

**JBC STAFF FISCAL ANALYSIS  
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING THE USE OF MONEY FROM CERTAIN STATE FUNDS TO EXPAND THE SUPPLY OF AFFORDABLE HOUSING STATEWIDE.

Prime Sponsors: Reps. Roberts and Will  
Sens. Moreno and Coram

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**Fiscal Impact of Bill as Amended to Date**

The most recent Legislative Council Staff Revised Fiscal Note (attached) reflects the fiscal impact of the bill as of 04/23/19.

XXX	<b>No Change:</b> Attached LCS Fiscal Note accurately reflects the fiscal impact of the bill
	<b>Update:</b> Fiscal impact has changed due to <i>new information or technical issues</i>
	<b>Update:</b> Fiscal impact has changed due to <i>amendment adopted</i> after LCS Fiscal Note was prepared
	<b>Non-Concurrence:</b> JBC Staff and Legislative Council Staff disagree about the fiscal impact of the bill

**Amendments in This Packet for Consideration by Appropriations Committee**

Amendment	Description
L.006	Bill Sponsor amendment - changes fiscal impact

**Current Appropriations Clause in Bill**

The bill neither requires nor contains an appropriation clause for FY 2019-20.

**Description of Amendments in This Packet**

**L.007** Bill Sponsor amendment **L.007** (attached) makes the following changes to the bill:

- delays the first transfer from the Unclaimed Property Trust Fund (UPTF) to the Housing Development Grant Fund (HDGF) from FY 2018-19 to FY 2020-21;
- changes the amount of each transfer to \$30.0 million (rather than the lesser of \$40.0 million or 50.0 percent of the balance of funds in the UPTF after statutorily required reserves);
- reduces from seven to three the number of years in which the transfer will occur;
- extends the time frame for such transfers if a transfer is not made, thus allowing for three fiscal years of transfers; and
- reduces the "transfer cutoff amount" for a given fiscal year to equal the excess state revenues cap for the fiscal year minus \$30.0 million (rather than the cap plus the amount of the State obligation under the Senior and Disabled Veteran Property Tax Exemption).

With L.007, the bill would require that a total of \$90.0 million be transferred from the UPTF to the HDGF. These transfers will occur from FY 2020-21 through FY 2022-23, or over a longer period if the Legislative Council Staff revenue forecast in June of one or more fiscal years estimates that revenues will not be less than the transfer cutoff amount.

**Points to Consider**

*TABOR/ Excess State Revenues Impact*

1. Pursuant to Section 38-13-116.5, C.R.S., money comprising the principal of the Unclaimed Property Trust Fund (UPTF) and held in trust by the State of Colorado on behalf of individuals with unclaimed property does not constitute fiscal year spending by the State for purposes of Section 20 of Article X of the State Constitution (the Taxpayer's Bill of Rights or TABOR), and is not subject to appropriation by the General Assembly. Upon transfer of money from the UPTF to accounts of the State for purposes unrelated to the payment of claims for property held in trust, the amount of such transfer becomes subject to TABOR.

The Joint Budget Committee has proposed a budget package for FY 2019-20 based on the March 2019 Legislative Council Staff (LCS) revenue forecast. The LCS forecast projects that revenue that is subject to the TABOR spending limit will fall short of the excess state revenues ("Referendum C") cap by \$69.5 million in FY 2019-20 and by \$257.9 million in FY 2020-21. The FY 2019-20 budget package, as amended by General Assembly action on the Long Bill, includes a transfer of \$30.0 million from the UPTF to the General Fund, reducing the projected revenue available under the TABOR spending limit to \$39.5 million.

*With Sponsor Amendment L.007*, the UPTF transfer included in this bill is projected to increase revenue that is subject to the TABOR limit by \$30.0 million annually for FY 2020-21 through FY 2022-23 if the LCS revenue forecast in the June of each fiscal year estimates that state revenues for that state fiscal year will be less than the excess state revenue cap for that fiscal year minus \$30.0 million. If actual revenues fall short of the LCS forecast, this transfer would not trigger a TABOR refund. However, **if actual revenues exceed the LCS forecast, this UPTF transfer would trigger or increase a TABOR refund by up to \$30.0 million (paid from the General Fund). This risk could be mitigated by either using actual revenue collections to trigger the UPTF transfer or by reducing the transfer cutoff amount to allow for a reasonable forecast error.**

*Other Potential or Unquantifiable Fiscal Impacts*

2. Unclaimed property consists of tangible and intangible property, including stocks, bonds, corporate paper, un-cashed checks, and cash. Unclaimed property in the UPTF is held in trust indefinitely and returned to individuals who claim their property. To the extent that the transfers under this bill reduce available money in the fund below the amount needed to return property to claimants, this bill may create a liability for the State of Colorado.