

**STATE**  
**CONDITIONAL FISCAL IMPACT**

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<b>Drafting Number:</b> LLS 14-0816	<b>Date:</b> February 6, 2014
<b>Prime Sponsor(s):</b> Sen. Lambert Rep. Young	<b>Bill Status:</b> Senate Local Government
	<b>Fiscal Analyst:</b> Kerry White (303-866-3469)

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**SHORT TITLE:** ASSISTANCE TO LOC GOV AFTER A DISASTER EMERGENCY

Fiscal Impact Summary*	FY 2014-2015	FY 2015-2016
<b>State Revenue</b>		
<b>State Expenditures</b>	Potential increase.	
General Fund	See State Expenditures section.	
<b>FTE Position Change</b>		
<b>Appropriation Required:</b> None.		

\* This summary shows changes from current law under the bill for each fiscal year.

**Summary of Legislation**

Under current law, if a disaster emergency is declared by the federal government, federal aid is provided by the Federal Emergency Management Agency (FEMA) and other federal agencies. In order to receive moneys from federal agencies, the federal government typically requires that the affected unit of local government provide a certain percentage of matching funds. This bill allows the Governor to determine a percentage of state aid that can be made available to a local government to assist it in meeting the federal match requirement. As soon as practical, the Governor is required to notify the Joint Budget Committee of the source and amount of state moneys that will be contributed for this purpose.

**Background**

Under current law, if a state or federal disaster emergency is declared, the Governor, in consultation with the Governor's Disaster Emergency Council, can expend moneys from the state's Disaster Emergency Fund. If the moneys in this fund are insufficient, the Governor, in consultation with the council, may transfer moneys to the fund that have been appropriated for other purposes.

Data from the September 2013 floods show that local governments had matching requirements of 12.5 percent and 20 percent to receive federal funds. For instance, Boulder County was required to provide \$29.8 million in matching funds (12.5 percent) to receive moneys from FEMA, the National Resource Conservation Service (NRCS), and the Federal Highway Administration. The municipalities of Lyons and Jamestown had matching requirements (12.5 percent) of \$8.25 million and \$2.9 million respectively and the City of Louisville's matching requirements totaled \$1.2 million (12.5 percent and 20 percent). The state has encumbered \$91.5 million from the Disaster Emergency Fund to provide direct relief and to assist local governments in meeting federal match requirements.

**State Expenditures**

This bill may increase state expenditures in the future. Any such increases are conditional upon a federal declaration of a disaster emergency and whether any moneys expended to assist local governments cause other state programs to require General Fund backfill.

**Assumptions.** This bill is not anticipated to alter the amount of moneys provided to local governments as the Governor is only permitted to expend moneys in Disaster Emergency Fund or unencumbered or unexpended moneys that were appropriated for other purposes.

**Potential increases.** To the extent that the Governor transfers moneys appropriated for other state programs to the Disaster Emergency Fund and the General Assembly chooses to adopt legislation to replace those funds, costs will increase. The amount of any such increase has not been estimated.

**Effective Date**

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

**State and Local Government Contacts**

Counties  
Municipalities

Governor's Office  
Public Safety

Local Affairs  
Sheriffs