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FINAL FISCAL NOTE

Drafting Number: LLS 18-1260 Date: August 6, 2018
Prime Sponsors: Sen. Kefalas; Baumgardner Rep. Becker J.; Hansen Bill Status: Signed into Law
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Bill Topic: CREATE JUSTICE CENTER MAINTENANCE FUND

- Summary of Fiscal Impact: State Revenue, State Expenditure, State Transfer, TABOR Refund, Local Government, Statutory Public Entity

This bill creates a maintenance fund for controlled maintenance of the Carr Justice Center and specifies how moneys will be appropriated to and from the account. Beginning in FY 2019-20, there will be an ongoing increase in state expenditures.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: This fiscal note reflects the final bill, as recommended by the Capital Development Committee.

Table 1 State Fiscal Impacts Under SB 18-267

Table with 4 columns: Category, FY 2018-19, FY 2019-20, FY 2020-21. Rows include Revenue, Expenditures (Cash Funds), and Transfers.

## **Summary of Legislation**

The bill creates the Justice Center Maintenance Fund (maintenance fund), which consists of any money appropriated by the General Assembly from the Justice Center Cash Fund, any other money the General Assembly may appropriate or transfer to the maintenance fund, and any interest and income derived from the deposit and investment of money in the maintenance fund by the State Treasurer. Money in the maintenance fund is subject to annual appropriation for controlled maintenance needs at the Carr Justice Center. Appropriations to the fund will be set based on an annual report from the Judicial Department to the Joint Budget Committee and the Capital Development Committee about projected expenditures for controlled maintenance over at least a 20-year period.

## **Assumptions**

This fiscal note assumes that the 20-year report of projected expenditures will be used to ensure that the amount appropriated to the maintenance fund beginning in FY 2020-21 is relatively stable year over year. The expenditure amounts identified in this fiscal note are based on a Joint Budget Committee (JBC) staff analysis of a 40-year projection of controlled maintenance need for the Carr Justice Center provided by the Judicial Department in response to a request for information from the JBC. This fiscal note also assumes that no other funds will be transferred or appropriated to the maintenance fund on behalf of controlled maintenance in the near future.

## **State Expenditures**

Beginning in FY 2019-20, there will be an ongoing increase in expenditures from the Justice Center Cash Fund to the maintenance fund. Revenue to the Justice Center Cash Fund accrues from court fees. There will also be an ongoing increase in expenditures from the maintenance fund for controlled maintenance. However, overall expenditures within the Judicial Department are not expected to increase as a result of this bill since there is no increase in revenue to support an increase in overall expenditures.

For FY 2019-20, the appropriation from the Justice Center Cash Fund to the maintenance fund is anticipated to be about \$4.6 million. Beginning in FY 2020-21 appropriations from the Justice Center Cash Fund to the maintenance fund will level out and are projected to be about \$1.6 million annually.

Expenditures from the maintenance fund will vary year over year based on identified controlled maintenance projects, but are anticipated to be about \$2.5 million for FY 2019-20 and about \$2.0 million for FY 2020-21.

## **Effective Date**

The bill was signed into law by the Governor and took effect on June 6, 2018.

**State and Local Government Contacts**

Joint Budget Committee

Judicial Department