

SB15-207

Drafting Number:LLS 15-0879Date:March 17, 2015Prime Sponsor(s):Sen. Baumgardner; Scott<br/>Rep. BrownBill Status:Senate FinanceFiscal Analyst:Kori Donaldson (303-866-4976)

# BILL TOPIC: REFINANCE AUTHORITY FOR CBI GRAND JUNCTION LAB

Fiscal Impact Summary*	FY 2015-2016	FY 2016-2017
State Revenue		
State Expenditures	Potential Reduction	(\$85,850)
General Fund		(85,850)
FTE Position Change		
Appropriation Required: None.		

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

# **Summary of Legislation**

The bill authorizes the State Treasurer to enter into lease-purchase agreements on behalf of the Colorado Bureau of Investigation (CBI) within the Department of Public Safety (DPS) for a period of up to 18 years to refinance revenue bonds used to construct the CBI Grand Junction forensic laboratory and regional office.

# Background

In 2006, the CBI entered into an agreement with the City of Grand Junction to form a special purpose entity to issue revenue bonds to finance the construction of a new forensic laboratory and regional office in Grand Junction. The building was completed and occupied in 2008. The CBI makes annual lease payments from the General Fund through its operating budget to the special purpose entity.

# State Revenue

The bill authorizes the issuance of certificates of participation (COPs) in the amount of \$11.0 million, plus reasonable administrative expenses for the costs of issuance and monitoring. Proceeds from the sale of the COPs will be held by a trustee, and so are not reflected as state revenue for purposes of this fiscal note.

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# State Expenditures

The refinancing is estimated to generate present-value savings of about \$1.17 million over the repayment period. For FY 2015-16, the Treasurer's Office calculates lease savings will be \$84,700. These costs are not shown in the fiscal note because the revised repayment schedule will not be finalized until the bonds are refinanced. This fiscal note assumes that an adjustment to CBI's FY 2015-16 operating budget may be necessary and that DPS will pursue a negative supplemental prior to the 2016 legislative session. For FY 2016-17, the Treasurer's Office calculates lease savings of \$85,850.

### Effective Date

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

### **State and Local Government Contacts**

Personnel Public Safety Treasury