



**Colorado
Legislative
Council
Staff**

SB16-020

FISCAL NOTE

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

Drafting Number: LLS 16-0444	Date: January 14, 2016
Prime Sponsor(s): Sen. Sonnenberg Rep. Becker K.	Bill Status: Senate SVMA Fiscal Analyst: Kori Donaldson (303-866-4976)

BILL TOPIC: CLARIFY CALCULATION ISSUES OF AUTO CAPITAL FUNDING

Fiscal Impact Summary	FY 2016-2017	FY 2017-2018
State Revenue		
State Expenditures	See State Expenditures Section.	
FTE Position Change		
Appropriation Required: None.		
Future Year Impacts: None.		

Summary of Legislation

This bill, *recommended by the Capital Development Committee*, clarifies the timing of depreciation equivalent payments that will be made pursuant to Senate Bill 15-211. The depreciation calculation for capital construction projects funded through the Long Bill from the General Fund, Capital Construction Fund, or Controlled Maintenance Trust Fund will be made from the date of acquisition or completion of a project to June 30 of the fiscal year of acquisition or completion. This calculation will be used to identify the depreciation equivalent amount that will be appropriated in the following year's budget. The depreciation calculation will continue on a fiscal year basis until depreciation for a capital asset is no longer recorded.

The bill also clarifies the role of the Department of Higher Education in coordinating reporting equivalent payment calculations from institutions of higher education of depreciation.

Background

Senate Bill 15-211 created a process to annually set aside an amount equal to the calculated depreciation of a capital asset funded through the capital construction section of the Long Bill. Beginning with projects funded in the 2015 Long Bill, the bill established three set-aside mechanisms based on how a project is funded. If a project is funded from more than one cash fund or from a cash fund and from state funds, the set-aside amounts are shared proportionately between the various fund sources. The set-aside amounts may be appropriated for future capital expenses such as routine maintenance, equipment replacement, or the construction of a new building.

State Expenditures

The bill clarifies the timing of depreciation equivalent appropriations, but will not effect the amount spent in any fiscal year.

Effective Date

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

State and Local Government Contacts

Higher Education

Office of State Planning & Budgeting

Personnel