

JBC Staff Fiscal Analysis
Senate Appropriations Committee

Concerning expanding the scope of the "Battery Stewardship Act" to cover the end-of-life management of electric vehicle batteries.

Prime Sponsors:

Senator Wallace; Cutter
Representative Brown; Stewart R.

Date Prepared:

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Fiscal Impacts

Appropriation Not Required, Amendment in Packet
General Fund and TABOR Impact
Significant Appropriation Increase in Second Year

Fiscal Note Status

The most recent Legislative Council Staff Revised Fiscal Note (attached) reflects the fiscal impact of the bill as of 03/26/26.

No Change: Attached LCS Fiscal Note accurately reflects the fiscal impact of the bill.

Amendments in This Packet

L.002 Bill Sponsor amendment – changes the future fiscal impact.

Current Appropriations Clause in Bill

The bill neither requires nor contains an appropriation clause for FY 2026-27.

Description of Amendments in This Packet

L.002

Bill Sponsor amendment **L.002** (attached) reduces the fiscal impact in future years by allowing providers to consolidate plans, removing the requirement for the department to review the plan, and streamlining rulemaking by establishing a specific fee level. JBC Staff and Legislative Council Staff agree that the amendment reduces the fiscal impact of the bill, beginning in FY 2027-28.

Points to Consider

The Joint Budget Committee (JBC) has proposed a budget package for FY 2026-27 based on the March 2026 Office of State Planning and Budgeting (OSP) revenue forecast. The forecast does not anticipate a TABOR surplus liability for FY 2025-26, but does anticipate a surplus liability of \$711.1 million for FY 2026-27 and \$515.6 million in FY 2027-28 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.

Future Fiscal Impact

Increases in cash fund expenditures require either an increase in fee or assessment revenue or a draw-down of existing reserve balance. Eventually, the cash fund will have to generate revenue on an ongoing basis to sustainably pay for an ongoing expenditure. In a TABOR refund year, cash fund revenue increases require a TABOR refund paid from the General Fund of an equal amount.

Although this bill does not require an appropriation for FY 2026-27, it includes cash fund expenditures that increase by \$200,000 and 2.6 FTE for FY 2027-28. Additionally, the bill is projected to require a General Fund appropriation of \$117,574 in FY 2027-28.

Should the Committee adopt **L.002**, the future General Fund impact is eliminated, while the cash fund expenditures would be reduced by an estimated \$41,000 and 2.0 FTE.

TABOR/ Excess State Revenues Impact

This bill is estimated to increase cash fund revenues by \$200,000 in FY 2027-28, which will reduce the available General Fund for the fiscal year by an equal amount, should the state be above the TABOR cap for FY 2027-28.

Should the Committee adopt **L.002**, fee revenue would be reduced by an estimated \$112,900, reducing the future TABOR refund obligation to be paid out of General Fund by the same amount.