



## Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

# Fiscal Note

<b>Drafting Number:</b>	LLS 24B-0017	<b>Date:</b>	August 26, 2024
<b>Prime Sponsors:</b>	Rep. Luck Sen. Baisley	<b>Bill Status:</b>	House Trans., Hous. & Local Govt.
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**Bill Topic:** TAX CODE LEGISLATIVE TAX FORCE

<b>Summary of Fiscal Impact:</b>	<input type="checkbox"/> State Revenue	<input type="checkbox"/> State Transfer	<input checked="" type="checkbox"/> Local Government
	<input checked="" type="checkbox"/> State Expenditure	<input type="checkbox"/> TABOR Refund	<input type="checkbox"/> Statutory Public Entity

The bill creates a task force to study eliminating all taxes except for sales and use taxes. The bill increases state expenditures through FY 2025-26.

**Appropriation Summary:** For the current FY 2024-25, the bill requires an appropriation of \$1,464 to the Legislative Department. For FY 2025-26, the bill requires an appropriation of \$107,116 to the Legislative Department.

**Fiscal Note Status:** The fiscal note reflects the introduced bill.

**Table 1**  
**State Fiscal Impacts Under HB 24-1008**

		Current Year FY 2024-25	Budget Year FY 2025-26	Out Year FY 2026-27
<b>Revenue</b>	General Fund	-	-	-
<b>Expenditures</b>	General Fund	\$1,464	\$107,116	-
	Centrally Appropriated	-	\$25,535	-
	<b>Total Expenditures</b>	<b>\$1,464</b>	<b>\$132,651</b>	-
	<b>Total FTE</b>	<b>0.0 FTE</b>	<b>1.3 FTE</b>	-
<b>Other Budget Impacts</b>	General Fund Reserve	\$220	\$16,067	-

**Summary of Legislation**

The bill creates the Tax Code Legislative Task Force to design a new tax code for funding state and local government that eliminates all taxes except for sales and use taxes. The Legislative Council Staff, the Office of Legislative Legal Services, and the Joint Budget Committee Staff must assist the task force.

The bill outlines the membership of the task force, which includes legislators, a representative of the Department of Revenue (DOR), various subject matter experts, and representatives of organizations for and against the Taxpayer’s Bill of Rights (TABOR). Legislative members receive compensation and reimbursement of expenses. Non-legislative members serve without compensation, but may be reimbursed for expenses.

The task force must convene by June 2025, meet every three months, report to the General Assembly within one year, and then disband.

**State Expenditures**

The bill increases state General Fund expenditures in the Legislative Department by about \$1,500 in FY 2024-25 and \$133,000 in FY 2025-26. Expenditures are shown in Table 2 and detailed below.

**Table 2  
 Expenditures Under HB 24-1008**

	<b>FY 2024-25</b>	<b>FY 2025-26</b>	<b>FY 2026-27</b>
<b>Legislative Department</b>			
Personal Services	-	\$100,048	-
Operating Expenses	-	\$1,235	-
Capital Outlay Costs	-	\$450	-
Member Per Diem	\$224	\$671	-
Travel Cost - Meetings at Capitol	\$248	\$744	-
Non-Legislator Reimbursement	\$992	\$3,968	-
Centrally Appropriated Costs <sup>1</sup>	-	\$25,535	-
<b>Total</b>	<b>\$1,464</b>	<b>\$132,651</b>	<b>-</b>
<b>Total FTE</b>	<b>0.0 FTE</b>	<b>1.3 FTE</b>	<b>-</b>

<sup>1</sup> Centrally appropriated costs are not included in the bill's appropriation.

**Legislative Department.** The Legislative Council Staff (LCS) and the Office of Legislative Legal Services (OLLS) will require staff to support the task force and the General Assembly will incur additional costs for member compensation.

- **Staff.** LCS requires temporary 1.2 FTE, including 1.0 FTE for a research analyst and 0.2 FTE for an economist to support the task force. Duties include logistical support, research, presentations, and analysis of property tax relief proposals. OLLS requires temporary 0.1 FTE for an attorney to support the committee. Standard operating expenses are included. It is assumed that JBC Staff will consult with the committee within existing resources as needed.
- **Legislator per diem and travel costs.** The two legislators on the task force are eligible for per diem and travel cost compensation for the four meetings that will occur outside of the legislative session. Costs are based on standard per diem and interim committee travel reimbursements
- **Citizen reimbursement.** The eight members of the task force who are not legislators or state employees are eligible for travel cost compensation for all five meetings. Costs are based on standard travel reimbursements.

**Department of Revenue.** The Department of Revenue will have increased workload to serve on the task force. No change in appropriations is required.

**Centrally appropriated costs.** Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. These costs, which include employee insurance and supplemental employee retirement payments, are shown in Table 2.

## Other Budget Impacts

**General Fund reserve.** Under current law, an amount equal to 15 percent of General Fund appropriations must be set aside in the General Fund statutory reserve. Based on this fiscal note, the bill is expected to increase the amount of General Fund held in reserve by the amounts shown in Table 1, decreasing the amount of General Fund available for other purposes.

## Local Government

The bill increases workload and costs for the local governments that have representatives serving on the task force, including representatives from municipalities, special districts, county assessors, and county commissioners.

## Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

## State Appropriations

For FY 2024-25 the bill requires a General Fund appropriation of \$1,464 to the General Assembly.

For FY 2025-26, the bill requires a General Fund appropriation of \$107,116 to the Legislative Department as follows:

- \$4,639 to the General Assembly;
- \$93,913 and 1.2 FTE to Legislative Council Staff; and
- \$8,564 and 0.1 FTE to the Office of Legislative Legal Services.

## State and Local Government Contacts

Counties  
Revenue

Legislative Council Staff

Legislative Legal Services

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The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit the [General Assembly website](#).