

**JBC STAFF FISCAL ANALYSIS
SENATE APPROPRIATIONS COMMITTEE**

CONCERNING THE REGULATION OF KRATOM PROCESSORS.

Prime Sponsors: Sens. Ginal and Coram
Representative Sullivan

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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 03/29/22.

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

Amendments in This Packet for Consideration by Appropriations Committee

Amendment	Description
J.001	Staff-prepared appropriation amendment

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 a total of \$241,341 to the Department of Revenue for FY 2022-23, including \$241,341 General Fund. This provision also states that the appropriation is based on the assumption that the Department will require an additional 2.5 FTE.

Points to Consider*General Fund Impact*

The Joint Budget Committee has proposed a budget package for FY 2022-23 based on the March 2022 Legislative Council Staff revenue forecast. The budget package includes a set aside of \$40.0 million General Fund for bills that require General Fund appropriations for FY 2022-23. This bill requires a General Fund appropriation of \$241,341 for FY 2022-23, reducing the \$40.0 million set aside by the same amount.

TABOR/ Excess State Revenues Impact

The March 2022 Legislative Council Staff (LCS) revenue forecast projects a TABOR surplus liability of \$1.6 billion for FY 2022-23 and \$622.6 million for FY 2023-24. These sums must be refunded to taxpayers out of the General Fund. Legislation that increases non-exempt revenue (such as cash funds) to the State will further increase the TABOR refund made out of the General Fund. This will reduce the amount of General Fund available for programs.

The Joint Budget Committee has proposed a budget package for FY 2022-23 based on the March 2022 Legislative Council Staff revenue forecast. The budget package includes a set aside of \$40.0 million General Fund for bills that require General Fund appropriations for FY 2022-23, plus \$6.0 million General Fund to provide a 15.0 percent General Fund reserve for those appropriations.

This bill is estimated to increase cash fund revenues by \$558,100 in FY 2022-23 and by \$579,720 in FY 2023-24, which will reduce the available General Fund in each fiscal year by an equal amount. This bill increases the TABOR refund made out of the General Fund by \$558,100 for FY 2022-23, reducing the \$46.0 million General Fund set aside for FY 2022-23 by the same amount.

Based on the General Fund appropriation of \$241,341 and the TABOR refund to be made out of the General Fund of \$558,100, the total General Fund impact is \$799,441 in FY 2022-23.