

**JBC STAFF FISCAL ANALYSIS
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING MEASURES TO INCENTIVIZE WATER-WISE LANDSCAPES, AND, IN CONNECTION THEREWITH, CREATING A STATE PROGRAM TO FINANCE THE VOLUNTARY REPLACEMENT OF IRRIGATED TURF.

Prime Sponsors: Reps. Catlin and Roberts
Sens. Bridges and Simpson

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Date Prepared: May 2, 2022

Appropriation Items of Note

Appropriation Required, Amendment in Packet

General Fund Impact

New Cash Fund (with Continuous Appropriation)

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 04/05/22.

XXX	No Change: Attached LCS Fiscal Note accurately reflects the fiscal impact of the bill
	Update: Fiscal impact has changed due to <i>new information or technical issues</i>
	Update: Fiscal impact has changed due to <i>amendment adopted</i> after LCS Fiscal Note was prepared
	Non-Concurrence: 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
J.001	Staff-prepared appropriation amendment
L.004	Bill Sponsor amendment - does not change fiscal impact
L.005	Bill Sponsor amendment - changes fiscal impact

Current Appropriations Clause in Bill

The bill requires but does not contain an appropriation clause.

Description of Amendments in This Packet

J.001 Staff has prepared amendment **J.001** (attached) to add a provision appropriating a total of \$11,400 reappropriated funds to the Governor's Office of Information Technology for FY 2022-23.

L.004 Bill Sponsor amendment **L.004** (attached) would allow money for the Turf Replacement Grant Program to be used for eligible entities that provide matching money for federal funding they receive for turf replacement programs.

L.005 Bill Sponsor amendment **L.005** (attached) amends the House Agriculture, Livestock, & Water Committee Report (02/28/22) to reduce the General Fund transfer to the Turf Replacement Fund from \$4.0 million to \$2.0 million.

Points to Consider*General Fund Impact*

The Joint Budget Committee has proposed a budget package for FY 2022-23 based on the March 2022 Legislative Council Staff revenue forecast. The budget package includes two set-asides:

- \$40.0 million General Fund for bills that create ongoing obligations; and
- \$900.0 million General Fund for bills that create one-time obligations in FY 2022-23.

The \$40.0 million *appropriations* set-aside includes an additional \$6.0 million General Fund to provide a 15.0 percent General Fund reserve for those appropriations. The \$900.0 million *obligations* set-aside does not include an additional amount for a General Fund reserve and, assumes, but does not require, that obligations be addressed through statutory transfers rather than appropriations. Therefore *appropriations* from the \$900.0 million set-aside require an additional 15.0 percent to maintain the statutory General Fund reserve.

This bill creates a one-time obligation and includes a General Fund transfer of \$4,000,000 for FY 2022-23, reducing the \$900.0 million set aside by the same amount. If the Committee adopts **L.005**, this amount will be reduced to \$2,000,000.

Legislative Appropriation Authority

Continuous spending authority, also known as **continuous appropriations**, allows departments to spend money for statutorily specified purposes up to the amount of money in the fund without seeking annual legislative approval. An annual appropriation provides a limit on spending authority, while a continuous appropriation provides unlimited spending authority.

This method of funding moves these expenditures off-budget, and thus expenditures are not reported or accounted for through the budget process. Is it necessary for the Department of Natural Resources to **not** seek annual authority from the General Assembly to spend money from the Turf Replacement Fund?