



**Colorado
Legislative
Council
Staff**

SB16-032

FISCAL NOTE

FISCAL IMPACT: State Local Statutory Public Entity Conditional No Fiscal Impact

Drafting Number: LLS 16-0673

Date: February 12, 2016

Prime Sponsor(s): Sen. Merrifield; Heath

Bill Status: Senate SVMA

Fiscal Analyst: Louis Pino (303-866-3556)

BILL TOPIC: WORKING GROUP FOR ECONOMIC DEVELOPMENT IN DISTRESSED REGIONS

Fiscal Impact Summary	FY 2016-2017	FY 2017-2018
State Revenue		
State Expenditures	\$87,043	
General Fund	\$87,043	
Appropriation Required: \$87,043 - Multiple Agencies (FY 2016-17).		
Future Year Impacts: None.		

Summary of Legislation

SB16-032 creates the economic development working group for highly distressed urban regions in the state. The group will identify highly distressed urban regions using the most timely and accurate data available, and make recommendations to the General Assembly on economic development tools to improve the economic vitality of the regions, including the establishment of tax-free zones.

The working group will consist of nine members and may meet as necessary. The first five members will be made up of four members of the General Assembly appointed by leadership in each house and the executive director of the Colorado Office of Economic Development and International Trade (OEDIT). These members must be appointed by June 3, 2016. In turn, these members must appoint the four remaining members no later than June 17, 2017. The four remaining members must have expertise in county and municipal issues and issues related to urban economic development.

By October 5, 2016, the group will identify highly distressed urban regions using data that is consistently available and reflects the current local distress. The bill requires OEDIT to post the region names and boundaries on its website.

By December 14, 2016, the group must make legislative recommendations to the General Assembly on economic development tools to help these highly distressed urban regions. In addition, the group will provide a proposal on how these regions can be identified on a more regular basis in order to provide them with more timely support.

State Expenditures

This bill will increase one time state General Fund expenditures by \$87,043 in FY 2016-17 only. Expenditures are for the OEDIT to hire a consultant to assist the working group and to provide compensation to the four appointed legislative members.

OEDIT. This bill specifies that the OEDIT shall provide all staff needed to assist the working group. The department will incur costs of \$82,043 in FY 2016-17 to hire a temporary program manager and a consultant. The program manager will be responsible for coordinating with staff, group participants, and setting up the meetings for the working group. The consultant will assist the working group in establishing a process for identifying distressed urban regions in the state. The consultant will also provide information to the working group on economic development tools and efforts from other regions and states.

Legislative Council Staff. This bill allows the four appointed legislative members of the working group to be compensated for their attendance at meetings. The total amount of compensation and reimbursement can not exceed \$5,000. The fiscal note assumes that legislative members of the working group will meet up to six times at an average cost of \$203 for each member.

The bill also requires the economics staff of Legislative Council to provide assistance in selecting and discussing data to be used by the working group. This will increase workload but can be accomplished within existing appropriations.

Higher Education. The working group may invite representatives from higher education institutions to participate in the working group. Any added workload is expected to be minimal.

Local Government, Special Districts and School District Impacts

The bill allows representatives from local government entities, special districts, and school districts to participate in the meetings of the working group. To the extent that representatives from these entities take part in the working group, workload for these participants will increase. However, any workload increases are expected to be minimal.

Effective Date

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

State Appropriations

In FY 2016-17, the bill requires a General Fund appropriation of \$82,043 to the OEDIT. It also requires a \$5,000 General Fund appropriation to the Legislative Council Staff within the Legislative Department to provide reimbursement to the four legislative members of the working group.

State and Local Government Contacts

Counties
Local Affairs

Governor's Office
Municipalities

Legislative Council Staff
OEDIT