

**JBC STAFF FISCAL ANALYSIS
SENATE APPROPRIATIONS COMMITTEE**

CONCERNING ECONOMIC MEASURES RELATED TO COAL TRANSITION COMMUNITIES, AND, IN CONNECTION THEREWITH, CREATING AN INCOME TAX CREDIT FOR QUALIFIED COSTS INCURRED IN THE USE OF CERTAIN FREIGHT RAIL LINES; CREATING AN INCOME TAX CREDIT FOR QUALIFIED COSTS INCURRED IN THE MAINTENANCE, OPERATION, AND IMPROVEMENT OF CERTAIN RAIL LINES; EXPANDING THE RURAL OPPORTUNITY OFFICE'S DUTIES IN RELATION TO COAL TRANSITION COMMUNITIES; ALLOWING COAL TRANSITION COMMUNITIES TO QUALIFY AS ENTERPRISE ZONES AND ENHANCED RURAL ENTERPRISE ZONES; RESTRICTING THE LENGTH OF CONTRACTS THAT ALLOW USE OF THE MOFFAT TUNNEL; AND RESTRICTING THE ABILITY TO PURCHASE REAL PROPERTY INTERESTS OF THE MOFFAT TUNNEL IMPROVEMENT DISTRICT.

Prime Sponsors: Senator Roberts
Reps. Lukens and McCluskie

JBC Analyst: Scott Thompson
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Date Prepared: April 15, 2024

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 Fiscal Note (attached) reflects the fiscal impact of the bill as of 04/05/24.

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

The Senate Finance Committee Report (04/09/24) 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

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 \$215,021 General Fund to the Office of Economic Development and International Trade in the Office of the Governor for FY 2024-25. This provision also states that the appropriation is based on the assumption that the Department will require an additional 1.5 FTE.

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 \$93.5 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 \$14.0 million).

General Fund Appropriation Placeholders for Other 2024 Legislation	
Description	FY 2024-25
General Legislative Priorities	\$21,739,130
Legislation for Shared Housing Priorities	42,478,261
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	\$93,497,320

This bill requires a General Fund appropriation of \$215,021 for FY 2024-25, reducing the \$93.5 million set aside by the same amount.

Future Fiscal Impact

This bill will is estimated to reduce General Fund revenues by \$1.4 million in FY 2025-26, by \$5.4 million in FY 2026-27, and by \$8.2 million in FY 2027-28, reducing the amount of General Fund available for other purposes.

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

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refunded to taxpayers out of the General Fund. These sums must be refunded to taxpayers out of the General Fund. This bill is estimated to decrease General Fund revenues by an estimated \$1.4 million in FY 2025-26, which will result in a decrease in the TABOR surplus liability.