

**JBC STAFF FISCAL ANALYSIS
SENATE APPROPRIATIONS COMMITTEE**

CONCERNING MEASURES TO ADDRESS OZONE LEVELS IN AREAS THAT DO NOT MEET FEDERAL OZONE NATIONAL AMBIENT AIR QUALITY STANDARDS.

Prime Sponsors: Senator Kirkmeyer

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Appropriation Items of Note

Appropriation Required, Amendment 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 04/29/24.

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

The Finance Committee Report (04/30/24) 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
J.001	Staff-prepared appropriation amendment
L.018	Bill Sponsor amendment - does not change fiscal impact
L.017/J.002	Bill Sponsor amendment - changes fiscal impact <i>and</i> appropriation

Current Appropriations Clause in Bill

The bill requires but does not contain an appropriation clause.

Description of Amendments in This Packet

J.001 Staff has prepared amendment **J.001** (attached) to add a provision appropriating a total of \$742,009 to the Department of Public Health and Environment for FY 2024-25, including \$642,009 General Fund and \$100,000 cash funds from the Nonattainment Area Air Pollution Mitigation Enterprise Fund. Furthermore, the Department of Revenue is appropriated \$15,897 from the Nonattainment Area Air Pollution Mitigation Enterprise Fund. Of this amount, \$297 is further appropriated to the Office of Information Technology. This provision also states that the appropriation is based on the assumption that the Department of Public Health and Environment will require an additional 2.6 FTE and the Department of Revenue will require and additional 0.3 FTE.

L.018 Bill Sponsor amendment **L.018** (attached) directs the Departments to implement the act within existing appropriations. Legislative Council Staff and JBC Staff agree that this does not change the fiscal impact of the bill.

L.017 and J.002

Bill Sponsor amendment **L.017** (attached) implements the photochemical modeling requirement in FY 2025-26, reducing the fiscal impact for FY 2024-25. Amendment **L.017** eliminates the General Fund appropriation for FY 2024-25. Bill sponsor amendment **J.002** (attached) appropriates a total of \$115,897 cash funds from the Nonattainment Area Air Pollution Mitigation Enterprise Fund for FY 2024-25, including \$100,000 to the Department of Public Health and Environment and \$15,897 to the Department of Revenue. Of the amount appropriated to the Department of Revenue, \$297 is further appropriated to the Office of Information Technology. This provision also states that the appropriation is based on the assumption that the Department of Public Health and Environment will require an additional 2.6 FTE and the Department of Revenue will require and additional 0.3 FTE.

The Committee should adopt J.001 OR L.018 OR L.017 and J.002

Points to Consider

General Fund Impact

The Joint Budget Committee has proposed a budget package for FY 2024-25 based on the March 2024 Office of State Planning and Budgeting (OSPB) revenue forecast. The budget package includes \$63.1 million in set-asides for legislation outside of the package (see table below). The budget package accounts for the 15.0 percent reserve associated with the placeholders (a total of \$9.5 million).

General Fund Appropriation Placeholders for Other 2024 Legislation	
Description	FY 2024-25
General Legislative Priorities	\$21,739,130

General Fund Appropriation Placeholders for Other 2024 Legislation	
Legislation for Shared Housing Priorities	12,043,478
Legislation for Shared Workforce and Education Priorities	16,152,110
Legislation for Other Shared Priorities	10,519,130
Legislation for Distributions to Rural Hospitals	2,608,689
TOTAL Placeholders for Other 2024 Legislation	\$63,062,537

This bill requires a General Fund appropriation of \$642,009 for FY 2024-25, reducing the \$63.1 million set aside by the same amount. If **L.017** and **J.002** are adopted, there is no General Fund appropriation required for FY 2024-25.

TABOR/ Excess State Revenues Impact

The March 2024 Office of State Planning and Budgeting (OSPB) revenue forecast projects a TABOR surplus liability of \$1.3 billion for FY 2024-25 and \$1.8 billion for FY 2025-26 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 \$63.1 million General Fund for appropriations in FY 2024-25.

The bill is estimated to increase cash fund revenues by \$120,589 in FY 2024-25 and by \$63,190 in FY 2025-26, which will reduce the available General Fund in each fiscal year by equal amounts. This bill increases the TABOR refund made out of the General Fund by \$120,589 for FY 2024-25, reducing the \$63.1 million General Fund set aside for FY 2024-25 by the same amount.