

JBC Staff Fiscal Analysis
Senate Appropriations Committee

Concerning procedures relating to state action resulting in the relinquishment of private property, and, in connection therewith, making an appropriation.

Prime Sponsors:

Representative DeGraaf; Bacon
Senator Bright; Wallace

Date Prepared:

May 12, 2026

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Fiscal Impacts

Appropriation Already Added to Bill, Amendment in Packet

New Cash Fund

Fiscal Note Status

The most recent Legislative Council Staff Revised Fiscal Note (attached) reflects the fiscal impact of the bill as of 05/12/26.

Update: The \$55,000 diversion to the Department of Local Affairs is estimated to support a 0.5 FTE position. Legislative Council Staff concurs.

Amendments in This Packet

J.003 Staff-prepared appropriation amendment – *Optional* update to existing appropriation clause

Current Appropriations Clause in Bill

The bill includes an appropriation clause that appropriates \$556,750 cash funds from the Forfeiture Defense Counsel Fund to the Judicial Department and \$55,000 cash funds from the proceeds of forfeited property to the Department of Local Affairs.

Description of Amendments in This Packet

J.003

Staff amendment **J.003** (attached) changes the existing clause to appropriate \$570,000 cash funds to the Judicial Department (instead of \$556,750) and to specify that \$55,000 cash funds appropriated to the Department of Local Affairs is based on an assumption that the Department will require an additional 0.5 FTE.

Note: The changes included in this appropriation clause are optional: the additional \$13,750 cash funds included in amendment J.003 is based on revenue from gifts, grants, and donations that may or may not be received; and

the Department of Local Affairs may add 0.5 FTE with its \$55,000 appropriation, whether or not this is identified in the appropriation clause, because only dollars and not FTE are subject to appropriation.

Points to Consider

Related Budget Information and Future Budget Processes

As reflected in the LCS Fiscal Note, the bill removes the primary source of funding for the Law Enforcement Community Services Grant Program. The Long Bill (H.B. 26-1410) includes an appropriation to the Department of Local Affairs of \$401,925 cash funds and 1.0 FTE for this program for FY 2026-27, but there will be little or no revenue to support this appropriation if this bill is enacted in its current form. The General Assembly may therefore consider funding the Law Enforcement Community Services Grant program from another source, adjusting appropriations through the budget process, or eliminating the grant program if no funding is available.

Cash Funds Retained Interest

It has been common practice in legislation creating new cash funds to credit any interest earned on the money in the fund to the fund. The interest earned on cash fund revenue not exempt from TABOR is also revenue subject to TABOR.

If the March 2026 revenue forecast adopted by the Joint Budget Committee (JBC) projects a TABOR surplus liability for FY 2026-27 or for FY 2027-28, these sums must be refunded to taxpayers out of the General Fund. Non-exempt revenue (such as cash funds) to the State increases the TABOR refund made out of the General Fund. This reduces the amount of General Fund available for programs.

Is it the General Assembly's intent for interest earned on the funds in the Forfeiture Counsel Defense Fund to remain in the fund?