private sector will meet eligibility requirements to receive the grants.

Program Administration. Staff is required at the OED to coordinate with the industry association, market the program, develop application procedures, evaluate proposals, award grants, monitor contracts, and perform other administrative duties. The bill allows the OED to use up to 5 percent of the money annually appropriated from the fund to pay for all program costs.

Table 2. Expenditures Under SB09-031		
Cost Components	FY 2009-10	FY 2010-11
Personal Services	\$76,747	\$76,747
FTE	1.0	1.0
Operating Expenses and Capital Outlay	6,178	950
TOTAL	\$82,925	\$77,697

Expenditures Not Included

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. The centrally appropriated costs subject to this policy are summarized in Table 3.

Table 3. Expenditures Not Included Under SB09-031*		
Cost Components	FY 2009-10	FY 2010-11
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$6,846	\$6,846
Supplemental Employee Retirement Payments	344	354
Leased Space	1,408	1,408
TOTAL	\$8,598	\$8,608

*More information is available at: http://www.state.co.us/gov_dir/leg_dir/lcsstaff/2009/comsched/CommonPolicies2009.pdf

State Appropriations

In FY 2009-10, this bill requires a cash fund appropriation from the Clean Technology Discovery Evaluation Cash Fund of \$5.0 million and 1.0 FTE to the Office of Economic Development and International Trade.

Departments Contacted

Governor's Office	Higher Education	Treasury
Local Affairs	Public Health	