

**JBC STAFF FISCAL ANALYSIS
SENATE APPROPRIATIONS COMMITTEE**

CONCERNING THE CONSERVATION EASEMENT INCOME TAX CREDIT, AND, IN CONNECTION THEREWITH, EXTENDING THE CONSERVATION EASEMENT OVERSIGHT COMMISSION AND THE CERTIFIED HOLDER PROGRAM INDEFINITELY, INCREASING THE LIMIT ON CONSERVATION EASEMENT INCOME TAX CREDITS AVAILABLE TO DONORS IN ONE CALENDAR YEAR, AND ALLOWING MULTIPLE TRANSFERS OF CONSERVATION EASEMENT INCOME TAX CREDITS.

Prime Sponsors: Sens. Will and Winter F.
Reps. Lukens and Lynch

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Phone: 303-866-5434
Date Prepared: April 15, 2024

Appropriation Items of Note

Appropriation Required, Amendment in Packet

TABOR Impact

Fiscal Impact of Bill as Amended to Date

The most recent Legislative Council Staff Fiscal Note (attached) reflects the fiscal impact of the bill as of 02/27/24.

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

The Senate Finance Committee Report (03/05/24) includes amendments to the bill, however, Legislative Council Staff and JBC Staff agree that the committee amendments do not change the fiscal impact of the bill.

Amendments in This Packet for Consideration by Appropriations Committee

Amendment	Description
J.001	Staff-prepared appropriation amendment
L.014	Bill Sponsor amendment - does not change 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 \$12,925 cash funds from the Conservation Cash Fund to the Department of Regulatory Agencies for FY 2024-25. This provision also states that the appropriation is based on the assumption that the Department will require an additional 0.2 FTE.

L.014 Bill Sponsor amendment **L.014** (attached) increases the cap on the amount of tax credit certificates that may be issued by the Department of Regulatory Agencies, adjusts the amount of the tax credit depending on the year the refund is claimed, and removes the requirement that state revenues be in excess of certain thresholds in order to claim a refund.

The Committee should adopt **J.001** and may also adopt **L.014**.

Points to Consider*TABOR/ Excess State Revenues Impact*

The March 2024 Office of State Planning and Budgeting (OSPB) revenue forecast projects a TABOR surplus liability of \$1.3 billion for FY 2024-25 and \$1.8 billion for FY 2025-26 to be refunded to taxpayers out of the General Fund. Legislation that increases non-exempt revenue (such as cash funds) will increase the TABOR refund from the General Fund. The budget package includes a set aside of \$93.5 million General Fund for appropriations in FY 2024-25.

This bill is estimated to increase cash fund revenues by \$33,900 in FY 2024-25 and by \$56,500 in years thereafter, which will reduce the available General Fund in each fiscal year by equal amounts. The bill is also estimated to decrease General Fund revenues by \$15.0 million in FY 2024-25 and by \$30.0 million ongoing. This bill decreases the TABOR refund made out of the General Fund by approximately \$15.0 million for FY 2024-25 and \$29.9 million for FY 2025-26.

If **L.014** is adopted, the bill is estimated to decrease General Fund revenues by \$7.5 million in FY 2024-25 and \$20.0 million in FY 2025-26, which would decrease the TABOR refund made out of the General Fund by approximately \$7.5 million in FY 2024-25 and \$19.9 million in FY 2025-26.