

JBC Staff Fiscal Analysis
Senate Appropriations Committee

Concerning workforce development in natural resources.

Prime Sponsors:

Representatives Boesenecker; Velasco
Senators Marchman; Cutter

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Fiscal Impacts

Appropriation Not Required, No Amendment in Packet

General Fund/TABOR Impact

New Cash Fund with Continuous Appropriation

Fiscal Note Status

The most recent Legislative Council Staff Revised Fiscal Note (attached) reflects the fiscal impact of the bill as of 05/01/25.

No Change: Attached LCS Fiscal Note accurately reflects the fiscal impact of the bill.

Amendments in This Packet

None.

Current Appropriations Clause in Bill

The bill does not require or contain an appropriation clause.

Points to Consider

General Fund Impact

As amended in the Senate Agriculture and Natural Resources Committee, the bill specifies that if there is not sufficient money in the Unclaimed Property Trust Fund (UPTF) to pay claims against the fund from the owners of unclaimed property, the Treasurer shall transfer money from the General Fund to the UPTF and then notify the Joint Budget Committee of the transfer. Unspecified transfers from the General

Fund on unknown future dates could limit the General Assembly's ability to address other critical state fiscal needs in future years.

TABOR Impact

The March 2025 Office of State Planning and Budgeting (OSPB) revenue forecast projects a TABOR surplus liability of \$642.7 million for FY 2025-26 and \$775.8 million for FY 2026-27 to be refunded to taxpayers out of the General Fund. As outlined in the LCS Revised Fiscal Note:

- Funds in the Unclaimed Property Trust Fund are exempt from TABOR, but may become subject to TABOR when transferred to other funds to be used for governmental purposes. If the Department of Local Affairs is unable to repay the loan in full, any unpaid balance will constitute a transfer to a state cash fund and that amount will count against the state's TABOR limit.
- The bill allows for a collection of an administrative fee for loans made to a fire district and interest earnings. This revenue is subject to TABOR. The bill is expected to generate about \$169,000 per year that is subject to TABOR, but the actual impact depends upon how much is awarded as loans, as well as interest rates. Revenue subject to TABOR could increase by up to \$670,000 if DOLA only distributes 10 percent of available funds in the first year.

Legislative Appropriation Authority

Continuous spending authority, also known as **continuous appropriation**, allows state agencies to spend money for statutorily specified purposes up to the total amount available in a specified fund source without seeking further legislative approval through the budget process.

The term *appropriation* is broadly understood as expressing or conveying legal spending authority. However, the term *appropriation* also inherently expresses fundamental legislative fiscal authority by communicating a *limit* on or maximum amount of spending from a specified fund source for a defined period such as a fiscal year. While continuous spending authority also expresses or conveys legal spending authority it does so by eliminating legislative fiscal authority and oversight.

An annual appropriation provides a limit on spending authority, while a continuous appropriation provides unlimited spending authority. This method of funding moves these expenditures off-budget, and thus expenditures are not reported or accounted for through the budget process.

Is it necessary for the Department of Local Affairs to **not** seek annual authority from the General Assembly to spend money for **administrative costs** from the Fire District Revolving Loan Fund?