

JBC Staff Fiscal Analysis
Senate Appropriations Committee

Concerning increasing the availability of homeowner's insurance in the state.

Prime Sponsors:

Senator Mullica
Representatives McCluskie; Brown

Date Prepared:

April 21, 2026

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303-866-2062

Fiscal Impacts

Appropriation Required, Amendment in Packet

TABOR Impact

New Cash Fund (with Continuous Appropriation)

Fiscal Note Status

The most recent Legislative Council Staff Revised Fiscal Note (attached) reflects the fiscal impact of the bill as of 04/15/2026.

Update: Fiscal impact has changed due to new information. After publication of the revised fiscal note, Legislative Council Staff received clarification that when an enterprise spends revenue on certain state-provided services, those expenditures are treated as state revenue and are therefore subject to the TABOR revenue limit. This includes expenditures for legal services provided by the Department of Law.

Legislative Council Staff and JBC staff agree that the appropriation required by the bill would increase state revenue subject to TABOR by \$69,235.

Amendments in This Packet

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 amendment **J.001** (attached) appropriates a total of \$69,235 from the Legal Services Cash Fund to the Department of Law for FY 2026-27. The appropriation reflects 0.3 FTE.

Points to Consider

The Joint Budget Committee (JBC) has proposed a budget package for FY 2026-27 based on the March 2026 Office of State Planning and Budgeting (OSP) revenue forecast. The forecast does not anticipate a TABOR surplus liability for FY 2025-26, but does anticipate a surplus liability of \$711.1 million for FY 2026-27 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.

TABOR/ Excess State Revenues Impact

This bill is estimated to increase cash fund revenues by \$69,235 in FY 2026-27 and by \$34,618 in FY 2027-28, which will reduce the available General Fund in each fiscal year by equal amounts. This bill increases the TABOR refund paid from the General Fund by \$69,235 for FY 2026-27, reducing the \$57.3 million General Fund set aside for FY 2026-27 by the same amount.

Legislative Appropriation Authority

Continuous spending authority, also known as **continuous appropriation**, allows state agencies to spend money for statutorily specified purposes up to the total amount available in a specified fund source without seeking further legislative approval through the budget process.

The term *appropriation* is broadly understood as expressing or conveying legal spending authority. However, the term *appropriation* also inherently expresses fundamental legislative fiscal authority by communicating a *limit* on or maximum amount of spending from a specified fund source for a defined period such as a fiscal year. While continuous spending authority also expresses or conveys legal spending authority it does so by eliminating legislative fiscal authority and oversight.

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 Regulatory Agencies to **not** seek annual authority from the General Assembly to spend money from the Strengthen Colorado Homes Enterprise Fund?