

**JBC STAFF FISCAL ANALYSIS
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING THE EXTENSION OF STATE TAX INCENTIVES AFFECTING THE USE OF REAL PROPERTY TO PROMOTE COMMUNITY DEVELOPMENT, AND, IN CONNECTION THEREWITH, EXTENDING THE CONTAMINATED LAND STATE INCOME TAX CREDIT AND PROPERTY TAX EXEMPTION FOR AFFORDABLE HOUSING PROJECTS.

Prime Sponsors: Reps. Bird and Lindsay
Senator Moreno

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Appropriation Items of Note

Appropriation Required, 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 04/27/22.

XXX	No Change: Attached LCS Fiscal Note accurately reflects the fiscal impact of the bill
	Update: Fiscal impact has changed due to <i>new information or technical issues</i>
	Update: Fiscal impact has changed due to <i>amendment adopted</i> after LCS Fiscal Note was prepared
	Non-Concurrence: JBC Staff and Legislative Council Staff disagree about the fiscal impact of the bill

Amendments in This Packet for Consideration by Appropriations Committee

Amendment	Description
J.001	Staff-prepared appropriation amendment
L.003	Bill Sponsor amendment - does not change fiscal impact

Current Appropriations Clause in Bill

The bill requires but does not contain an appropriation clause.

Description of Amendments in This Packet

J.001 Staff has prepared amendment **J.001** (attached) to add a provision appropriating a total of \$41,102 General Fund to the Department of Revenue for FY 2022-23. This provision also

appropriates a total of \$20,000 cash funds from the Hazardous Substance Site Response Fund to the Department of Public Health and Environment for FY 2022-23.

L.003 Bill Sponsor amendment **L.003** (attached) changes the end dates of the tax credit included in the bill. **L.003** does not affect the appropriation for FY 2022-23.

The Committee should adopt J.001 and may also adopt J.003.

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 requires a General Fund appropriation of \$41,102 for FY 2022-23, reducing the \$900.0 million set aside by \$47,267 in order to maintain a 15.0 percent statutory General Fund reserve.

TABOR Impact

The bill is expected to reduce General Fund revenues by up to \$2.0 million in FY 2021-22, up to \$5.5 million in FY 2022-23, and up to \$7.0 million in FY 2023-24, reducing TABOR refunds by the same amount.