

**JBC STAFF FISCAL ANALYSIS
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING HOMEOWNER'S INSURANCE, AND, IN CONNECTION THEREWITH, REQUIRING CERTAIN REPORTS RELATED TO THE COST OF REBUILDING A HOME IN THE EVENT OF A TOTAL LOSS, INCREASING THE NOTICE REQUIREMENT BEFORE AN INSURER CAN CANCEL OR REFUSE TO RENEW A HOMEOWNER'S INSURANCE POLICY, AND CREATING GUARANTEED REPLACEMENT COST COVERAGE IN HOMEOWNER'S INSURANCE.

Prime Sponsors: Representative Amabile

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Appropriation Items of Note

Appropriation Required, Amendment in Packet

General Fund 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 02/28/23.

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 Business Affairs & Labor Committee Report (03/08/23) includes amendments to the bill, however, Legislative Council Staff and JBC Staff agree that the 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

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 \$454,088 cash funds from the Division of Insurance Cash Fund to the Department of Regulatory Agencies for FY 2023-24. The provision further appropriates \$57,100 reappropriated funds to the Department of Law for the provision of legal services. This provision also states that the appropriation is based on the assumption that the Department of Regulatory Agencies will require an additional 1.6 FTE and the Department of Law will require an additional 0.3 FTE.

Points to Consider

General Fund Impact

The Joint Budget Committee has proposed a budget package for FY 2023-24 based on the March 2023 Office of State Planning and Budgeting (OSPB) revenue forecast. The budget package includes two set-asides for legislation outside of the package: (1) \$30.0 million General Fund for bills that create ongoing obligations; and (2) \$469.0 million for bills that create one-time obligations for FY 2023-24 (see table below).

General Fund Appropriation Placeholders for Other 2023 Legislation	
Description	FY 2023-24
Legislation with Ongoing Fiscal Impacts	\$30,000,000
Legislation with One-time Fiscal Impacts	
Workforce-related legislation, including free credentials, math scholarships, adult education, and concurrent enrollment	103,000,000
Housing-related legislation, including property tax relief, land use, and public-private partnerships	221,000,000
Legislation related to topics other than workforce and housing, including rural opportunity, line of duty loss, and Proposition 122 implementation	145,000,000
Subtotal	\$469,000,000
TOTAL Placeholders for Other 2023 Legislation	\$499,000,000

The budget package accounts for the 15.0 percent reserve associated with the above placeholders (a total of \$74.9 million).

Pursuant to Section 10-3-209 (4), C.R.S., taxes on insurance premiums are credited to the Division of Insurance Cash Fund (with a maximum transfer of five percent of premium tax collections) to cover appropriations made by the General Assembly. Any increase in appropriations reduces the amount of tax revenue deposited in the General Fund, thereby reducing the amount of General Fund available for other purposes.

HB23-1174**JBC Staff Analysis**

This bill creates an ongoing obligation and requires appropriation of \$454,088 from the Division of Insurance Cash Fund for FY 2023-24, reducing the amount of General Fund available for other purposes by the same amount.