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Final Fiscal Note

Drafting Number: LLS 22-0915 **Date:** August 31, 2022
Prime Sponsors: Sen. Donovan **Bill Status:** Signed into Law
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Bill Topic: **NONGAME CONSERVATION CHECK-OFF EXTENSION**

Summary of Fiscal Impact:

<input checked="" type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
<input checked="" type="checkbox"/> State Expenditure	<input type="checkbox"/> Local Government
<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

This bill reauthorizes the voluntary contribution designation (income tax checkoff) benefitting the Colorado Nongame Conservation and Wildlife Restoration Fund and extends the voluntary contribution indefinitely.

Appropriation Summary: No appropriation is required.

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

Table 1
State Fiscal Impacts Under SB 22-166

		Budget Year FY 2022-23	Out Year FY 2023-24
Revenue	Cash Funds	\$183,413	\$183,413
Expenditures		-	-
Transfers		-	-
Other Budget Impacts		-	-

Summary of Legislation

This bill reauthorizes the voluntary contribution designation (income tax checkoff) benefitting the Colorado Nongame Conservation and Wildlife Restoration Fund and extends the voluntary contribution indefinitely. Money in the fund is used to support wildlife rehabilitation and preservation of threatened and endangered species in the state through Colorado Parks and Wildlife programs. Under current law, the income tax checkoff will be available through tax year 2021.

Background

Voluntary contributions. The Colorado individual income tax return form allows taxpayers to contribute to various listed organizations by donating a portion of their income tax refund or increasing the amount owed on their tax return. Legislation is required to create a new voluntary contribution fund.

Only 20 voluntary contribution funds are permitted on the Colorado income tax return. If more than 20 funds are passed into law, funds are placed in a queue until a prior fund is removed or becomes ineligible to appear on the tax return. Voluntary contributions must contain a sunset date and meet a yearly minimum contribution of \$50,000 by the third year from when it first appeared on the form and subsequent tax years to remain on the tax form. Contributions are calculated from January 1st through September 30th of each tax year. Thus, if a program that has appeared on the form is renewed or continued and has donations of at least \$50,000, the program remains on the form in the following tax year.

Under current law, the following funds are exempt from the mandatory sunset process, as long as they receive at least \$50,000 in contributions each year:

- The Colorado Domestic Abuse Program
- The Homeless Prevention Activities Program
- The Special Olympics Colorado Fund
- Western Slope Military Veterans Cemetery
- Pet Overpopulation Fund
- American Red Cross Colorado Fund
- Habitat for Humanity Fund
- The Donate to a Colorado Nonprofit Fund
- Colorado Healthy Rivers Fund
- Alzheimer's Association Fund
- Military Family Relief Fund
- Colorado Cancer Fund
- Make-A-Wish Foundation of Colorado Fund
- The Unwanted Horse Fund

Colorado Nongame Conservation and Wildlife Restoration. In 1977, the Nongame and Endangered Wildlife Fund became the first state income tax checkoff and has appeared on the state income tax form each year since.

House Bill 17-1250 extended and modified the Nongame Wildlife voluntary contribution program, and renamed the checkoff program as the Colorado Nongame Conservation and Wildlife Restoration voluntary contribution and established the Colorado Nongame Conservation and Wildlife Restoration Cash Fund Authority that is overseen by a board of directors. The bill also created the Nongame Conservation and Wildlife Restoration Cash Fund. Money in the fund is used by the Colorado Division of Parks and Wildlife to support a variety of activities that aid nongame and endangered species work. In addition, the bill also allowed a percentage of the checkoff revenue to be given in the form of grants for wildlife rehabilitation in Colorado. Grants will be overseen by the board of directors. Table 2 shows the total donations to the Colorado Nongame Conservation and Wildlife Restoration Fund from 2017 to 2021.

Table 2
Colorado Nongame Conservation and Wildlife Restoration

Tax Years*	Total Donations
2017	\$180,736
2018	\$171,492
2019	\$186,572
2020	\$162,662
2021	\$215,601
Total	\$917,063

**Donation amounts are from January 1st to September 30th of each tax year.*

State Revenue

The amount of contributions to the Colorado Nongame Conservation and Wildlife Restoration Fund is uncertain and depends on the contributions made by taxpayers on income tax forms. This fiscal note estimates that Colorado taxpayers will make about \$183,413 in contributions in FY 2022-23 and FY 2023-24, based on the average contributions over the last five years. An estimate beyond FY 2023-24 is not provided, but the income tax checkoff will remain on the state income tax form as long as they receive at least \$50,000 in contributions each year.

Contributions are credited to Colorado Nongame Conservation and Wildlife Restoration Fund. These voluntary donations are exempt from TABOR. The income tax checkoff under the bill is assumed to first appear on the 2022 income tax form.

State Expenditures

Costs to the Department of Revenue are expected to be minimal. There is no workload and no programming associated with continuing this income tax check-off

Effective Date

The bill was signed into law by the Governor on June 1, 2022, and it took effect on August 9, 2022.

State and Local Government Contacts

Information Technology

Natural Resources

Revenue