

**JBC STAFF FISCAL ANALYSIS  
SENATE APPROPRIATIONS COMMITTEE**

CONCERNING THE ABILITY FOR CERTAIN MARIJUANA LICENSEES TO CHANGE THE DESIGNATION OF MARIJUANA FROM MEDICAL TO RETAIL.

Prime Sponsors: Senator Gonzales  
Reps. Valdez A. and Van Winkle

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**Appropriation Items of Note**

**Appropriation Required, Amendment in Packet**

**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 04/11/22.

	<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>XXX</b>	<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 Senate Finance Committee Report (04/13/22) includes amendments to the bill. The amendment changes the effective date from July 1, 2022 to January 1, 2023. This reduces the appropriation required in FY 2022-23 to \$186,821 cash funds from the Marijuana Cash Fund and 2.3 FTE. Legislative Council Staff and JBC Staff agree with this change to the fiscal impact.

**Amendments in This Packet for Consideration by Appropriations Committee**

<b>Amendment</b>	<b>Description</b>
J.001	Staff-prepared appropriation amendment
L.007/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 \$186,821 cash funds from the Marijuana Cash Fund to the Department of Revenue for FY 2022-23. This provision also states that the appropriation is based on the assumption that the Department will require an additional 2.3 FTE.

**L.007 and J.002**

Bill Sponsor amendment **L.007** (attached) makes technical adjustments, strikes the effective date change in the Senate Finance Committee Report, and provides that the changes to this policy begin after January 1, 2023. This amendment changes the fiscal impact to require an appropriation of \$228,510 cash funds from the Marijuana Cash Fund and 2.9 FTE. Appropriation amendment **J.002** (attached) adds a provision appropriating a total of \$228,510 cash funds from the Marijuana Cash Fund to the Department of Revenue for FY 2022-23. This provision also states that the appropriation is based on the assumption that the Department will require an additional 2.9 FTE.

**If the Committee adopts L.007 it should adopt J.002 and not J.001.**

**Points to Consider***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 is estimated to increase cash fund revenues by \$434,684 in FY 2022-23 and by \$384,007 in FY 2023-24, which will reduce the available General Fund in each fiscal year by an equal amount. This bill increases the TABOR refund made out of the General Fund by \$434,684 for FY 2022-23, reducing the \$46.0 million General Fund set aside for FY 2022-23 by the same amount.