

**JBC STAFF FISCAL ANALYSIS
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING THE ADMINISTRATION OF THE EXISTING RETAIL DELIVERY FEES COLLECTED BY THE DEPARTMENT OF REVENUE, AND, IN CONNECTION THEREWITH, MAKING AND REDUCING AN APPROPRIATION.

Prime Sponsors: Sens. Fenberg and Van Winkle
Reps. Kipp and Soper

JBC Analyst: Andrea Uhl
Phone: 303-866-4956
Date Prepared: April 11, 2023

Appropriation Items of Note

Appropriation Already Added to Bill, Amendment in Packet

TABOR Impact

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 02/16/23.

	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 reengrossed bill includes committee amendments adopted by the Senate on second reading (03/03/23). Legislative Council Staff and JBC Staff agree that the committee amendments do not change the fiscal impact of the bill.

Legislative Council Staff has updated the assumed passage date of the bill to June 1, 2023 instead of April 1, 2023, as originally reflected in the Fiscal Note dated 02/16/23, which is when the small business exemption goes into effect. This changes the reduction to the FY 2022-23 Long Bill appropriation to the Department of Transportation for Multimodal Transportation Projects to \$9,494 and for the Clean Transit Enterprise to \$11,340.

Amendments in This Packet for Consideration by Appropriations Committee

Amendment	Description
J.002	Staff-prepared appropriation amendment
L.001	Bill Sponsor amendment - does not change fiscal impact

Current Appropriations Clause in Bill

The bill includes an appropriation clause that:

- Reduces the FY 2022-23 Long Bill appropriation to the Department of Transportation for Multimodal Transportation Projects by \$28,482 from the Multimodal Transportation and Mitigation Options Fund and for the Clean Transit Enterprise by \$34,020 from the Clean Transit Enterprise Fund;
- Reduces the FY 2023-24 Long Bill appropriation to the Department of Transportation for Multimodal Transportation Projects by \$125,933 from the Multimodal Transportation and Mitigation Options Fund and for the Clean Transit Enterprise by \$150,422 from the Clean Transit Enterprise Fund; and
- Appropriates \$17,086 from the DRIVES Cash Fund to the Department of Revenue for FY 2023-24.

Description of Amendments in This Packet

J.002 Staff has prepared amendment **J.002** (attached) to change the existing appropriation clause to reflect the updated assumption that the bill will be passed on June 1, 2023 instead of April 1, 2023. The bill's estimated passage date changes the number of months the small business exemption will be in effect in FY 2022-23 from three months to one month. Amendment **J.002** changes the reduction to the FY 2022-23 Long Bill appropriation to the Department of Transportation for Multimodal Transportation Projects to \$9,494 from the Multimodal Transportation and Mitigation Options Fund and for the Clean Transit Enterprise to \$11,340 from the Clean Transit Enterprise Fund.

L.001 Bill Sponsor amendment **L.001** (attached) changes the effective date of the bill from April 1, 2023 to July 1, 2023, except that the small business exemption will go into effect upon the bill's passage.

The Committee should adopt amendment J.002 regardless of whether it adopts L.001.

Points to Consider

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 refunded to taxpayers out of the General Fund. Legislation that increases non-exempt revenue (such

SB23-143**JBC Staff Analysis**

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 decrease cash fund revenues subject to TABOR by \$77,221 in FY 2022-23, \$425,394 in FY 2023-24, and \$461,363 in FY 2024-25, which will increase the available General Fund in each fiscal year by equal amounts. This bill reduces the TABOR refund made out of the General Fund by \$425,934 for FY 2023-24, increasing the amount of General Fund available for other purposes in FY 2023-24 by the same amount.