

**JBC STAFF FISCAL ANALYSIS
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING ENERGY AND CARBON MANAGEMENT REGULATION IN COLORADO, AND, IN CONNECTION THEREWITH, CHANGING THE NAME OF THE OIL AND GAS CONSERVATION COMMISSION TO THE ENERGY AND CARBON MANAGEMENT COMMISSION, BROADENING THE COMMISSION'S REGULATORY AUTHORITY TO INCLUDE THE REGULATION OF CERTAIN GEOTHERMAL RESOURCE OPERATIONS AND INTRASTATE UNDERGROUND NATURAL GAS STORAGE FACILITIES, AND MAKING AN APPROPRIATION.

Prime Sponsors: Sens. Priola and Hansen
Reps. McCormick and Dickson

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Date Prepared: May 1, 2023

Appropriation Items of Note

Appropriation Already Added to Bill, No Amendment in Packet

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 04/21/23.

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

The reengrossed bill passed by the Senate on second reading (04/24/23) 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.

Amendments in This Packet for Consideration by Appropriations Committee

Amendment	Description
None.	

Current Appropriations Clause in Bill

The bill includes an appropriations clause that appropriates \$1,200,480 cash funds from the Energy and Carbon Management Cash Fund to the Department of Natural Resources for FY 2023-24, and a total of \$91,623 reappropriated funds, including \$84,592 to the Department of Law and \$7,031 to the Department of Natural Resources of FY 2023-24. The provision also states that the appropriation

is based on the assumption that the Department of Natural Resources will require an additional 7.0 FTE and the Department of Law will require an additional 0.4 FTE.

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 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 an indeterminate amount in FY 2023-24 and ongoing, which will reduce the available General Fund in each fiscal year by equal amounts. The amount is dependent upon the amount of three new fees authorized by this bill, which may be set through rulemaking. This bill will increase the TABOR refund made out of the General Fund by that amount for FY 2023-24, reducing the \$30.0 million General Fund set aside for FY 2023-24 by the same amount.