

*Colorado Legislative Council Staff Fiscal Note*

**STATE  
FISCAL IMPACT**

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<b>Drafting Number:</b> LLS 15-0834	<b>Date:</b> March 24, 2015
<b>Prime Sponsor(s):</b> Rep. Mitsch Bush	<b>Bill Status:</b> House Finance
Sen. Sonnenberg	<b>Fiscal Analyst:</b> Louis Pino (303-866-3556)

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**BILL TOPIC:** EXTEND HEALTHY RIVERS FUND VOLUNTARY CONTRIBUTION

<b>Fiscal Impact Summary*</b>	<b>FY 2015-2016</b>	<b>FY 2016-2017</b>
<b>State Revenue</b>	<b><u>\$94,620</u></b>	<b><u>\$94,620</u></b>
Cash Fund	\$94,620	\$94,620
<b>State Expenditures</b>	<b><u>\$94,620</u></b>	<b><u>\$94,620</u></b>
Cash Fund	\$94,620	\$94,620
<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**

This bill extends the voluntary contribution designation (or income tax checkoff) benefitting the Colorado Healthy Rivers Fund from tax year 2016 through tax year 2020. Money in the fund is used by the Colorado Water Conservation Board (CWCB) in cooperation with the Water Quality Control Commission (WQCC) to award competitive grants to help support local watershed organizations in their efforts to provide clean water, protect habitat, and improve recreation and accessibility.

**Background**

The income tax checkoff for the Colorado Healthy Rivers Fund first appeared on the 2002 state income tax form as the Colorado Watershed Protection Fund and was extended by House Bill 05-1015. House Bill 08-1241 changed the name of the Fund to the Colorado Healthy Rivers Fund and extended the period of the voluntary contribution to tax year 2010. Finally, House Bill 11-1177 extended the program through tax year 2015.

Of the 15 income tax checkoffs that appeared on the 2013 state income tax return, the Colorado Healthy Rivers Fund had the eighth highest in collections at \$95,635 from 8,693 returns.

Table 1 shows a five-year history of donations to the fund:

<b>Tax Years</b>	<b>Number of Returns</b>	<b>Total Donations</b>	<b>Average Donation</b>
FY 09-10	10,424	\$88,585	\$8.50
FY 10-11	10,412	\$96,090	\$9.23
FY 11-12	9,825	\$96,225	\$9.72
FY 12-13	9,232	\$91,999	\$9.88
FY 13-14*	8,693	\$95,635	\$11.00

\* Reflects collections from January 2014 through June 2014.

To remain eligible for the checkoff program organizations must receive \$75,000 per year. This program has exceeded the donation threshold every year since the checkoff has been available.

### **State Revenue**

Although future checkoff contributions to the Colorado Healthy Rivers Fund are uncertain, the fiscal note assumes that Colorado taxpayers will make \$94,620 in contributions in each of the next two fiscal years, the average for the last three years.

### **TABOR Impact**

These voluntary donations are exempt from TABOR revenue considerations. Revenues from gifts, grants or endowment income are exempt from TABOR reporting.

### **State Expenditures**

The CWCB and the WQCC will continue to use moneys contributed through voluntary checkoffs to the fund to award competitive grants to Colorado residents working toward the restoration and protection of land and natural resources within Colorado watersheds. Current spending authority for the Fund is appropriated annually by the General Assembly through the Long Bill. The fiscal note assumes the amount of expenditures will be commensurate with revenues, or approximately \$94,620 per year.

### **Effective Date**

This bill takes effect August 5, 2015, assuming the General Assembly adjourns May 6, 2015, as scheduled and no referendum is filed. The income tax checkoff will be included on the 2016 state income tax form.

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

Natural Resources

Revenue