

**JBC STAFF FISCAL ANALYSIS  
SENATE APPROPRIATIONS COMMITTEE**

CONCERNING THE CREATION OF A REVOLVING LOAN FUND WITHIN THE DIVISION OF HOUSING IN THE DEPARTMENT OF LOCAL AFFAIRS TO MAKE INVESTMENTS IN TRANSFORMATIONAL AFFORDABLE HOUSING.

Prime Sponsors: Sens. Bridges and Zenzinger  
Reps. Ortiz and Will

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Date Prepared: April 21, 2022

**Appropriation Items of Note**

**Appropriation Required, Amendment in Packet**

**TABOR Impact**

**New Cash Fund (with Continuous Appropriation)**

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

The most recent Legislative Council Staff Fiscal Note (attached) reflects the fiscal impact of the bill as of 04/01/22.

XXX	<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 Senate Local Government Committee Report (04/05/22) and the Senate Finance Committee Report (04/13/22) 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**

Amendment	Description
J.001	Staff-prepared appropriation amendment
L.011	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 \$379,081 reappropriated funds from the Department of Local Affairs to the Office of Information Technology for FY 2022-23. This provision also states that the appropriation is based on the assumption that the Office of Information Technology will require an additional 4.3 FTE to implement the act.

**L.011** Bill Sponsor amendment **L.011** (attached) specifies that the source of funds for the \$150.0 million transfer to the Transformational Affordable Housing Revolving Loan Fund is the Affordable Housing and Home Ownership Cash Fund, that originates as General Fund.

**Points to Consider***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 \$46.0 million General Fund for ongoing appropriations, (\$40.0 million plus \$6.0 million for a 15.0 percent General Fund reserve) and \$900.0 million General Fund for bills that create one-time obligations in FY 2022-23.

This bill is estimated to increase cash fund revenues by \$332,500 in FY 2022-23 and by \$1,465,000 in FY 2023-24, which will reduce the available General Fund in each fiscal year by an equal amount. This bill increases the TABOR refund made out of the General Fund by \$332,500 for FY 2022-23, reducing the \$46.0 million General Fund set aside for FY 2022-23 by the same amount.

*Legislative Appropriation Authority*

Continuous spending authority, also known as **continuous appropriations**, allows departments to spend money for statutorily specified purposes up to the amount of money in the fund without seeking annual legislative approval. An annual appropriation provides a limit on spending authority, while a continuous appropriation provides unlimited spending authority.

This method of funding moves these expenditures off-budget, and thus expenditures are not reported or accounted for through the budget process. Is it necessary for the Department of Local Affairs to **not** seek annual authority from the General Assembly to spend money from Transformational Affordable Housing Revolving Loan Fund? Can a revolving loan program operate properly if it is subject to annual appropriation?