

**STATE and LOCAL
FISCAL IMPACT**

Drafting Number: LLS 13-0934

Date: April 9, 2013

Prime Sponsor(s): Sen. Jones
Rep. Tyler

Bill Status: Senate Agriculture

Fiscal Analyst: Kerry White (303-866-3469)

TITLE: CONCERNING AN EXPANSION OF THE UTILITY COST-SAVINGS MEASURES LAW TO ALLOW A GOVERNMENTAL ENTITY TO ENTER INTO A VEHICLE FLEET MAINTENANCE AND FUEL COST-SAVINGS CONTRACT.

Fiscal Impact Summary	FY 2013-2014	FY 2014-2015
State Revenue		
State Expenditures	See State Expenditures section.	
FTE Position Change		
Effective Date: Upon signature of the Governor, or upon becoming law without his signature.		
Appropriation Summary for FY 2013-2014: None required.		
Local Government Impact: See Local Government Impact section.		

Summary of Legislation

Under current law, state agencies and political subdivisions are permitted to enter into "energy cost-savings" contracts to implement approved projects in public facilities that reduce energy costs by an amount that is equal to or exceeds the cost of the contract. This bill expands that authority to include contracts that increase vehicle operational and fuel cost savings. The bill clarifies that special districts are included in the definition of a political subdivision for the purposes of entering into such contracts. State agencies that recommend new energy-related contracts (whether for facilities or vehicles) for approval by the state personnel director within the Department of Personnel and Administration (DPA) must also consult with the Colorado Energy Office (CEO).

State Expenditures

Overall, this bill is not anticipated to increase net state expenditures, although it increases workload for DPA and CEO and will require appropriations adjustments to implement any new contracts.

Workload. To the extent that a state agency, or the state as a whole, determines it is feasible to enter into one or more new cost-savings contracts for vehicle-related purposes, workload could increase for DPA and CEO to review and approve proposed contracts. DPA is the state agency that oversees the Colorado State Fleet Management program. The increased workload is not anticipated

to require additional appropriations for either state agency. It should be noted that the bill will also require CEO consultation for facilities-related projects in the future. Because this codifies existing practices by the DPA to consult with CEO, workload is not impacted by this provision.

Costs to implement projects. To the extent that new vehicle-related energy cost-savings contracts are approved, one or more affected departments could require an increase in appropriations for implementation. This analysis assumes that the approval process would require documentation that the increase in costs will result in savings of at least an equal amount and that impacted state agencies would request an adjustment in appropriations through the annual budget process.

Local Government Impact

Similar to the state, this analysis assumes that workload and costs could increase for local governments that choose to implement energy cost-savings contracts under Senate Bill 13-254, but that these increases would be offset by savings of at least an equal amount.

Departments Contacted

Corrections	Counties	Colorado Energy Office
Higher Education	Local Affairs	Municipalities
Personnel	Special Districts	Transportation