

**JBC STAFF FISCAL ANALYSIS
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING COMMUNITY SOLAR GARDENS.

Prime Sponsors: Representative Hansen
Senators Foote and Story

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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 03/01/19.

	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

Page four of the attached Fiscal Note indicates that this bill will increase General Fund obligations for TABOR refunds by \$2.7 million in FY 2019-20, based on the Legislative Council Staff (LCS) December 2018 revenue forecast. However, the LCS March 2019 forecast projects that revenue earned in FY 2019-20 that is subject to the Taxpayer's Bill of Rights (TABOR) spending limit will fall short of the excess state revenues ("Referendum C") cap by \$69.5 million. Thus, based on the most recent LCS forecast, this bill will not affect or trigger a TABOR refund obligation in FY 2019-20.

Amendments in This Packet for Consideration by Appropriations Committee

Amendment	Description
None.	

Current Appropriations Clause in Bill

The bill neither requires nor contains an appropriation clause for FY 2019-20. The Fiscal Note indicates that expenditures from the Department of Local Affairs' Local Government Severance Tax Fund will increase by \$1.35 million in FY 2019-20. Expenditures from the Local Government Severance Tax Fund do not require an appropriation, as the Department is statutorily authorized to distribute money from the Fund.

Additionally, the Fiscal Note indicates that the Department of Natural Resources' State Severance Tax Trust Fund will be credited \$1.35 million in FY 2019-20. Of this amount, 50.0 percent is

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transferred to the Severance Tax Perpetual Base Fund and 50.0 percent is transferred to the Severance Tax Operational Fund. Money transferred to these two funds will then be distributed to several cash funds based on the existing statutory formula. The Department does not require appropriations from these cash funds to spend these additional distributions in FY 2019-20.

Points to Consider

Future Fiscal Impact

Although this bill would not require a General Fund appropriation for FY 2019-20, it is projected to require General Fund appropriations of \$1,623,677 annually from FY 2021-22 through FY 2026-27 to backfill the projected reduction in local property tax revenues that finance public schools. These appropriations will be partially offset by General Fund revenue increases of \$37,974 in FY 2021-22 and \$75,947 in FY 2022-23 through FY 2026-27.