



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Final Fiscal Note

Drafting Number: LLS 21-1042 Date: July 26, 2021
Prime Sponsors: Sen. Moreno; Rankin Bill Status: Signed into Law
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Bill Topic: REVENUE LOSS RESTORATION CASH FUND

- Summary of Fiscal Impact:
State Revenue (checkbox)
State Expenditure (checked)
State Transfer (checked)
TABOR Refund (checkbox)
Local Government (checkbox)
Statutory Public Entity (checkbox)

The bill transfers a portion of the funding the state receives pursuant to the federal American Rescue Plan Act of 2021 to the newly created Revenue Loss Fund. The bill makes this one-time transfer and makes funds available for appropriation or transfer through FY 2023-24.

Appropriation Summary: No appropriation is required. The General Assembly may appropriate or transfer up to specified amounts in FY 2021-22 through FY 2023-24.

Fiscal Note Status: The fiscal note reflects the enacted bill.

Table 1
State Fiscal Impacts Under SB 21-289^1

Table with 5 columns: Category, Current Year FY 2020-21, Budget Year FY 2021-22, Out Year FY 2022-23, Out Year FY 2023-24. Rows include Revenue, Expenditures, Transfers (ARPA Fund, Revenue Loss Fund), Net Transfer, and TABOR Refund.

^1 The ARPA Fund is created in SB 21-288. The bill increases funding available for expenditure from the fund through FY 2023-24, but spending decisions are assumed to occur through other legislation and the budget process and are not shown in this fiscal note.

Summary of Legislation

As part of the federal American Rescue Plan Act of 2021 (ARPA), Colorado will receive \$3.8 billion for fiscal recovery related to the COVID-19 pandemic. States may use recovery funding for allowable purposes identified in the federal act.

This bill creates the Revenue Loss Restoration Cash Fund. The General Assembly may appropriate or transfer money from the fund for the provision of government services, including K-12 education, housing, state employees, asset maintenance, seniors, criminal justice, state parks, agriculture, and transportation infrastructure. Three days after the effective date of this bill, the treasurer must transfer \$1.0 billion from the ARPA fund created in SB 21-288.

Appropriations or transfers from the Revenue Loss Restoration fund may not exceed:

- \$357,000,000 for FY 2021-22;
- \$333,000,000 for FY 2022-23; and
- \$310,000,000 for FY 2023-24.

If the amount appropriated, expended, or transferred in a fiscal year is less than these limits, any remaining money may be appropriated or transferred for any later fiscal year. After January 1, 2022, money may only be appropriated from the fund through the annual general appropriation act (the Long Bill) or a supplemental appropriation act.

State Transfers

In the current FY 2020-21, the bill transfers \$1,000,000,000 from the ARPA fund created in SB 21-288 to the newly created Revenue Loss Restoration Cash Fund.

State Expenditures

The bill increases the amount of funding available for expenditure in the Revenue Loss Restoration Cash Fund for the provision of specified government services. State expenditures increase by up to \$357 million in FY 2021-22, \$333 million in FY 2022-23, and \$310 million in FY 2023-24. Specific appropriations must be determined by the General Assembly, and it is assumed that these appropriations will be made in other legislation or through the annual budget process, rather than in this bill.

State Appropriations

The bill does not require appropriations; however, the General Assembly may appropriate specified amounts from the Revenue Loss Restoration Cash Fund beginning with FY 2021-22.

Effective Date

The bill was signed into law by the Governor and it took effect on June 24, 2021.

State and Local Government Contacts

All Departments