

**JBC STAFF FISCAL ANALYSIS
SENATE APPROPRIATIONS COMMITTEE**

CONCERNING A NEW EXCISE TAX RELATED TO FIREARMS, AND, IN CONNECTION THEREWITH, CONTINGENT ON VOTER APPROVAL OF THE NEW TAX AND THE RETENTION BY THE STATE OF ALL REVENUE GENERATED BY THE NEW TAX AT THE 2024 GENERAL ELECTION, LEVYING AN EXCISE TAX ON THE NET TAXABLE SALES OF GUN DEALERS, GUN MANUFACTURERS, AND AMMUNITION VENDORS FROM THE RETAIL SALE IN THIS STATE OF ANY FIREARM, FIREARM PRECURSOR PART, OR AMMUNITION, REQUIRING THE EXCISE TAX REVENUE TO BE SPENT FOR MENTAL HEALTH SERVICES, INCLUDING FOR AT-RISK YOUTH AND MILITARY VETERANS, SCHOOL SAFETY AND GUN VIOLENCE PREVENTION, AND SUPPORT SERVICES FOR VICTIMS OF DOMESTIC VIOLENCE AND OTHER VIOLENT CRIMES, AND MAKING AN APPROPRIATION.

Prime Sponsors: Reps. Duran and Froelich
Sens. Hansen and Buckner

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Date Prepared: May 5, 2024

Appropriation Items of Note

Appropriation Already Added to Bill, Amendment in Packet

General Fund 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 05/05/24.

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
L.023	Bill Sponsor amendment - changes fiscal impact but not appropriation

Current Appropriations Clause in Bill

The bill includes an appropriation clause that provides \$383,027 General Fund to the Department of Revenue for FY 2024-25. Of this amount, \$172,827 is reappropriated to the Department of Law. The appropriation to the Department of Revenue is based on an assumption that the Department will require an additional 0.4 FTE. The reappropriation to the Department of Law is based on an assumption that the Department will require an additional 0.8 FTE. This appropriation is contingent on the approval of the ballot measure put forth by the bill pursuant to Section 39-37-201 (2), C.R.S.

Description of Amendments in This Packet

L.023 Bill Sponsor amendment **L.023** (attached) reduces the transfer from the Firearms and Ammunition Excise Tax Cash Fund to the Behavioral and Mental Health Cash Fund managed by the Behavioral Health Administration from \$9.0 million, as amended in the Senate Finance Committee Report, to \$8.0 million.

The amendment also increases the transfer from the Firearms and Ammunition Excise Tax Cash Fund to the School Security Disbursement Program Cash Fund managed by the Department of Public Safety from \$0.0 million, as amended in the Senate Finance Committee Report, to \$1.0 million. This transfer would occur after the requirement to transfer \$8.0 million to the Behavioral and Mental Health Cash Fund is met.

Lastly, the amendment reduces the amount used for continuing and expanding the veterans mental health services program from \$6.0 million, as amended in the Senate Finance Committee Report, to \$5.0 million, as provided in the reengrossed version of the bill.

Points to Consider

General Fund Impact

This bill requires a General Fund appropriation of \$383,027 for FY 2024-25. However, the bill also includes a provision that neutralizes this General Fund impact by requiring a transfer from the Firearms and Ammunition Excise Tax Cash Fund to the General Fund on June 30, 2025 in the amount required to implement the bill (see page 21, lines 16 through 21 of the reengrossed bill).