



**Colorado  
Legislative  
Council  
Staff**

**SB16-020**

**FINAL  
FISCAL NOTE**

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

<b>Drafting Number:</b> LLS 16-0444	<b>Date:</b> May 18, 2016
<b>Prime Sponsor(s):</b> Sen. Sonnenberg Rep. Becker K.	<b>Bill Status:</b> Signed into Law
	<b>Fiscal Analyst:</b> 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 depreciation equivalent payment calculations from institutions of higher education.

**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 was signed into law by the Governor and took effect on March 9, 2016.

**State and Local Government Contacts**

Higher Education      Office Of State Planning & Budgeting      Personnel