

**JBC STAFF FISCAL ANALYSIS
SENATE APPROPRIATIONS COMMITTEE**

CONCERNING TOBACCO PRODUCTS, AND, IN CONNECTION THEREWITH, PROHIBITING THE DISTRIBUTION OF FLAVORED CIGARETTES, TOBACCO PRODUCTS, OR NICOTINE PRODUCTS, AMENDING THE DEFINITION OF CIGARETTE, TOBACCO PRODUCT, OR NICOTINE PRODUCT TO INCLUDE PRODUCTS CONTAINING SYNTHETIC NICOTINE, PROHIBITING THE DISTRIBUTION OF SYNTHETIC NICOTINE PRODUCTS, AND DIRECTING THE PREVENTION SERVICES DIVISION IN THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT TO CONVENE A WORKING GROUP TO DEVELOP AND IMPLEMENT A GRANT PROGRAM TO ADDRESS THE NEEDS OF COMMUNITIES DISPROPORTIONATELY IMPACTED BY TOBACCO AND NICOTINE MARKETING, SALES, AND USE.

Prime Sponsors: Reps. Mullica and Bacon
Sens. Priola and Fields

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Date Prepared: May 9, 2022

Appropriation Items of Note

Appropriation Not Required, No Amendment in Packet

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 05/06/22.

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 (05/09/22) 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 neither requires nor contains an appropriation clause for FY 2022-23.

Points to Consider*Future Fiscal Impact*

Although this bill would not require a General Fund appropriation for FY 2022-23, it is projected to require General Fund appropriations of \$1.6 million in FY 2023-24 and \$3.2 million in FY 2024-25.

TABOR/ Excess State Revenues Impact

The March 2022 Legislative Council Staff (LCS) revenue forecast projects a TABOR surplus liability of \$1.6 billion for FY 2022-23 and \$622.6 million for FY 2023-24 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 \$46.0 million General Fund for ongoing appropriations, (\$40.0 million plus \$6.0 million for a 15.0 percent General Fund reserve) and \$900.0 million General Fund for bills that create one-time obligations in FY 2022-23.

This bill will reduce General Fund revenues by an estimated \$2.0 million in FY 2023-24 and by \$4.0 million in FY 2024-25, reducing the amount of General Fund available for other purposes.