



# Fiscal Note

## Legislative Council Staff

Nonpartisan Services for Colorado’s Legislature

### SB 25-262: CHANGES TO MONEY IN THE CAPITAL CONSTRUCTION FUND

**Prime Sponsors:**

Sen. Amabile; Kirkmeyer  
Rep. Bird; Taggart

**Fiscal Analyst:**

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**Bill Outcome:** Signed into Law  
**Drafting number:** LLS 25-0928

**Version:** Final Fiscal Note  
**Date:** August 15, 2025

**Fiscal note status:** This final fiscal note reflects the enacted bill, which was recommended by the Joint Budget Committee as part of the FY 2025-26 Long Bill budget package.

### Summary Information

**Overview.** The bill makes transfers to fund capital construction and information technology projects and transfers interest earnings and reversions from capital and IT capital appropriations to the General Fund.

**Types of impacts.** The bill is projected to affect the following areas on an ongoing basis:

- State Transfers
- State Diversions

**Appropriations.** No appropriation is required.

**Table 1  
State Fiscal Impacts**

Type of Impact	Budget Year FY 2025-26	Out Year FY 2026-27
State Revenue	\$0	\$0
State Expenditures	\$0	\$0
Transferred Funds	\$153.8 million	\$0
Diverted Funds	\$12.5 million	\$12.5 million
Change in TABOR Refunds	\$0	\$0
Change in State FTE	0.0 FTE	0.0 FTE

**Table 1A  
State Transfers**

<b>Fund Source</b>	<b>Budget Year FY 2025-26</b>	<b>Out Year FY 2026-27</b>
General Fund	-\$150,055,466	\$0
General Fund Exempt	-\$500,000	\$0
Marijuana Tax Cash Fund	-\$3,230,000	\$0
Capital Construction Fund	\$129,998,033	\$0
IT Capital Account	\$23,787,433	\$0
<b>Net Transfer</b>	<b>\$0</b>	<b>\$0</b>

**Table 1B  
State Diversions**

<b>Fund Source</b>	<b>Budget Year FY 2025-26</b>	<b>Out Year FY 2026-27</b>
General Fund	\$12.5 million	\$12.5 million
Cash Funds	-\$12.5 million	-\$12.5 million
<b>Net Diversions</b>	<b>\$0</b>	<b>\$0</b>

## Summary of Legislation

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The bill transfers \$154 million for capital construction and information technology projects in FY 2025-26.

Under current law, unappropriated money in the Capital Construction Fund, including the IT Capital Account, remains in the fund to be used for future construction or information technology projects. This typically occurs from interest earnings and reversions from underspent appropriations. Beginning with FY 2025-26, the bill directs these interest earnings and reversions to the General Fund.

## State Transfers

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### Scheduled Transfers

The bill requires the following transfers on July 1, 2025:

- \$129,498,033 from the General Fund to the Capital Construction Fund;
- \$20,557,433 from the General Fund to the IT Capital Account of the Capital Construction Fund;

- \$3,230,000 from the Marijuana Tax Cash Fund to the IT Capital Account of the Capital Construction Fund; and
- \$500,000 from the General Fund Exempt Account to the Capital Construction Fund.

### **Future Transfers of Unspent Funds**

In addition, the bill transfers any unappropriated, unencumbered balance in the Capital Construction Fund and the IT Capital Account to the General Fund at the end of each fiscal year. This amount varies from year to year and has not been estimated. For informational purposes, the average transfer for the last three fiscal years if this bill's requirements were in effect would have been about \$10 million.

Because these cash funds are primarily funded by a transfer from the General Fund, the current practice of keeping unspent money in the funds has the practical impact of reducing the amount transferred from the General Fund in the following fiscal year. Transferring this money to the General Fund will allow future General Fund transfers to the Capital Construction Fund and the IT Capital Account to align more closely with project funding amounts.

### **State Diversions**

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The bill diverts interest earned on the Capital Construction Fund and the IT Capital Account to the General Fund. This reduces revenue available in those funds and increases it by the same amount to the General Fund. The amount of interest revenue generated depends on interest rate and fund balance, which is affected by the timing of when capital expenditures occur from these funds. Based on interest earnings in recent years, about \$12.5 million per year will be diverted from the Capital Construction Fund and the IT Capital Account to the General Fund.

### **Effective Date**

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This bill was signed into law by the Governor and took effect on June 3, 2025.

### **State and Local Government Contacts**

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Joint Budget Committee Staff

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The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit the [General Assembly website](#).