


Colorado Legislative Council Staff Fiscal Note
STATE
FISCAL IMPACT

Drafting Number: LLS 10-0807
Prime Sponsor(s): Rep. Pommer
 Sen. Tapia

Date: February 11, 2010
Bill Status: House Appropriations
Fiscal Analyst: Clare Pramuk (303-866-2677)

TITLE: CONCERNING AN INCREASE IN THE AMOUNT OF AUTHORIZED APPROPRIATIONS FROM THE OPERATIONAL ACCOUNT OF THE SEVERANCE TAX TRUST FUND TO THE DIVISION OF PARKS AND OUTDOOR RECREATION, AND, IN CONNECTION THEREWITH, ADJUSTING THE 2009 LONG BILL.

| Fiscal Impact Summary | FY 2009-2010 | FY 2010-2011 | FY 2011-2012 |
|--|---------------|---------------|---------------|
| State Revenue | | | |
| State Expenditures | | | |
| General Fund | (\$2,147,415) | (\$2,147,415) | (\$2,147,415) |
| Cash Funds | | | |
| Severance Tax Trust Fund - Operational Account | 2,147,415 | 2,147,415 | 2,147,415 |
| FTE Position Change | | | |
| Effective Date: Upon signature of the Governor, or upon becoming law without his signature. | | | |
| Appropriation Summary for FY 2010-2011: See State Appropriations section. | | | |
| Local Government Impact: None. | | | |

Summary of Legislation

This bill, recommended by the JBC, adjusts the authorization of appropriations from the Operational Account of the Severance Tax Trust Fund for tax years beginning on or after July 1, 2009, as follows:

- decreases the authorization to the Oil and Gas Conservation Commission from up to 40 percent to up to 35 percent of the account;
- increases the authorization to the Division of Parks and Outdoor Recreation from up to 5 percent to up to 10 percent of the account; and
- allows the increased appropriation to replace General Fund moneys.

Background

Severance Tax Trust Fund - Operational Account. The Operational Account receives 25 percent of severance tax receipts. Moneys in the account have traditionally been used to fund the Oil and Gas Conservation Commission, the Geological Survey, Minerals and Geology, and the Water Conservation Board within the Department of Natural Resources. SB 08-13 added funding for the Division of Wildlife and the Division of Parks and Outdoor Recreation from this account. These programs are collectively referred to as Tier 1 programs. While current law caps the percentage of the account that may be allocated to Tier 1 programs, agency appropriations have generally been well below these caps.

State Expenditures

This bill has no net effect on the expenditures of the division, but reduces General Fund for state parks operations by \$2,147,415 and increases cash funds from the Operational Account of the Severance Tax Trust Fund by the same amount. This change begins in FY 2009-10 and is assumed to continue thereafter.

State Appropriations

The bill includes the required appropriations for FY 2009-10.

Departments Contacted

Joint Budget Committee

Natural Resources