

**JBC STAFF FISCAL ANALYSIS
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING MEASURES TO PROMOTE REDUCTIONS IN GREENHOUSE GAS EMISSIONS IN COLORADO, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.

Prime Sponsors: Senator Hansen
Reps. McCormick and Sirota

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Appropriation Items of Note

Appropriation Already Added to Bill, Amendments 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 04/25/23.

	No Change: Attached LCS Fiscal Note accurately reflects the fiscal impact of the bill
XXX	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

The Legislative Council Staff Revised Fiscal Note identifies an appropriation to the Department of Natural Resources of \$265,030 cash funds and 2.4 FTE. Due to updated information, Legislative Council Staff and JBC Staff agree that the Department of Natural Resources requires an appropriation of \$338,270 and 3.2 FTE, an increase of \$73,240 and 0.8 FTE above the amount assumed in the Revised Fiscal Note.

Amendments in This Packet for Consideration by Appropriations Committee

Amendment	Description
J.002	Staff-prepared appropriation amendment
L.053	Bill Sponsor amendment - does not change fiscal impact
L.060	Bill Sponsor amendment - does not change fiscal impact

Current Appropriations Clause in Bill

The bill includes an appropriation clause that adds a provision appropriating a total of \$387,785 General Fund, \$191,790 cash funds, and \$158,610 reappropriated funds as follows:

- \$288,016 General Fund to the Department of Public Health and Environment, based on an assumption that the Department will require an additional 1.4 FTE;
- \$99,769 General Fund to the Department of Revenue, based on an assumption that the Department will require an additional 0.7 FTE; and
- \$191,790 cash funds from the Oil and Gas Conservation and Environmental Response Fund to the Department of Natural Resources, based on an assumption that the Department will require an additional 1.6 FTE.
- \$158,610 reappropriated funds to the Department of Law, including \$137,462 originating from the Department of Public Health and Environment and \$21,148 originating from the Department of Natural Resources. This appropriation is based on the assumption that the Department of Law will require an additional 0.8 FTE.

This appropriation no longer aligns with the fiscal impact of the bill as a result of amendments passed in the House Energy & Environment Committee on 04/20/23.

Description of Amendments in This Packet

J.002 Staff has prepared amendment **J.002** (attached) to replace the existing appropriation clause with a provision appropriating a total of \$338,270 cash funds and \$48,758 General Fund as follows:

- \$338,270 cash funds from the Oil and Gas Conservation and Environmental Response Fund to the Department of Natural Resources, which is based on an assumption that the Department will require an additional 3.2 FTE;
- \$14,706 General Fund to the Department of Public Health and Environment, based on an assumption that the Department will require an additional 0.2 FTE; and
- \$34,052 General Fund to the Department of Revenue.
- Additionally, the amendment reappropriates \$21,148 originating from the Department of Natural Resources to the Department of Law, based on an assumption that the Department of Law will require an additional 0.1 FTE.

L.053 Bill Sponsor amendment **L.053** (attached) adds a provision that aligns the Colorado Electric Transmission Authority's fiscal year with the State's fiscal year. Legislative Council Staff and JBC Staff agree that the amendment does not change the fiscal impact of the bill.

L.060 Bill Sponsor amendment **L.060** (attached) adds a provision that removes the components of the bill related to advance payment of the lawn equipment tax credit. The amendment also allows a qualified retailer to retain up to 3.0 percent of the tax credit for administrative costs. Legislative Council Staff and JBC Staff agree that the amendment does not change the fiscal impact of the bill.

The Committee should adopt J.002 irrespective of if it adopts L.053 and/or L.060.

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 an ongoing obligation and requires a General Fund appropriation of \$48,758 for FY 2023-24, reducing the \$30.0 million set aside by the same amount.

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. These sums must be refunded to taxpayers out of the General Fund. This bill is estimated to decrease General Fund revenues by \$5.4 million in FY 2023-24 and by \$11.2 million in FY 2024-25, which will result in a decrease in the TABOR surplus liability of equal amounts.