

**JBC STAFF FISCAL ANALYSIS
SENATE APPROPRIATIONS COMMITTEE**

CONCERNING TAX POLICIES RELATED TO THE ACCESSIBILITY OF FOOD, AND, IN CONNECTION THEREWITH, REQUIRING ADDITIONS TO COLORADO TAXABLE INCOME IN AMOUNTS EQUAL TO THE BUSINESS MEALS FEDERAL ITEMIZED DEDUCTION, CREATING A TAX CREDIT TO SUPPORT THE SMALL BUSINESS RECOVERY AND RESILIENCE GRANT PROGRAM, AND MAKING AN APPROPRIATION.

Prime Sponsors: Representative Weissman
Sens. Fields and Hinrichsen

JBC Analyst: Matthew Valeta
Phone: 303-866-5434
Date Prepared: April 23, 2023

Appropriation Items of Note

Appropriation Already Added to Bill, Amendment in Packet

General Fund/TABOR Impact

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 03/30/23.

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.003	Staff-prepared appropriation amendment
L.009/J.004	Bill Sponsor amendment - changes fiscal impact <i>and</i> appropriation

Current Appropriations Clause in Bill

The bill includes an appropriation clause that does not reflect the current revised fiscal note. The appropriation clause in the reengrossed bill appropriates \$337,878 General Fund to the Department of Agriculture and \$162,477 General Fund to the Department of Revenue for FY 2023-24. The Revised Fiscal Note states the bill requires an appropriation of \$360,413 General Fund to the Department of Agriculture for FY 2023-24 and eliminates the need for the appropriation to the

HB23-1008

JBC Staff Analysis

Department of Revenue for FY 2023-24. Finally the provision states the appropriation is based on an assumption that the Department of Agriculture will require an additional 3.0 FTE.

Description of Amendments in This Packet

J.003 Staff has prepared amendment **J.003** (attached) to change the existing clause to appropriate a total of \$360,413 General Fund to the Department of Agriculture for FY 2023-24. This provision also states that the appropriation is based on the assumption that the Department of Agriculture will require an additional 3.0 FTE.

L.009/J.004

Bill sponsor amendment **L.009** (attached) directs the General Assembly to appropriate \$250,000 to a nonprofit organization to provide healthy eating program incentives among Colorado's low-income populations for FY 2023-24.

Staff has prepared amendment **J.004** (attached) to change the existing clause to appropriate a total of \$610,413 General Fund including \$360,413 to the Department of Agriculture and \$250,000 for the Department of Public Health and Environment for FY 2023-24. This provision also states that the appropriation is based on the assumption that the Department of Agriculture will require an additional 3.0 FTE.

If the Committee adopts L.009 it should also adopt J.004 and should not adopt J.003.

Points to Consider

General Fund Impact

The Joint Budget Committee has proposed a budget package for FY 2023-24 based on the March 2023 Office of State Planning and Budgeting (OSPB) revenue forecast. The budget package includes two set-asides for legislation outside of the package: (1) \$30.0 million General Fund for bills that create ongoing obligations; and (2) \$469.0 million for bills that create one-time obligations for FY 2023-24 (see table below).

General Fund Appropriation Placeholders for Other 2023 Legislation	
Description	FY 2023-24
Legislation with Ongoing Fiscal Impacts	\$30,000,000
Legislation with One-time Fiscal Impacts	
Workforce-related legislation, including free credentials, math scholarships, adult education, and concurrent enrollment	103,000,000
Housing-related legislation, including property tax relief, land use, and public-private partnerships	221,000,000

General Fund Appropriation Placeholders for Other 2023 Legislation	
Legislation related to topics other than workforce and housing, including rural opportunity, line of duty loss, and Proposition 122 implementation	145,000,000
Subtotal	\$469,000,000
TOTAL Placeholders for Other 2023 Legislation	\$499,000,000

The budget package accounts for the 15.0 percent reserve associated with the above placeholders (a total of \$74.9 million).

This bill creates an ongoing obligation and requires a General Fund appropriation of either \$360,413 for FY 2023-24, reducing the amount of General Fund available for other purposes by the same amount.

As amended by amendment **L.009**, the bill also creates a one-time obligation and requires an additional General Fund appropriation of \$250,000 for FY 2023-24, reducing the \$469.0 million set aside by that amount.

TABOR/ Excess State Revenues Impact

The March 2023 Office of State Planning and Budgeting (OSPB) revenue forecast projects a TABOR surplus liability of \$720.9 million for FY 2023-24 and \$1.2 billion for FY 2024-25. These sums must be refunded to taxpayers out of the General Fund. This bill is estimated to increase General Fund revenues by \$1.3 million in FY 2023-24, by \$1.1 million in FY 2024-25, and reduces General Fund revenues by \$0.3 million in years thereafter. For FY 2023-24, this results in an increase in the TABOR surplus liability of \$1.3 million.