

**JBC STAFF FISCAL ANALYSIS  
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING PERSONS LICENSED TO SELL ALCOHOL BEVERAGES, AND, IN CONNECTION THEREWITH, ELIMINATING THE LIQUOR-LICENSED DRUGSTORE LICENSE, UPDATING THE REQUIREMENTS FOR WHOLESALERS, REMOVING THE CAP ON THE AMOUNT OF ALCOHOL BEVERAGES A RETAILER CAN PURCHASE FROM RETAIL LIQUOR STORES, REQUIRING A FERMENTED MALT BEVERAGE AND WINE RETAILER TO DISPLAY ALCOHOL BEVERAGES IN A SINGLE LOCATION ON THE RETAILER'S SALES FLOOR, EXPANDING CERTAIN LICENSEES' ABILITY TO DELIVER ALCOHOL TO CERTAIN OTHER LICENSEES, AND PROHIBITING A FERMENTED MALT BEVERAGE AND WINE RETAILER FROM SELLING ALCOHOL BEVERAGES WITH GREATER THAN FOURTEEN PERCENT ALCOHOL BY VOLUME.

Prime Sponsors: Reps. Amabile and Ricks  
Sens. Roberts and Will

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**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 Revised Fiscal Note (attached) reflects the fiscal impact of the bill as of 04/09/2024.

	<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 Finance Committee Report (04/11/24) includes amendments to the bill. Legislative Council Staff and JBC Staff agree that the committee amendments significantly change the fiscal impact and necessary appropriation for the bill. For FY 2024-25 the amended bill requires a General Fund appropriation of \$668,571. JBC Staff has drafted an amendment (**J.001**), included below, to add an appropriation clause based on these changes.

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

Amendment	Description
J.001	Staff-prepared appropriation amendment
L.028 / J.002	Bill Sponsor amendment - changes fiscal impact and 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 \$668,571 General Fund to the Department of Revenue for FY 2024-25, of which \$125,460 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 6.0 FTE and the Department of Law will require 0.5 FTE.

**L.028 and J.002**

Bill Sponsor amendment **L.028** (attached) removes the requirement that a retail liquor store obtain a permit for the sale and delivery of alcoholic beverages to other retail liquor stores and retailers licensed to sell alcoholic beverages for consumption on the premises and the corresponding limits on the amount of alcohol beverages the retail liquor store can sell to such retailers. Additionally, **L.028** reduces the necessary appropriation and allows the Liquor Enforcement Division Cash Fund to fund the legislation rather than General Fund. Legislative Council Staff and JBC staff agree on the fiscal impact of this amendment.

Staff has prepared amendment **J.002** (attached) to add a provision appropriating \$190,086 cash funds from the Liquor Enforcement Division Cash Fund to the Department of Revenue for FY 2024-25, of which \$125,460 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 0.6 FTE and the Department of Law will require 0.5 FTE.

If the Committee adopts **L.028** it should adopt **J.002** and NOT J.001.

**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
<b>TOTAL Placeholders for Other 2024 Legislation</b>	<b>\$63,062,537</b>

This bill requires a General Fund appropriation of \$668,571 for FY 2024-25, reducing the \$63.1 million set aside by the same amount.

If **L.028 and J.002** are adopted, the General Fund appropriation for the bill is not necessary.

*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 \$63.1 million General Fund for appropriations in FY 2024-25.

This bill, as amended by the Finance Committee Report (04/11/24), is estimated to increase cash fund revenues by \$111,695 in FY 2024-25 and by \$985,202 in FY 2025-26, which will reduce the available General Fund in each fiscal year by equal amounts. This bill increases the TABOR refund made out of the General Fund by \$111,695 for FY 2024-25, reducing the \$63.1 million General Fund set aside for FY 2024-25 by the same amount.

If **L.028** is adopted, this bill is estimated to increase cash fund revenues by \$201,723 in FY 2024-25 and by \$168,491 in FY 2025-26, which will reduce the available General Fund in each fiscal year by equal amounts. This bill increases the TABOR refund made out of the General Fund by \$201,723 for FY 2024-25, reducing the \$63.1 million General Fund set aside for FY 2024-25 by the same amount.