

**FINAL  
FISCAL NOTE**

<b>Drafting Number:</b> LLS 10-0141	<b>Date:</b> June 25, 2010
<b>Prime Sponsor(s):</b> Sen. Steadman Rep. Rice	<b>Bill Status:</b> Signed into Law
	<b>Fiscal Analyst:</b> Bill Zepernick (303-866-4777)

**TITLE:** CONCERNING THE DEFINITION OF CAPITAL CONSTRUCTION APPROPRIATION FOR PURPOSES OF THE ART IN PUBLIC PLACES PROGRAM ADMINISTERED BY THE STATE COUNCIL ON THE ARTS.

<b>Fiscal Impact Summary</b>	<b>FY 2010-2011</b>	<b>FY 2011-2012</b>
<b>State Revenue</b>		
<b>State Expenditures</b> Works of Art in Public Places Fund	Potential Increase. See State Expenditures section.	
<b>FTE Position Change</b>		
<b>Effective Date:</b> The Governor signed the bill into law on May 18, 2010, and unless a referendum petition is filed, the bill will take effect August 11, 2010.		
<b>Appropriation Summary for FY 2010-2011:</b> None required.		
<b>Local Government Impact:</b> None.		

**Summary of Legislation**

The bill clarifies the types of public construction projects required to purchase art as part of the Art in Public Places Program. Specifically, the bill clarifies that the 1 percent allocation for public art be calculated based on the state-funded portion of a project's capital construction costs. It also specifies that funding for art must be included for projects that are funded through lease-purchase agreements. Lastly, the bill exempts certain types of projects from the public art requirement, including agricultural facilities construction, public and charter school construction, redevelopment and clean-up of contaminated sites, and controlled maintenance of existing facilities.

**Background**

Under current law, an amount equal to 1 percent of the construction costs for a public construction project must be allocated to acquire public art. However, public construction projects are funded through a variety of methods, including lease-purchase agreements paid through certificates of participation (COPs). There have been differing interpretations as to which projects require funding for public art, and a recent Attorney General opinion, based on current law, stated that COP-funded projects do not need to include funding for public art.

### **State Expenditures**

The bill clarifies that public construction projects funded through lease-purchase agreements must meet the public art requirement. This could increase future capital construction costs for some state agencies and institutions of higher education that do not include funding for public art under current law for lease-purchase projects. However, this increase cannot be estimated, as it is unknown which construction projects will be prioritized and receive funding in the future. The 1 percent art allocation would either result in increased total costs for these projects, fewer projects being completed overall, or cuts to future project budgets to incorporate art funding within planned funding levels. The bill will only apply to projects approved after its implementation date.

The bill will increase expenditures from the Works of Art in Public Places Fund, which is managed by the Colorado Council on the Arts and funded through the 1 percent art allocation. The council works with project architects and state agencies using a jury system to select and purchase art for public construction projects. This analysis assumes that the council can absorb the workload from any increase in participation in the Art in Public Places program.

### **State Appropriations**

The bill does not require an appropriation at this time. This analysis assumes that funding will be appropriated or approved through the regular Capital Development Committee process.

### **Departments Contacted**

All Departments