

**JBC STAFF FISCAL ANALYSIS
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING PROGRAMMATIC EFFICIENCY OF THE CONSERVATION EASEMENT TAX CREDIT PROGRAM, AND, IN CONNECTION THEREWITH, INCREASING THE TRANSPARENCY OF THE PROGRAM.

Prime Sponsors: Reps. Roberts and Wilson
Sens. Winter and Donovan

JBC Analyst: Kevin Neimond
Phone: 303-866-4958
Date Prepared: April 22, 2019

Fiscal Impact of Bill as Amended to Date

The most recent Legislative Council Staff Fiscal Note (attached) reflects the fiscal impact of the bill as of 03/28/19.

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

The House Rural Affairs and Agriculture Committee Report (04/01/19) includes amendments to the bill, however, Legislative Council Staff and JBC Staff agree that the committee amendments do not change the fiscal impact of the bill.

Amendments in This Packet for Consideration by Appropriations Committee

Amendment	Description
J.001	Staff-prepared appropriation amendment
L.004	Staff-prepared technical amendment
L.003	Bill Sponsor amendment - changes fiscal impact
L.002/J.002	Bill Sponsor amendment - changes fiscal impact <i>and</i> appropriation

Current Appropriations Clause in Bill

The bill includes an appropriation clause that provides \$250,000 General Fund to the Department of Higher Education for FY 2019-20 to contract with Colorado State University to provide public access to the Colorado Ownership, Management, and Protection (COMaP) service. The bill also requires, but does not contain, an appropriation clause providing \$500,000 cash funds and 3.8 FTE to the Department of Regulatory Agencies' Division of Conservation.

Description of Amendments in This Packet

J.001 Staff has prepared amendment **J.001** (attached) to add a provision to the existing appropriation clause to provide \$500,000 from the Conservation Cash Fund to the Department of Regulatory Agencies for FY 2019-20. This provision also states that the appropriation is based on the assumption that the Department will require an additional 3.8 FTE. **If amendment J.001 is adopted, amendment L.004 should also be adopted, but amendments L.002/J.002 should not be adopted.**

L.004 Staff has prepared amendment **L.004** (attached) to fulfill the statutory requirement (Section 23-3.3-103, C.R.S.) that annual appropriations for student financial assistance increase by at least the same percentage as the aggregate percentage increase of all General Fund appropriations to institutions of higher education. The bill increases the appropriation for the Board of Governors of the Colorado State University System to provide public access to the COMaP service, but does not include an associated increase for financial aid. Amendment **L.004** fixes this issue. **If amendment L.004 is adopted, amendments L.002/J.002 should not be adopted.**

L.003 Bill sponsor amendment **L.003** (attached) removes the provision in the bill that increases the tax credit per \$1.0 million easement from \$525,000 to \$900,000. **If amendment L.003 is adopted, amendments J.001 and L.004 should also be adopted, but amendments L.002/J.002 should not be adopted.**

L.002/J.002

Bill sponsor amendment **L.002** (attached) removes the provision in the bill that increases the tax credit per \$1.0 million easement from \$525,000 to \$900,000. Additionally, amendment **L.002** removes the provision in the bill that allows the Department of Higher Education to contract with Colorado State University to provide public access to the COMaP service and eliminates the existing appropriation clause providing funds for this purpose. Staff has prepared amendment **J.002** (attached) to add a new appropriation clause providing \$500,000 from the Conservation Cash Fund to the Department of Regulatory Agencies for FY 2019-20. This provision also states that the appropriation is based on the assumption that the Department will require an additional 3.8 FTE. **If amendments L.002/J.002 are adopted, amendments J.001, L.003, and L.004 should not be adopted.**

Points to Consider*General Fund Impact*

The Joint Budget Committee has proposed a budget package for FY 2019-20 based on the March 2019 Legislative Council Staff revenue forecast. The budget package leaves approximately \$47.9 million General Fund unallocated. Thus, the General Assembly could appropriate up to \$44.7 million General Fund to fund 2019 legislation and maintain a 7.25 percent General Fund reserve. This bill, as introduced, requires a General Fund appropriation of \$250,000 for FY 2019-20, reducing the

HB19-1264

JBC Staff Analysis

excess General Fund reserve by \$268,125. Additionally, this bill is anticipated to reduce General Fund revenues by \$6.8 million for FY 2018-19 and \$13.6 million annually starting in FY 2019-20. For FY 2019-20, these revenue reductions reduce the excess General Fund reserve by \$20.4 million.

The bill sponsor amendments result in the following fiscal impacts on the bill:

- Amendments **L.002/J.002** eliminate the General Fund appropriation for FY 2019-20 and General Fund revenue decreases for FY 2018-19 and subsequent fiscal years; and
- Amendment **L.003** reduces the General Fund impact of the bill to a \$250,000 General Fund appropriation for FY 2019-20.