



Legislative Council Staff
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Fiscal Note

Drafting Number: LLS 21-0979 **Date:** May 21, 2021
Prime Sponsors: Sen. Moreno **Bill Status:** Senate Appropriations
Rep. McCluskie **Fiscal Analyst:** Matt Bishop | 303-866-4796
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Bill Topic: **CASH FUND SOLVENCY**

Summary of Fiscal Impact:

<input type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
<input checked="" type="checkbox"/> State Expenditure	<input type="checkbox"/> Local Government
<input checked="" type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

The bill establishes the Cash Fund Solvency Fund to prevent cash fund deficits. It makes several transfers in FY 2021-22 and increases state workload by a minimal amount.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: The fiscal note reflects the introduced bill, as recommended by the Joint Budget Committee.

Table 1
State Fiscal Impacts Under SB 21-283

	Budget Year	Out Year
	FY 2021-22	FY 2022-23
Revenue	-	-
Expenditures	-	-
Transfers		
General Fund	(\$4,300,000)	-
Marijuana Tax Cash Fund	(\$1,805,317)	-
Cash Fund Solvency Fund	\$3,100,000	-
Marijuana Cash Fund	\$3,005,317	-
Net Transfer	\$0	-
TABOR Refund	-	-

Summary of Legislation

The bill creates the Cash Fund Solvency Fund and transfers \$3.1 million to the fund. Upon request from the Office of State Planning and Budgeting (OSPB), the State Controller may transfer money from the Cash Fund Solvency Fund to another cash fund if:

- the other cash fund's primary source of revenue is from fees;
- there is a significant decrease in fee revenue collected; and
- the other cash fund will have a deficit unless fees are increased or a loan is made.

The State Controller must establish a plan to repay the Cash Fund Solvency Fund from the cash fund that received a transfer, which may occur over multiple fiscal years.

The bill also transfers money from the General Fund and Marijuana Tax Cash Fund to the Marijuana Cash Fund to avoid a deficit.

State Transfers

The bill requires the following transfers on July 1, 2021:

- \$3,100,000 from the General Fund to the Cash Fund Solvency Fund;
- \$1,805,317 from the Marijuana Tax Cash Fund to the Marijuana Cash Fund; and
- \$1,200,000 from the General Fund to the Marijuana Cash Fund.

State Expenditures

Workload will increase in OSPB and the Office of the State Controller in the Department of Personnel and Administration if the conditions for a cash fund loan from the Cash Fund Solvency Fund are met. This workload is expected to be minimal and can be accomplished within existing appropriations.

Effective Date

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

State and Local Government Contacts

Joint Budget Committee Staff

Office of State Planning and Budgeting

Personnel