

**JBC STAFF FISCAL ANALYSIS
SENATE APPROPRIATIONS COMMITTEE**

CONCERNING MEASURES TO ADVANCE THE USE OF CLEAN HYDROGEN IN THE STATE, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.

Prime Sponsors: Reps. Titone and Vigil
Sens. Cutter and Priola

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Date Prepared: May 5, 2023

Appropriation Items of Note

Appropriation Already Added to Bill, Amendment in Packet

General Fund/TABOR Impact

Significant Cost Increase in Second Year

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 05/02/23.

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.002	Staff-prepared appropriation amendment

Current Appropriations Clause in Bill

The bill includes an appropriation clause that appropriates \$360,758 cash funds from the Public Utilities Commission Fixed Utility Fund to the Department of Regulatory Agencies for FY 2023-24. Of that amount, \$95,166 is reappropriated to the Department of Law. This clause also states that the appropriation is based on the assumption that the Department of Regulatory Agencies will require an additional 3.0 FTE and the Department of Law will require an additional 0.5 FTE. The clause also appropriates \$12,861 General Fund to the Department of Revenue. This amount is reappropriated to the Department of Personnel. The Revised Fiscal Note identifies a required appropriation to the

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Department of Regulatory Agencies of \$319,828 and an associated 2.5 FTE, a decrease of \$40,930, and an associated 0.5 FTE, from the appropriation currently included in the bill.

Description of Amendments in This Packet

J.002 Staff has prepared amendment **J.002** (attached) to modify the existing appropriation clause to appropriate a total of \$319,828 cash funds from the Public Utilities Commission Fixed Utility Fund to the Department of Regulatory Agencies and 2.5 FTE for FY 2023-24.

Points to Consider

General Fund Impact

The Joint Budget Committee has proposed a budget package for FY 2023-24 based on the March 2023 Office of State Planning and Budgeting (OSPB) revenue forecast. The budget package includes two set-asides for legislation outside of the package: (1) \$30.0 million General Fund for bills that create ongoing obligations; and (2) \$469.0 million for bills that create one-time obligations for FY 2023-24 (see table below).

General Fund Appropriation Placeholders for Other 2023 Legislation	
Description	FY 2023-24
Legislation with Ongoing Fiscal Impacts	\$30,000,000
Legislation with One-time Fiscal Impacts	
Workforce-related legislation, including free credentials, math scholarships, adult education, and concurrent enrollment	103,000,000
Housing-related legislation, including property tax relief, land use, and public-private partnerships	221,000,000
Legislation related to topics other than workforce and housing, including rural opportunity, line of duty loss, and Proposition 122 implementation	145,000,000
Subtotal	\$469,000,000
TOTAL Placeholders for Other 2023 Legislation	\$499,000,000

The budget package accounts for the 15.0 percent reserve associated with the above placeholders (a total of \$74.9 million).

This bill creates a one-time obligation and requires a General Fund appropriation of \$12,861 for FY 2023-24, reducing the \$30.0 million set aside by the same amount. Additionally, the bill requires General Fund appropriations of \$201,047 in FY 2024-25 and \$152,238 in FY 2025-26.

TABOR/ Excess State Revenues Impact

The March 2023 Office of State Planning and Budgeting (OSPB) revenue forecast projects a TABOR surplus liability of \$720.9 million for FY 2023-24 and \$1.2 billion for FY 2024-25 to be

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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 \$30.0 million General Fund for ongoing appropriations and \$469.0 million General Fund for bills that create one-time obligations in FY 2023-24.

This bill is estimated to increase cash fund revenues by \$366,223 in FY 2023-24 and by \$355,614 in FY 2024-25 and future years, but decrease General Fund revenues by up to \$2.5 million in FY 2023-24 and by up to \$5.0 million by FY 2024-25 and by up to \$6.0 million in future years. Total revenue is expected to decrease by up to \$2.1 million in FY 2023-24 and up to \$4.6 million in FY 2024-25, reducing the TABOR surplus liability by equal amounts.