

Colorado Legislative Council Staff Fiscal Note
STATE and LOCAL
CONDITIONAL FISCAL IMPACT

Drafting Number: LLS 13-0062

Date: January 30, 2013

Prime Sponsor(s): Rep. Priola

Bill Status: House Finance

Fiscal Analyst: Jonathan Senft (303-866-3523)

TITLE: CONCERNING THE ALLOCATION OF A PORTION OF FUTURE GROWTH IN STATE SALES AND USE TAX REVENUES TO THE HIGHWAY USERS TAX FUND.

Fiscal Impact Summary	FY 2013-2014	FY 2014-2015
State Revenue		
State Transfers or Diversions Transfer from the General Fund to the Highway Users Tax Fund	\$10 million	\$10 million
State Expenditures	See State Expenditures section.	
FTE Position Change		
Effective Date: August 7, 2013, if the General Assembly adjourns on May 8, 2013, as scheduled, and no referendum petition is filed.		
Appropriation Summary for FY 2013-2014: None required.		
Local Government Impact: See Local Government Impact section.		

Summary of Legislation

This bill transfers \$10 million from the General Fund to the Highway Users Tax Fund (HUTF) if the sales and use tax growth in the preceding year increases by 1.5 percent or more. A transfer under this bill must be made in the year preceding any transfer under Senate Bill 09-228, which transfers 2 percent of the General Fund to the HUTF for five years, if personal income growth increases 5 percent or more.

If the amount of sales and use tax growth declines by five percent or more from the previous fiscal year, then a transfer under this bill for the following year, and each thereafter, is reduced by 5 percent. The transfers are to be made on the date that the controller distributes the state annual financial report, and on July 1 of each succeeding fiscal year.

State Transfers

This bill is expected to transfer \$10 million from the General Fund to the Highway Users Tax Fund in FY 2013-14 and \$10 million in 2014-15. Based on the Legislative Council forecast, sales and use tax growth is expected to exceed 1.5 percent in each year, therefore it is anticipated the transfers will occur in each year, at least through FY 2014-15. Legislative Council has not forecasted years beyond 2014-15.

This fiscal impact of this bill is conditional on whether sales and use tax increases 1.5 percent over any preceding year.

State Expenditures

This bill reduces the amount of General Fund available for appropriations for non-transportation related purposes by \$10 million. Sixty percent or \$6 million of these HUTF funds will be allocated to the State Highway Fund, under CDOT, and spent on transportation related costs.

Local Government Impact

This bill is expected to transfer \$10 million in FY 2013-14 and \$10 million in 2014-15 into the HUTF. Under current law, HUTF funds are distributed to the State Highway Fund (60 percent), counties (22 percent) and cities (18 percent) for transportation. Since this bill is expected to increase the HUTF by \$10 million in FY 2013-14, and \$10 million in FY 2014-15, county and other local distributions will be increased accordingly. Thus, in each year of transfer, counties will receive \$2.2 million and municipalities will receive \$1.8 million. Changes in HUTF distribution amounts for counties may impact the mill levy a county specifies for road and bridge purposes and therefore fiscal impact may vary from county to county.

Departments Contacted

Counties
Local Affairs

Governor's Office
Revenue

Municipalities
Transportation