

**JBC STAFF FISCAL ANALYSIS
SENATE APPROPRIATIONS COMMITTEE**

CONCERNING AN ADDITIONAL MECHANISM TO REFUND EXCESS STATE REVENUES FOR STATE FISCAL YEAR 2021-22 ONLY THAT PROVIDES A REFUND IN AN IDENTICAL AMOUNT TO EACH QUALIFIED RESIDENT INDIVIDUAL.

Prime Sponsors: Sens. Hinrichsen and Rodriguez
Reps. Exum and Daugherty

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Date Prepared: April 29, 2022

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 04/29/22.

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 Finance Committee Report (04/29/22) 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
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

\$2,504,276 General Fund to the Department of Revenue for FY 2022-23, which is based on an assumption that the department will require an additional 3.5 FTE. Of this amount, \$2,111,100 is reappropriated to the Department of Personnel and Administration.

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 a one-time obligation and requires a General Fund appropriation of \$2,504,276 for FY 2022-23, reducing the \$900.0 million set aside by \$2,879,917 in order to maintain a 15.0 percent statutory General Fund reserve.

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. This amount must be refunded to taxpayers out of the General Fund. This bill is estimated to decrease General Fund revenues by \$30 - \$40 million in FY 2022-23, which will result in a decrease in the TABOR surplus liability of an equal amount.