

**JBC STAFF FISCAL ANALYSIS
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING THE RESTRUCTURING OF THE PERFORMANCE-BASED INCENTIVE FOR FILM PRODUCTION IN COLORADO.

Prime Sponsors: Representative Herod

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Date Prepared: April 28, 2023

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 Fiscal Note (attached) reflects the fiscal impact of the bill as of 04/26/23.

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 Finance Committee Report (04/27/23) 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.002	Bill Sponsor amendment - changes fiscal impact

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 adjusting the FY 2023-24

HB23-1309

JBC Staff Analysis

Long Bill appropriation as follows: reducing, by \$282,417, the cash funds appropriation from the Colorado Office of Film, Television, and Media Operational Account Cash Fund to Economic Development Programs in the Office of the Governor, and increasing the related FTE by 1.3 FTE.

L.002 Bill Sponsor amendment **L.002** (attached) reduces the first year of the tax credit total to \$10.0 million, reducing the General Fund revenue impact for FY 2023-24 to \$5.0 million from \$7.5 million identified in the Fiscal Note. The amendment also moves forward the required report to 2026 from 2028. The appropriation identified in the Fiscal Note for FY 2023-24 remains unchanged. Additional future fiscal impacts will be updated in a Revised Fiscal Note. Legislative Council Staff and JBC Staff agree on the changes to fiscal impact.

The Committee may adopt amendment L.002, but amendment J.001 should be adopted whether or not L.002 is adopted.

Points to Consider

TABOR/ Excess State Revenues Impact

The March 2023 Office of State Planning and Budgeting (OSPB) revenue forecast projects a TABOR surplus liability of \$720.9 million for FY 2023-24 and \$1.2 billion for FY 2024-25. These sums must be refunded to taxpayers out of the General Fund. This bill is estimated to decrease General Fund revenues by \$7.5 million in FY 2023-24 and by \$15.0 million in FY 2024-25 and future years, which will result in a decrease in the TABOR surplus liability of equal amounts.

If amendment L.002 is adopted, the bill is estimated to decrease General Fund revenues by \$5.0 million in FY 2023-24 and by \$15.0 million in FY 2024-25 and future years, which will result in a decrease in the TABOR surplus liability of equal amounts.