

**JBC STAFF FISCAL ANALYSIS
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING A NEW EXCISE TAX RELATED TO FIREARMS, AND, IN CONNECTION THEREWITH, CONTINGENT ON VOTER APPROVAL OF THE NEW TAX AND THE RETENTION BY THE STATE OF ALL REVENUE GENERATED BY THE NEW TAX AT THE 2024 GENERAL ELECTION, LEVYING AN EXCISE TAX ON THE GROSS TAXABLE SALES OF FIREARMS DEALERS, FIREARMS MANUFACTURERS, AND AMMUNITION VENDORS FROM THE RETAIL SALE IN THIS STATE OF ANY FIREARM, FIREARM PRECURSOR PART, OR AMMUNITION AND REQUIRING THE EXCISE TAX REVENUE TO BE SPENT FOR CRIME VICTIM SUPPORT SERVICES, GUN VIOLENCE PREVENTION, SAFE AND LAWFUL GUN USE, AND ENHANCEMENT OF SCHOOL SAFETY.

Prime Sponsors: Representative Duran

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Date Prepared: April 15, 2024

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 Revised Fiscal Note (attached) reflects the fiscal impact of the bill as of 04/09/24.

	No Change: Attached LCS Fiscal Note accurately reflects the fiscal impact of the bill
XXX	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

Technical Issue

The Revised Fiscal Note (04/09/24) identifies a need for an aggregate total of 1.2 FTE, with 0.4 FTE for the Department of Revenue and 0.8 FTE for legal services provided by the Department of Law. However, the Revised Fiscal Note also shows 1.2 FTE for the Department of Revenue with an additional 0.8 FTE reappropriated to the Department of Law for an aggregate total of 2.0 FTE. The correct amount of FTE is an aggregate total of 1.2 FTE, with 0.4 for the Department of Revenue and 0.8 for the Department of Law.

Amendments in This Packet for Consideration by Appropriations Committee

Amendment	Description
J.001	Staff-prepared appropriation amendment
L.004	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 a total of \$383,027 General Fund to the Department of Revenue for FY 2024-25. Of this amount, \$172,827 is reappropriated to the Department of Law. The appropriation to the Department of Revenue is based on an assumption that the Department will require an additional 0.4 FTE. The reappropriation to the Department of Law is based on an assumption that the Department will require an additional 0.8 FTE. This appropriation is contingent on the approval of the ballot measure put forth by the bill pursuant to Section 39-37-201 (2), C.R.S.

L.004 Bill Sponsor amendment **L.004** (attached) requires the State Treasurer to transfer money from the Firearms and Ammunition Excise Tax Cash Fund to the General Fund on June 30, 2025 and June 30, 2026. The amount of the transfer shall be equal to the amount of money used from the General Fund in FY 2024-25 and FY 2025-26 to pay the costs of implementing and administering Article 37, as created in the bill.

The Finance Committee Report (04/01/24) extends the repeal date of the School Security Disbursement Program Cash Fund from July 1, 2024 to July 1, 2032. Amendment **L.004** requires that this section take effect upon passage of the bill. The amendment also makes technical changes to the Finance Committee Report.

The Committee should adopt J.001 regardless of whether it adopts L.004.

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 \$93.5 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 \$14.0 million).

HB24-1349

JBC Staff Analysis

General Fund Appropriation Placeholders for Other 2024 Legislation	
Description	FY 2024-25
General Legislative Priorities	\$21,739,130
Legislation for Shared Housing Priorities	42,478,261
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	\$93,497,320

This bill requires a General Fund appropriation of \$383,027 for FY 2024-25, reducing the \$93.5 million set aside by the same amount. **If adopted, L.004 neutralizes the General Fund impact by requiring a transfer from the Firearms and Ammunition Excise Tax Cash Fund to the General Fund on June 30, 2025 in the amount required to implement the bill.**