



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

REVISED FISCAL NOTE

(replaces fiscal note dated January 13, 2020)

Drafting Number: LLS 20-0241 Date: March 4, 2020
Prime Sponsors: Sen. Tate Bill Status: Senate Appropriations
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Bill Topic: LEGISLATIVE OVERSIGHT COMMITTEE CONCERNING TAX POLICY

- Summary of Fiscal Impact: State Revenue, State Expenditure, State Transfer, TABOR Refund, Local Government, Statutory Public Entity

The bill creates the Legislative Oversight Committee Concerning Tax Policy. The bill increases state expenditures beginning in FY 2020-21

Appropriation Summary: In FY 2020-21, the bill requires an appropriation of \$80,222 to the Legislative Department.

Fiscal Note Status: The revised fiscal note reflects the introduced bill, which was amended by the Senate Finance Committee.

Table 1 State Fiscal Impacts Under SB 20-019

Table with 3 columns: Category, FY 2020-21, FY 2021-22. Rows include Revenue, Expenditures (General Fund, Centrally Appropriated, Total), Total FTE, Transfers, and TABOR Refund.

Summary of Legislation

The bill creates a ten-member Legislative Oversight Committee Concerning Tax Policy (committee). The committee must meet at least four times a year to consider the policy recommendations contained in the tax expenditure evaluations prepared by the Office of the State Auditor (OSA) and may develop any modifications to the current state and local tax system. The bill sets compensation and appointing authorities for the committee. Legislative Council Staff (LCS), the Office of Legislative Legal Services (OLLS), and the OSA will provide staff support for the committee.

At the request of a legislator or legislative committee member, the task force must provide evidence-based feedback on the potential benefits or consequences of a legislative or other policy proposal not directly affiliated with or generated by the task force. Responses must be provided within two weeks of the request.

Reporting. On or before January 15 of each year, the committee must submit a report to the General Assembly summarizing the issues studied, recommendations considered, and actions taken by the committee and the task force during the previous year.

The committee and the task force repeal on July 1, 2025.

Background

In 2000, the General Assembly created the Colorado Commission of Fair Taxation (commission). Commission duties included review of the current system of taxation, communication with people or groups affected by the current tax system, and development of proposals for modifications to the current system of state and local taxation. The commission expired in 2002. Currently, the General Assembly's Sales and Use Tax Simplification Task Force is a 15-member task force that has met 13 times since 2017. The Sales and Use Tax Simplification Task Force is charged with studying several policy issues, may recommend interim legislation, and reports annually to the General Assembly by November 1 each year.

State Expenditures

The bill increases General Fund expenditures by \$97,593 and 1.1 FTE in FY 2020-21 and by \$104,481 and 1.1 FTE in FY 2021-22 for the Legislative Department. New costs are shown in Table 2 and explained below.

**Table 2
 Expenditures Under SB 20-019**

	FY 2020-21	FY 2021-22
Legislative Department		
Personal Services	\$73,092	\$79,735
Operating Expenses	\$1,485	\$1,485
Committee Reimbursement	\$5,645	\$5,645
Centrally Appropriated Costs*	\$17,371	\$17,616
Total Cost	\$97,593	\$104,481
Total FTE	1.1 FTE	1.1 FTE

* Centrally appropriated costs are not included in the bill's appropriation.

Legislative Department. Due to the complex nature of tax policy and the associated workload, LCS and OLLS require 0.5 FTE of committee staff, 0.5 FTE of staff attorney, and 0.1 FTE of a legal editor to staff the committee. Reimbursement for committee members assumes four meetings with per diem of \$111.23 and \$124.00 travel for six members for a total of \$5,645.

Centrally appropriated costs. Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. These costs, which include employee insurance and supplemental employee retirement payments, are estimated to be \$17,371 in FY 2020-21 and \$17,616 in FY 2021-22.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State Appropriations

For FY 2020-21, the bill requires a General Fund appropriation of \$80,222 to the Legislative Department, including:

- \$31,572 and 0.5 FTE to Legislative Council Staff;
- \$43,005 and 0.6 FTE to the Office of Legislative Legal Services; and
- \$5,645 to the General Assembly.

State and Local Government Contacts

All Service Agencies Information Technology Revenue