

**JBC STAFF FISCAL ANALYSIS
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING STATE LAND USE REQUIREMENTS, AND, IN CONNECTION THEREWITH, ESTABLISHING A PROCESS TO DIAGNOSE AND ADDRESS HOUSING NEEDS ACROSS THE STATE, PROHIBITING A LOCAL GOVERNMENT FROM ENFORCING CERTAIN OCCUPANCY LIMITS, MODIFYING THE CONTENT REQUIREMENTS FOR COUNTY AND MUNICIPAL MASTER PLANS, CRITERIA FOR CERTAIN GRANT PROGRAMS, AND EXPENDITURES FROM THE MULTIMODAL TRANSPORTATION OPTIONS FUND TO ALIGN WITH STATE STRATEGIC GROWTH OBJECTIVES, AND MAKING AN APPROPRIATION.

Prime Sponsors: Senator Moreno
Reps. Jodeh and Woodrow

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Appropriation Items of Note

Appropriation Already Added to Bill, Amendments in Packet

General Fund 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 05/01/23.

	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 Transportation, Housing & Local Government Committee Report (05/02/23) includes 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.

The Legislative Council Staff Revised Fiscal Note (05/01/23) estimates expenditures for the Department of Local Affairs for FY 2023-24 and FY 2024-25. The reengrossed bill includes language that allows the Department of Local Affairs to spend the \$15.0 million appropriation from the Housing Plans Assistance Fund over multiple years; this language was unchanged by amendments in the Transportation, Housing & Local Government Committee Report (05/02/23). Therefore, JBC staff assumes the full \$15.0 million should be appropriated in FY 2023-24 with authority to expend remaining funds through FY 2025-26.

Amendments in This Packet for Consideration by Appropriations Committee

Amendment	Description
J.005	Staff-prepared appropriation amendment
L.139, L.141	Bill Sponsor amendment - does not change fiscal impact

Current Appropriations Clause in Bill

The bill includes an appropriation clause that:

- Appropriates \$15.0 million from the General Fund to the Housing Plans Assistance Fund created in the bill for FY 2023-24.
- Appropriates a total of \$15,102,556 to the Department of Local Affairs for FY 2023-24, including \$102,556 General Fund and \$15,000,000 reappropriated funds from the Housing Plans Assistance Fund. This provision also states that the appropriation is based on the assumption that the Department will require an additional 11.5 FTE, and that the appropriation from the Housing Plans Assistance Fund remains available for further expenditure through the 2025-26 state fiscal year.
- Appropriates \$78,529 General Fund to the Department of Natural Resources for FY 2023-24. This provision also states that the appropriation is based on the assumption that the Department of Natural Resources will require an additional 0.9 FTE.
- Appropriates \$27,001 General Fund to the Colorado Energy Office in the Office of the Governor. This provision also states that the appropriation is based on the assumption that the Office will require an additional 0.2 FTE.

Description of Amendments in This Packet

J.005 Staff has prepared amendment **J.005** (attached) to strike the existing appropriation clause and replace it with a clause based on the Legislative Council Staff Revised Fiscal Note (05/01/23). Amendment **J.005** includes the following provisions:

- Appropriates a total of \$15,000,000 General Fund to the Housing Plans Assistance Fund in the Department of Local Affairs.
- Appropriates a total of \$15,000,000 reappropriated funds from the Housing Plans Assistance Fund to the Department of Local Affairs. This provision also states that the appropriation is based on the assumption that the Department will require an additional 11.5 FTE, and that the appropriation remains available for further expenditure through the 2025-26 state fiscal year. The revised appropriation to the Department of Local Affairs would represent a reduction of \$102,556 General Fund below the existing appropriation clause in the bill.
- Appropriates a total of \$2,788,292 to the Department of Natural Resources, including \$84,939 General Fund and \$2,703,353 cash funds from the Colorado Water Conservation Board Construction Fund. This provision also states that the appropriation is based on the assumption that the Department of Natural Resources will require an additional 1.0 FTE. This provision represents an increase of \$6,410 General Fund and 0.1 FTE above the existing appropriation clause to align with the Revised Fiscal Note.
- Appropriates a total of \$29,455 General Fund to the Colorado Energy Office in the Office

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of the Governor. This provision also states that the appropriation is based on the assumption that the Office will require an additional 0.3 FTE. This provision represents an increase of \$2,454 General Fund and 0.1 FTE above the existing appropriation to the Colorado Energy Office.

- Appropriates a total of \$100,000 General Fund to the Office of Climate Preparedness in the Office of the Governor. This is a new provision and an increase of \$100,000 General Fund above the existing appropriation clause.
- Appropriates a total of \$53,896 General Fund to the Legislative Department. This provision also states that the appropriation is based on the assumption that the Department will require an additional 0.5 FTE. This is also a new provision.

In total, amendment **J.005** represents a net increase of \$60,204 General Fund and \$2,703,353 cash funds from the Colorado Water Conservation Board Construction Fund above the existing appropriation clause in the bill.

L.139 Bill Sponsor amendment **L.139** (attached) makes several changes to the bill that do not affect the fiscal impact.

L.141 Bill Sponsor amendment **L.141** (attached) specifies that the Housing Plans Assistance Fund is to be used for the implementation of the whole Article 33 instead of just the grant program created in Section 29-33-113 of the reengrossed bill.

The Committee should adopt **J.005** regardless of whether it adopts amendment **L.139** or **L.141**.

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

General Fund Appropriation Placeholders for Other 2023 Legislation	
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).

The JBC has included as part of its FY 2023-24 budget package \$221,000,000 General Fund for housing-related legislation with one-time fiscal impacts, which includes this bill. This bill includes a one-time General Fund appropriation of \$15,000,000 million to the Housing Plans Assistance Fund in the Department of Local Affairs. This bill creates an ongoing obligation and requires a General Fund appropriation of \$268,290 for FY 2023-24, reducing the \$30.0 million set aside by the same amount. The General Fund impact for FY 2024-25 is estimated at \$190,005 for the Department of Natural Resources, Governor's Office, and Legislative Department. The ongoing General Fund impact for the Department of Local Affairs is unknown at this time.