

**JBC STAFF FISCAL ANALYSIS  
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING CHANGES TO THE REQUIREMENTS FOR OWNERS OF A LICENSED MARIJUANA BUSINESS, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.

Prime Sponsors: Senator Holbert  
Representative Pabon

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**Fiscal Impact of Bill as Amended to Date**

The most recent Legislative Council Staff Revised Fiscal Note (attached) reflects the fiscal impact of the bill as of 05/02/16.

<b>XXX</b>	<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>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

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

<b>Amendment</b>	<b>Description</b>
J.003	Staff-prepared appropriation amendment

**Current Appropriations Clause in Bill**

The bill includes an appropriation clause that no longer reflects the fiscal impact of the bill. It provides \$1,186,237 cash funds to the Department of Revenue for FY 2016-17 from the Marijuana Cash Fund. This provision also states that the appropriation is based on the assumption that the Department will require an additional 12.0 FTE to implement the act. The provision also includes a transfer of \$71,258 of the appropriation to the Department of Revenue to the Department of Law for the provision of legal services, and is based on the assumption that the Department of Law will require an additional 0.4 FTE. Finally, the provision transfers \$6,202 from the Department of Revenue appropriation to the Department of Public Safety for the Colorado Bureau of Investigation to complete background checks for the Department of Revenue.

**Description of Amendments in This Packet**

**J.003** Staff has prepared amendment **J.003** (attached) to add a provision appropriating a total of \$995,738 cash funds to the Department of Revenue for FY 2016-17 from the Marijuana Cash Fund. This provision also states that the appropriation is based on the assumption that the Department will require an additional 9.8 FTE to implement the act. The amendment also includes a provision transferring \$71,258 of the appropriation to the Department of Revenue

to the Department of Law for the provision of legal services, and is based on the assumption that the Department of Law will require an additional 0.4 FTE. The amendment also transfers \$15,296 from the Department of Revenue appropriation to the Department of Public Safety for the Colorado Bureau of Investigation to complete background checks for the Department of Revenue. Finally, the amendment transfers \$4,950 to the Department of Personnel for the purchase of vehicles for the Department of Revenue. Please note that while the Fiscal Note indicates that \$8,475 will be transferred to the Department of Personnel (see page 6), only the lease portion of the appropriation to the Department of Revenue (\$4,950) is transferred.

**Points to Consider***TABOR/ Excess State Revenues Impact*

The Joint Budget Committee (JBC) has proposed a budget package for FY 2016-17 based on the March 2016 Legislative Council Staff revenue forecast. Based on the legislation that is included as part of the budget package, revenues are projected to be \$64.2 million lower than the threshold above which money will be required to be refunded under TABOR for FY 2016-17. This bill is projected to increase cash fund revenues by \$850,687 in FY 2016-17, and is thus not projected to trigger a TABOR refund for FY 2016-17. This bill would, however, increase the projected TABOR refund for FY 2017-18 by \$1.4 million. As TABOR refunds are paid from the General Fund, this bill would reduce the amount of General Fund available for other purposes in FY 2017-18.