

HB13-1282

Drafting Number:LLS 13-0911Date:April 9, 2013Prime Sponsor(s):Rep. Gerou<br/>Sen. LambertBill Status:House SVMAFiscal Analyst:Alex Schatz (303-866-4375)

# **TITLE:** CONCERNING THE REPAYMENT OF CERTAIN MONEYS TRANSFERRED BY THE GOVERNOR TO THE DISASTER EMERGENCY FUND.

Fiscal Impact Summary	FY 2013-2014	FY 2014-2015
State Revenue		
State Transfers	See State Transfers section.	
State Expenditures		
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: None.		

## **Summary of Legislation**

Under current law, the governor is authorized to transfer funds to and from the Disaster Emergency Fund (DEF) for large emergencies, and any reimbursements of expenditures from the DEF are deposited and retained in the DEF. This bill, **recommended by the Joint Budget Committee**, authorizes the governor to credit the DEF with moneys received for reimbursement while immediately transferring such moneys to the state's emergency source funds (see Background section below) or other contributing sources to the DEF.

## Background

Under current law, state emergency responses utilizing the DEF may require transfers from state emergency reserve funds identified in the annual Long Bill. For example, in FY 2013-14 Senate Bill 13-230 identifies the Major Medical Insurance Fund, the Controlled Maintenance Trust Fund, the Unclaimed Property Tourism Promotion Trust Fund, the perpetual base account of the Severance Tax Fund, and the Colorado Water Conservation Board Construction Fund, the Wildlife Cash Fund, and certain state properties as sources from which the governor may transfer moneys in the event of an emergency.

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Following an emergency, the state may receive from the Federal Emergency Management Agency (FEMA) and other sources reimbursement for eligible expenditures from the DEF. Based on current law, the balance of the DEF increases when reimbursements for a previous fiscal year outpace demands from emergencies in the next fiscal year. Conversely, the DEF fund balance may drop precipitously if state expenses for emergencies dramatically increase from one year to the next.

#### **State Transfers**

In fiscal years when the state receives reimbursements for funds originally transferred into the DEF according to the governor's emergency authority, the bill results in increased transfers of funds to emergency reserve cash funds and other source funds. This increase in administrative transfers reduces the need for legislative appropriations to reimburse source funds. These budget actions depend on the specific expenditures for emergencies and cannot be estimated for this analysis.

#### **Departments Contacted**

Public Safety Treasury Local Affairs Governor Office of State Planning & Budgeting Personnel and Administration