

**STATE and LOCAL  
FISCAL IMPACT**

**Drafting Number:** LLS 14-0842  
**Prime Sponsor(s):** Sen. Lambert  
 Rep. Gerou

**Date:** February 4, 2014  
**Bill Status:** Senate Appropriations  
**Fiscal Analyst:** Kristen Koehler (303-866-4918)

**SHORT TITLE:** APPROPRIATIONS FROM LOCAL GOV PERMANENT FUND

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

**Summary of Legislation**

Under current law, 50 percent of bonus payments received from federal land leases are credited to the state Mineral Leasing Fund (MLF) and are eventually transferred to the Local Government Permanent Fund (permanent fund). The General Assembly may appropriate money in the current fiscal year from the permanent fund to the Department of Local Affairs (DOLA) for distribution to local governments; however, this may only occur if the March revenue forecast published by Legislative Council Staff (LCS) indicates that the amount of money deposited into the MLF in the current fiscal year is anticipated to be at least 10 percent less than the amount deposited in the preceding fiscal year.

The bill, **recommended by the Joint Budget Committee**, changes the timeline to allow the General Assembly to make appropriations from the permanent fund to DOLA in the current or next fiscal year, and bases the anticipated amount of money in the MLF on the December, rather than the March, LCS revenue forecast.

**State Expenditures**

The bill clarifies the timing by which the General Assembly may make appropriations to the DOLA and specifies the LCS revenue forecast that is to be used to determine the appropriation amount, if any; however, the bill does not require appropriations from the General Assembly.

If an appropriation is made by the General Assembly, the DOLA may experience an increase in workload to calculate and distribute the funds to local governments. This increase is expected to be manageable and can be accomplished without new appropriation.

**Local Government Impact**

This bill will impact the revenue of local governments to the extent that an appropriation is made by the General Assembly to the DOLA from the permanent fund, and funds are distributed to local governments.

**Effective Date**

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

**State and Local Government Contacts**

Local Affairs  
Treasury

Cities and Counties  
Planning and Budgeting