

**JBC STAFF FISCAL ANALYSIS  
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING PROCEDURAL REQUIREMENTS FOR THE ADMINISTRATION OF PROPERTY TAX, AND, IN CONNECTION THEREWITH, REQUIRING THE PROPERTY TAX ADMINISTRATOR TO MAINTAIN A LIST OF PERSONS INTERESTED IN RECEIVING NOTIFICATIONS ABOUT POSSIBLE AMENDMENTS TO PROPERTY TAX MANUALS, REQUIRING PUBLIC HEARINGS WITH NOTICE IN CONNECTION WITH AMENDMENTS TO PROPERTY TAX MANUALS, REQUIRING PETITIONS FOR CHANGES TO PROPERTY TAX MATERIALS TO BE IN WRITING, REQUIRING NOTIFICATION ABOUT THE OPPORTUNITY TO OBTAIN ADDITIONAL INFORMATION ABOUT THE VALUATION OF COMMERCIAL PROPERTY, REQUIRING NOTIFICATION ABOUT THE ABATEMENT PROCESS, ALLOWING FOR THE CORRECTION OF ERRORS IMPACTING VALUATION OF A CLASS OR SUBCLASS OF PROPERTY, AND ESTABLISHING A PROCESS FOR ACCELERATED CONSIDERATION OF CERTAIN APPEALS.

Prime Sponsors: Reps. Esgar and Neville  
Sens. Kolker and Rankin

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Date Prepared: May 4, 2022

**Appropriation Items of Note**

**Appropriation Required, Amendment in Packet**

**General Fund/TABOR Impact**

**New Cash Fund (with Continuous Appropriation)**

**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 05/04/22.

	<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>XXX</b>	<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

The State, Civic, Military, and Veterans Affairs Committee Report (05/04/22) includes amendments to the bill. Legislative Council Staff and JBC Staff agree that the committee amendments do not change the fiscal impact of the bill on state expenditures or state revenues. However, the Report limits an adjustment to an assessment valuation to 5.0 percent above the valuation set by the county board of equalization. This could reduce local government revenue by a minimal amount.

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

Amendment	Description
J.001	Staff-prepared appropriation amendment

**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 \$2,000 General Fund to the Department of Local Affairs for FY 2022-23.

**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 requires a General Fund appropriation of \$2,000 for FY 2022-23, reducing the \$900.0 million set aside by \$2,300 in order to maintain a 15.0 percent statutory General Fund reserve.

*TABOR/ Excess State Revenues Impact*

The March 2022 Legislative Council Staff (LCS) revenue forecast projects a TABOR surplus liability of \$1.6 billion for FY 2022-23 and \$622.6 million for FY 2023-24 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 \$46.0 million General Fund for ongoing appropriations, (\$40.0 million plus \$6.0 million for a 15.0 percent General Fund reserve) and \$900.0 million General Fund for bills that create one-time obligations in FY 2022-23.

This bill is estimated to increase cash fund revenues by \$16,000 in FY 2022-23, which will reduce the available General Fund by an equal amount. This bill increases the TABOR refund made out of

## HB22-1416

## JBC Staff Analysis

the General Fund by \$16,000 for FY 2022-23, reducing the \$900.0 million General Fund one-time set aside by the same amount.

### *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 Local Affairs to **not** seek annual authority from the General Assembly to spend money from the new Accelerated Appeal Cash Fund and from fees collected for the costs of mailing a copy of proposed changes to property tax materials? *Staff notes that the Department is anticipated to collect only \$16,000 in FY 2022-23 and minimal amounts in subsequent fiscal years, so in this instance continuous spending authority is reasonable and practical.*