

JBC Staff Fiscal Analysis
House Appropriations Committee

Concerning the classification of certain state revenue for the purposes of calculating state fiscal year spending pursuant to section 20 of article X of the state constitution, and, in connection therewith, clarifying the statutory definitions of collections for another government and damage awards and making an appropriation.

Prime Sponsors:

Senator Weissman; Amabile
Representative Zokaie; Sirota

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Fiscal Impacts

Appropriation Already Added to Bill, Amendments in Packet
General Fund/TABOR Impact

Fiscal Note Status

The most recent Legislative Council Staff Revised Fiscal Note (attached) reflects the fiscal impact of the bill as of 04/23/2026.

No Change: Attached LCS Fiscal Note accurately reflects the fiscal impact of the bill.

The Finance Committee Report (04/27/2026) includes an amendment to the bill. However, Legislative Council Staff and JBC Staff agree that the amendment does not change the fiscal impact of the bill.

Amendments in This Packet

- J.002 Staff-prepared appropriation amendment
- L.014 Bill sponsor amendment – changes fiscal impact

Current Appropriations Clause in Bill

The bill includes an appropriation clause that appropriates \$2,250,000 General Fund to the Judicial Department for FY 2025-26, and \$2,250,000 General Fund to the Judicial Department for FY 2026-27. However, as noted in the revised fiscal note, the bill only requires the FY 2026-27 appropriation.

Description of Amendments in This Packet

J.002

Staff amendment **J.002** (attached) changes the existing clause to remove the appropriation of \$2,250,000 General Fund to the Judicial Department for FY 2025-26, aligning the bill with the revised fiscal note.

L.014

Bill sponsor amendment **L.014** (attached) removes fines and penalties related to traffic and vehicle violations that are credited to the Highways Users Tax Fund (HUTF) from the damage awards that are classified in the bill as being exempt from TABOR. This increases TABOR refunds by an estimated \$18.6 million in FY 2026-27 and \$19.0 million in FY 2027-28, relative to the estimated changes in TABOR refunds reflected in the revised fiscal note. This also reduces expenditures for homestead reimbursements by an estimated \$18.6 million in FY 2027-28. The amendment reduces the revenue reclassified as being exempt from TABOR by \$18.3 million in FY 2025-26. This is not expected to impact TABOR refunds for FY 2025-26 because the state does not expect to have a TABOR refund obligation for the current fiscal year.

The Committee should adopt **J.002**, and can also adopt **L.014**.

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 (OSPB) 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 and \$515.6 million in FY 2027-28 to be refunded to taxpayers out of the General Fund. Legislation that reduces non-exempt revenue (such as cash funds) will reduce the TABOR refund from the General Fund.

The budget package includes \$42.3 million in set-asides for legislation outside of the package (see table below). The budget package accounts for the 13.0 percent reserve associated with the placeholders.

General Fund Appropriation Placeholders for Other 2026 Legislation (\$ in millions)

Item	FY 2026-27
SB 26-149 (Pathways for Individuals with Mental Health Disorders)	\$25.9
Potential prison capacity supplemental	5.9
Applied Behavioral Analysis Licensing	5.0
County Administration shared services	3.1
SB 26-042 Revenue Reclass	2.3
Medicaid Working Group	0.5
HB 26-1331 (Modify 2026 Interim Committees)	-0.4
Total - Placeholders for other legislation	\$42.3

TABOR/ Excess State Revenues Impact

This bill reduces the TABOR refund paid from the General Fund by an estimated \$63.4 million for FY 2026-27, increasing the \$42.3 million General Fund set aside for FY 2026-27 by the same amount. The bill is projected to reduce the TABOR refund paid from the General Fund by an estimated \$64.3 million for FY 2027-28, increasing the amount of General Fund in FY 2027-28 by the same amount.

If the Committee adopts **L.014**, the bill will reduce the TABOR refund paid from the General Fund by an estimated \$44.8 million for FY 2026-27, and \$45.3 million in FY 2027-27, increasing the amount of General Fund available in those fiscal years by the same amounts.

General Fund Impact

Under the current version of the bill, the bill requires a General Fund appropriation of \$2,250,000 for FY 2025-26 and an appropriation of \$2,250,000 for FY 2026-27, reducing the \$42.3 million set aside by \$4.5 million. If the Committee adopts amendment **J.002**, the \$2,250,000 General Fund appropriation for FY 2025-26 is eliminated, which will reduce the \$42.3 million set aside by \$2.25 million rather than \$4.5 million.