

**JBC STAFF FISCAL ANALYSIS
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING REQUIREMENTS TO ENGAGE IN THE BUSINESS OF DEALING IN FIREARMS, AND, IN CONNECTION THEREWITH, ESTABLISHING A STATE FIREARMS DEALER PERMIT.

Prime Sponsors: Reps. Sirota and Boesenecker
Senator Bridges

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Appropriation Items of Note

Appropriation Required, Amendment in Packet

General Fund/TABOR Impact

Significant Cost Increase in Second 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 04/09/2024.

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

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 \$618,973 General Fund to the Department of Revenue for FY 2024-25, of which \$64,010 is reappropriated to the Department of Law. This provision also states that the appropriation is based on the assumption that the Department of Revenue will require an additional 5.3

FTE and the Department of Law will require an additional 0.3 FTE.

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).

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 \$618,973 for FY 2024-25, reducing the \$93.5 million set aside by the same amount.

TABOR/ Excess State Revenues 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. 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 \$93.5 million General Fund for appropriations in FY 2024-25.

Though this bill will not increase cash fund revenues in FY 2024-25, it is projected to increase cash fund revenue by \$888,650 in FY 2025-26, of which \$813,275 is subject to TABOR limits and will reduce the available General Fund in FY 2025-26 by an equal amount. This bill increases the TABOR refund made out of the General Fund by \$813,275 for FY 2025-26, thereby reducing any General Fund set aside for FY 2025-26 by an equivalent amount.

Future Fiscal Impact

This bill would require a General Fund appropriation of \$618,973 for FY 2024-25 and is projected to require General Fund appropriations of \$3,092,778 in FY 2025-26 and \$2,674,421 in FY 2026-27.