JBC STAFF FISCAL ANALYSIS
HOUSE APPROPRIATIONS COMMITTEE

CONCERNING AN ADDITIONAL MECHANISM TO REFUND EXCESS STATE REVENUES FOR STATE FISCAL YEAR 2021-22 ONLY THAT PROVIDES A REFUND IN AN IDENTICAL AMOUNT TO EACH QUALIFIED RESIDENT INDIVIDUAL, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.

Prime Sponsors: Sens. Hinrichsen and Rodriguez
Reps. Exum and Daugherty

JBC Analyst: Eric Kurtz
Phone: 303-866-4952
Date Prepared: May 5, 2022

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 05/04/22.

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

Amendments in This Packet for Consideration by Appropriations Committee

<table>
<thead>
<tr>
<th>Amendment</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>J.002</td>
<td>Staff-prepared appropriation amendment</td>
</tr>
</tbody>
</table>

Current Appropriations Clause in Bill
The bill includes an appropriation clause that provides a total of $2,504,276 General Fund to the Department of Revenue for FY 2022-23, which is based on an assumption that the department will require an additional 3.5 FTE. Of this amount, $2,111,100 is reappropriated to the Department of Personnel and Administration.

Description of Amendments in This Packet
J.002 Staff has prepared amendment J.002 (attached) to change the existing clause to align with
the Legislative Council Staff Revised Fiscal Note. The new appropriation would provide $2,578,995 General Fund to the Department of Revenue for FY 2022-23, which is based on an assumption that the department will require an additional 11.5 FTE. Of this amount, $1,715,635 is reappropriated to the Department of Personnel and Administration.

**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 $2,578,995 for FY 2022-23, reducing the $900.0 million set aside by $2,965,844 in order to maintain a 15.0 percent statutory General Fund reserve.

**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. This amount must be refunded to taxpayers out of the General Fund. This bill is estimated to decrease General Fund revenues by $30 - $40 million in FY 2022-23, which will result in a decrease in the TABOR surplus liability of an equal amount.