

**JBC STAFF FISCAL ANALYSIS  
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING THE REGULATION OF WATER QUALITY IN THE STATE.

Prime Sponsors: Reps. Benavidez and Valdez A.

JBC Analyst: Andrew Forbes

Phone: 303-866-2062

Date Prepared: April 27, 2022

**Appropriation Items of Note**

**Appropriation Required, Amendment in Packet**

**General Fund 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 03/30/22.

<b>XXX</b>	<b>No Change:</b> Attached LCS Fiscal Note accurately reflects the fiscal impact of the bill
	<b>Update:</b> Fiscal impact has changed due to <i>new information or technical issues</i>
	<b>Update:</b> Fiscal impact has changed due to <i>amendment adopted</i> after LCS Fiscal Note was prepared
	<b>Non-Concurrence:</b> JBC Staff and Legislative Council Staff disagree about the fiscal impact of the bill

The House Energy & Environment Committee Report (04/06/22) 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**

<b>Amendment</b>	<b>Description</b>
J.001	Staff-prepared appropriation amendment
L.003	Bill Sponsor amendment - changes fiscal impact <i>and</i> appropriation
L.004	Bill Sponsor amendment - does not change fiscal impact

**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 \$271,798 General Fund to the Department of Public Health and Environment for FY 2022-23. This provision also states that the appropriation is based on the assumption that the Department will require an additional 1.8 FTE.

**L.003** Bill Sponsor amendment **L.003** (attached) pushes back the requirements of the Water Quality Commission from January 1, 2023 to July 1, 2023. This pushes fiscal impact of the bill back to begin in FY 2023-24. The adoption of **L.003** will eliminate the need for **J.001** as there will be no appropriation needed for FY 2022-23.

**L.004** Bill Sponsor amendment **L.004** (attached) adds language clarifying that proceedings that are brought by the Department are referred to in section 6 of the bill. Adoption of **L.004** does not change the fiscal impact of the bill.

**If the Committee adopts L.003 it should not adopt J.001.**

**Points to Consider***General Fund Impact*

The Joint Budget Committee has proposed a budget package for FY 2022-23 based on the March 2022 Legislative Council Staff revenue forecast. The budget package includes two set-asides:

- \$40.0 million General Fund for bills that create ongoing obligations; and
- \$900.0 million General Fund for bills that create one-time obligations in FY 2022-23.

The \$40.0 million *appropriations* set-aside includes an additional \$6.0 million General Fund to provide a 15.0 percent General Fund reserve for those appropriations. The \$900.0 million *obligations* set-aside does not include an additional amount for a General Fund reserve and, assumes, but does not require, that obligations be addressed through statutory transfers rather than appropriations. Therefore *appropriations* from the \$900.0 million set-aside require an additional 15.0 percent to maintain the statutory General Fund reserve.

This bill creates an ongoing obligation and requires a General Fund appropriation of \$271,798 for FY 2022-23, reducing the \$40.0 million set aside by the same amount.

*Future Fiscal Impact*

The adoption of **L.003** eliminates the fiscal impact of the bill in FY 2022-23, however the amended bill will have a General Fund impact of \$310,495 in FY 2023-24.