

**JBC STAFF FISCAL ANALYSIS
SENATE APPROPRIATIONS COMMITTEE**

CONCERNING THE CREATION OF THE COLORADO HOMELESS CONTRIBUTION INCOME TAX CREDIT, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.

Prime Sponsors: Reps. Tipper and Rich
Sens. Winter and Simpson

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Date Prepared: April 27, 2022

Appropriation Items of Note**Appropriation Already Added to Bill, 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 04/21/22.

	No Change: Attached LCS Fiscal Note accurately reflects the fiscal impact of the bill
XXX	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 Legislative Council Staff Fiscal Note discusses costs to OIT in FY 2022-23, but does not identify a required appropriation of reappropriated funds from the Department of Local Affairs to the Governor's Office of Information Technology. Legislative Council Staff and JBC Staff agree the bill requires a reappropriation of \$30,595 for this purpose. The reengrossed bill includes this appropriation.

Amendments in This Packet for Consideration by Appropriations Committee

Amendment	Description
L.008	Bill Sponsor amendment - does not change fiscal impact

Current Appropriations Clause in Bill

The bill includes an appropriation clause that provides a total of \$129,613 General Fund to the Department of Local Affairs for FY 2022-23. This provision also states that the appropriation is based on the assumption that the Department of Local Affairs will require an additional 1.2 FTE to

implement the act. In addition, the provision appropriates \$30,595 reappropriated funds to the Office of Information Technology in the Governor's Office.

Description of Amendments in This Packet

L.008 Bill Sponsor amendment **L.008** (attached) changes the final year the tax credit is available from tax year 2028 to 2027.

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 two set-asides:

- \$40.0 million General Fund for bills that create ongoing obligations; and
- \$900.0 million General Fund for bills that create one-time obligations in FY 2022-23.

The \$40.0 million *appropriations* set-aside includes an additional \$6.0 million General Fund to provide a 15.0 percent General Fund reserve for those appropriations. The \$900.0 million *obligations* set-aside does not include an additional amount for a General Fund reserve and, assumes, but does not require, that obligations be addressed through statutory transfers rather than appropriations. Therefore *appropriations* from the \$900.0 million set-aside require an additional 15.0 percent to maintain the statutory General Fund reserve.

This bill creates a one-time obligation and requires a General Fund appropriation of \$129,613 for FY 2022-23, reducing the \$900.0 million set aside by \$149,055 in order to maintain a 15.0 percent statutory General Fund reserve.

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. This bill is estimated to decrease General Fund revenues by \$2.6 million in FY 2022-23 and by \$6.1 million in FY 2023-24, which will result in a decrease in the TABOR surplus liability of an equal amount.