

**JBC STAFF FISCAL ANALYSIS
SENATE APPROPRIATIONS COMMITTEE**

CONCERNING THE REGULATION OF COMPOUNDS THAT ARE RELATED TO CANNABINOIDS.

Prime Sponsors: Sens. Roberts and Van Winkle

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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 04/20/23.

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

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 \$1,277,463 to the Department of Public Health and Environment for FY 2023-24, including \$575,289 General Fund, \$405,576 cash funds from Wholesale Food Manufacturing and Storage Protection Fund, and \$296,598 cash funds from the Marijuana Tax Cash Fund. This provision also states that the appropriation is based on the assumption that the Department will require an additional 5.4 FTE. Of this amount \$190,332 is reappropriated to the Department of Law for the purchase of legal services, which is based on the assumption that

the Department will require an additional 1.0 FTE. The amendment further appropriates a total of \$198,900 cash fund from the Marijuana Cash Fund to the Department of Revenue, which is based on the assumption that the Department will require an additional 1.5 FTE. Of this amount \$57,100 is reappropriated to the Department of Law for the purchase of legal services, which is based on the assumption that the Department 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.

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

This bill creates an ongoing obligation and requires a General Fund appropriation of \$575,289 for FY 2023-24, reducing the \$30.0 million set aside by the same amount.

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 to be refunded to taxpayers out of the General Fund. Legislation that increases non-exempt revenue (such as cash funds) will increase the TABOR refund from the General Fund. The budget package includes a set aside of \$30.0 million General Fund for ongoing appropriations and \$469.0 million General Fund for bills that create one-time obligations in FY 2023-24.

This bill is estimated to increase cash fund revenues by \$480,000 in FY 2023-24 and by \$480,000 in FY 2024-25, which will reduce the available General Fund in each fiscal year by equal amounts. This bill increases the TABOR refund made out of the General Fund by \$480,000 for FY 2023-24, reducing the \$30.0 million General Fund set aside for FY 2023-24 by the same amount.