

**JBC STAFF FISCAL ANALYSIS  
SENATE APPROPRIATIONS COMMITTEE**

CONCERNING A TRANSFER FROM THE GENERAL FUND TO THE DEPARTMENT OF STATE CASH FUND TO ALLOW THE DEPARTMENT OF STATE TO REDUCE BUSINESS-RELATED FEES FOR STATE FISCAL YEAR 2022-23.

Prime Sponsors: Reps. Cutter and Sullivan  
Sens. Pettersen and Kolker

JBC Analyst: Abby Magnus  
Phone: 303-866-2149  
Date Prepared: May 6, 2022

**Appropriation Items of Note**

**Appropriation Not Required, No Amendment in Packet**

**General Fund/TABOR Impact**

**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 02/04/22.

<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

The House Business Affairs & Labor Committee Report (02/16/22) and the House Finance Committee Report (03/07/22) include amendments to the bill, however, Legislative Council Staff and JBC Staff agree that the committee amendments do not change the fiscal impact of the bill.

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

<b>Amendment</b>	<b>Description</b>
None.	

**Current Appropriations Clause in Bill**

The bill neither requires nor contains an appropriation clause for FY 2022-23.

**Points to Consider***General Fund Impact*

The Joint Budget Committee has proposed a budget package for FY 2022-23 based on the March 2022 Legislative Council Staff revenue forecast. The budget package includes two set-asides:

- \$40.0 million General Fund for bills that create ongoing obligations; and
- \$900.0 million General Fund for bills that create one-time obligations in FY 2022-23.

The \$40.0 million *appropriations* set-aside includes an additional \$6.0 million General Fund to provide a 15.0 percent General Fund reserve for those appropriations. The \$900.0 million *obligations* set-aside does not include an additional amount for a General Fund reserve and, assumes, but does not require, that obligations be addressed through statutory transfers rather than appropriations. Therefore *appropriations* from the \$900.0 million set-aside require an additional 15.0 percent to maintain the statutory General Fund reserve.

This bill creates a one-time obligation and includes a General Fund transfer of \$16,710,000 for FY 2022-23, reducing the \$900.0 million set aside by the same amount.

*TABOR/ Excess State Revenues Impact*

The March 2022 Legislative Council Staff (LCS) revenue forecast projects a TABOR surplus liability of \$1.6 billion for FY 2022-23 and \$622.6 million for FY 2023-24 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. The budget package includes a set aside of \$40.0 million General Fund for FY 2022-23, plus \$6.0 million General Fund to provide a 15.0 percent General Fund reserve for those appropriations.

This bill is estimated to decrease cash fund revenues by \$16,710,000 in FY 2022-23, which will increase the available General Fund in each fiscal year by an equal amount. This bill reduces the TABOR refund made out of the General Fund by \$16,710,000 for FY 2022-23, increasing the \$900.0 million General Fund set aside for FY 2022-23 by the same amount.