

**JBC STAFF FISCAL ANALYSIS  
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING THE CONSERVATION EASEMENT INCOME TAX CREDIT, AND, IN CONNECTION THEREWITH, EXTENDING THE CONSERVATION EASEMENT OVERSIGHT COMMISSION AND THE CERTIFIED HOLDER PROGRAM INDEFINITELY, INCREASING THE LIMIT ON CONSERVATION EASEMENT INCOME TAX CREDITS AVAILABLE TO DONORS IN ONE CALENDAR YEAR, ALLOWING MULTIPLE TRANSFERS OF CONSERVATION EASEMENT INCOME TAX CREDITS, AND MAKING AN APPROPRIATION.

Prime Sponsors: Sens. Will and Winter F.  
Reps. Lukens and Lynch

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Date Prepared: May 5, 2024

**Appropriation Items of Note**

**Appropriation Already Added to Bill, Amendment in Packet**

**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 04/25/24.

XXX	<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>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 (04/29/24) includes an amendment to the bill, however, Legislative Council Staff and JBC Staff agree that the committee amendment does not change the fiscal impact of the bill.

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

Amendment	Description
L.023	Bill Sponsor amendment - changes fiscal impact

**Current Appropriations Clause in Bill**

The bill includes an appropriation clause that appropriates \$12,925 cash funds from the Conservation Cash Fund to the Department of Regulatory Agencies for FY 2024-25. This provision also states that

the appropriation is based on the assumption that the Department will require an additional 0.2 FTE.

**Description of Amendments in This Packet**

**L.023** Bill Sponsor amendment **L.023** (attached) removes the phased increase of the tax credit cap and changes the total tax credit cap to \$50.0 million starting in 2025. The amendment does not change the required appropriation for FY 2024-25, but reduces the bill's expenditures and TABOR impact in future years.

**Points to Consider***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 is estimated to increase cash fund revenues by \$33,900 in FY 2024-25 and by \$56,500 in FY 2025-26, which will reduce the available General Fund in each fiscal year by equal amounts. The bill is also estimated to decrease General Fund revenues by \$750,000 in FY 2025-26 and by \$14.8 million in FY 2026-27. Based on those combined impacts, the bill is estimated to increase TABOR refunds by \$33,900 for FY 2024-25 and decrease TABOR refunds by \$693,500 for FY 2025-26 (JBC Staff and Legislative Council Staff agree on these amounts as an update to the numbers reflected in the Revised Fiscal Note).

If **L.023** is adopted, the bill is estimated to increase cash fund revenues by \$33,900 in FY 2024-25 and by \$45,200 in FY 2025-26. The bill would also decrease General Fund revenues by \$250,000 in FY 2025-26 and \$3.5 million in FY 2026-27. Combining those impacts, the amendment is not projected to change the bill's TABOR impact in FY 2024-25. However, in FY 2025-26, the amendment is projected to reduce the bill's TABOR impact and decrease TABOR refunds by \$204,800.