

**JBC STAFF FISCAL ANALYSIS
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING COMMUNITY REVITALIZATION INCENTIVES FOR THE SUPPORT OF CREATIVE INDUSTRIES, AND, IN CONNECTION THEREWITH, EXTENDING THE COMMUNITY GRANT REVITALIZATION PROGRAM AND CREATING AN INCOME TAX CREDIT FOR EXPENSES INCURRED IN COMPLETING INFRASTRUCTURE THAT SUPPORTS CREATIVE INDUSTRIES AND CREATIVE INDUSTRY WORKERS.

Prime Sponsors: Reps. Titone and Herod
Senator Fenberg

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Appropriation Items of Note

Appropriation Required, Amendment in Packet

General Fund/TABOR Impact

Significant Cost Increase in Second and Third 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 03/07/24.

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

Amendments in This Packet for Consideration by Appropriations Committee

Amendment	Description
J.001	Staff-prepared appropriation amendment
L.002	Bill Sponsor amendment - changes 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 \$102,498 General Fund to the Office of the Governor for FY 2024-25. This provision also states that the appropriation is based on the assumption that the Department will require an additional 0.8 FTE.

L.002 Bill Sponsor amendment **L.002** (attached) limits the total value of tax credits issued annually to \$10.0 million, down from \$16.0 million. This is anticipated to reduce General Fund revenue by \$5.0 million in FY 2025-26 and by \$10.0 million in FY 2026-27 and ongoing.

The Committee should adopt amendment **J.001** regardless of whether it adopts **L.002**.

Points to Consider

General Fund Impact

The Joint Budget Committee has proposed a budget package for FY 2024-25 based on the March 2024 Office of State Planning and Budgeting (OSPB) revenue forecast. The budget package includes \$63.1 million in set-asides for legislation outside of the package (see table below). The budget package accounts for the 15.0 percent reserve associated with the placeholders (a total of \$9.5 million).

General Fund Appropriation Placeholders for Other 2024 Legislation	
Description	FY 2024-25
General Legislative Priorities	\$21,739,130
Legislation for Shared Housing Priorities	12,043,478
Legislation for Shared Workforce and Education Priorities	16,152,110
Legislation for Other Shared Priorities	10,519,130
Legislation for Distributions to Rural Hospitals	2,608,689
TOTAL Placeholders for Other 2024 Legislation	\$63,062,537

This bill requires a General Fund appropriation of \$102,498 for FY 2024-25, reducing the \$63.1 million set aside by the same amount.

TABOR/ Excess State Revenues and Future Fiscal Impact

The March 2024 Office of State Planning and Budgeting (OSPB) revenue forecast projects a TABOR surplus liability of \$1.3 billion for FY 2024-25 and \$1.8 billion for FY 2025-26 to be refunded to taxpayers out of the General Fund. These sums must be refunded to taxpayers out of the General Fund. This bill is estimated to decrease General Fund revenues by \$7.9 million in FY 2025-26 and by \$15.9 million in FY 2026-27, which will result in a decrease in the TABOR surplus

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liability of equal amounts.

If amendment **L.002** is adopted this bill is estimated to decrease General Fund revenues by \$4.9 million in FY 2025-26 and by \$9.9 million in FY 2026-27, which will result in a decrease in the TABOR surplus liability of equal amounts.