

**CONDITIONAL FISCAL IMPACT**

**Drafting Number:** LLS 10-1048

**Date:** April 15, 2010

**Prime Sponsor(s):** Rep. Riesberg  
Sen. Bacon

**Bill Status:** House SVMA

**Fiscal Analyst:** Janis Baron (303-866-3523)

**TITLE:** CONCERNING LEGISLATIVE AUTHORIZATION OF A PRIVATELY RUN FUND-RAISING CAMPAIGN USING CAUSE-RELATED MARKETING FOR THE ESSENTIAL RESTORATION OF THE CAST IRON STRUCTURE OF THE COLORADO STATE CAPITOL DOME.

<b>Fiscal Impact Summary</b>	<b>FY 2010-2011</b>	<b>FY 2011-2012</b>
<b>State Revenue</b> Cash Funds Capitol Dome Restoration Trust Fund	Potential Gifts and Donations Up to \$17.0 million total	
<b>State Expenditures</b> Cash Funds Capitol Dome Restoration Trust Fund	Up to \$17.0 million total	
<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 2010-2011:</b> None required at this time.		
<b>Local Government Impact:</b> None		

**Summary of Legislation**

This bill is recommended by the Capital Development Committee (CDC). It authorizes the CDC to approve and oversee a two-year grassroots fund-raising effort and any agreements made with a nonprofit statewide historic preservation organization (nonprofit) and a marketing firm for a cause-related marketing and cause-related sponsorship program to raise money to repair the state capitol dome. The bill specifies the powers and duties of the CDC regarding this effort. Additionally, the Capitol Building Advisory Committee is authorized to review, advise, and make recommendations to the CDC about proposed fund-raising efforts. Reporting requirements are established.

As moneys are needed for discrete phases of the project, the nonprofit and the Department of Personnel and Administration shall coordinate the timing and amount of the donation of moneys raised through the fund-raising efforts. Moneys received shall be credited to the Capitol Dome Restoration Trust Fund and used to pay for costs to restore the state capitol dome subject to both an approved capital construction project request and appropriations by the legislature.

The authority of the CDC to oversee the fund-raising process and the advisory role of the Capitol Building Advisory Committee in that process are repealed on July 1, 2012. The remainder of the bill is repealed on July 1, 2014.

## **Background**

In February 2010, Colorado Preservation, Inc. (CPI), presented a preliminary project funding strategy to restore the state capitol dome to the Capitol Building Advisory Committee. Additionally, the CPI, with the assistance of Creative Strategies Group, has offered to raise money to repair the state capitol dome using cause-related marketing, a children's campaign, a public campaign, and grants and gifts. The CDC was briefed on CPI's proposal in March 2010.

Cause marketing is commonly known as a commercial marketing partnership between a business and a nonprofit to market a product or service linked to a social cause or issue for mutual benefit. CPI has proposed that the cause marketing portion of the fund-raising campaign to repair the state capitol dome will create an opportunity for companies, corporations, and trade associations to publicly sponsor the project. Sponsors will expect to receive the positive benefit of association with the project as well as specific, tangible rights and benefits in exchange for their financial support. A copy of CPI's draft proposal is available at the Legislative Council Staff office.

## **State Revenue**

The revenue impact of the bill is conditional upon any gifts or donations received from the two-year fund-raising effort. CPI estimates the budget for the project to be between \$11 and \$30 million, and will set a goal of raising \$20 million. CPI will retain 15 percent of funds raised as its administrative fee. Thus, if CPI meets its goal of \$20.0 million raised, the state will receive \$17.0 million for the project. All moneys will be credited to the Capitol Dome Restoration Trust Fund.

## **State Expenditures**

The expenditure impact of the bill is contingent upon revenue raised. Moneys credited to the Capitol Dome Restoration Trust Fund will be used to repair the capitol dome. The magnitude of gifts and donations resulting from the fund-raising effort may be as high as \$17.0 million.

There will be no new costs associated with the responsibilities of either the CDC or the Capital Building Advisory Committee; their new duties will be performed during their regularly scheduled meetings. Legislative staff will assist these two committees within existing appropriations. There is no fiscal impact to the Department of Personnel and Administration.

## **Departments Contacted**

Higher Education      Legislature - Legislative Council      Personnel and Administration