

JBC Staff Fiscal Analysis

House Appropriations Committee

Concerning increasing the availability of homeowner's insurance in the state.

Prime Sponsors:

Representatives Brown; McCluskie
Senator Amabile

Date Prepared:

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Fiscal Impacts

Appropriation Required, Amendments in Packet

New Cash Funds 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 04/10/2025.

Update: Fiscal impact has changed due to new information.

The anticipated fiscal impact of the bill has increased for the Strengthen Colorado Homes Enterprise due to an increase in the assumed number of homes that do not yet have resilient roof systems. This update increases revenue and expenditures to the Strengthening Colorado Homes Enterprise to \$7.4 million.

Amendments in This Packet

J.001 Staff-prepared appropriation amendment

L.011/J.002 Bill Sponsor amendment - changes fiscal impact and appropriation

Current Appropriations Clause in Bill

The bill requires but does not contain an appropriations clause.

Description of Amendments in This Packet

J.001

Staff amendment **J.001** (attached) appropriates a total of \$106,992 reappropriated funds to the Department of Law for FY 2025-26 for the provision of legal services to the Department of Regulatory Agencies. The appropriation reflects 0.4 FTE.

L..011 and J.002

Bill Sponsor amendment **L.011** (attached) removes continuous appropriation authority from the Strengthen Colorado Homes Enterprise Fund, making it subject to annual appropriations.

Staff has prepared amendment **J.002** (attached) to appropriate a total of \$7,410,037 cash funds to the Department of Regulatory Agencies from the Strengthen Colorado Homes Enterprise Fund. The amendment further appropriates a total of \$106,992 reappropriated funds to the Department of Law for FY 2025-26 for the provision of legal services to the Department of Regulatory Agencies. The appropriation reflects 0.8 FTE within the Department of Regulatory Agencies and 0.4 FTE within the Department of Law.

If the Committee adopts L.011 (and J.002), it should not adopt J.001.

Points to Consider

Legislative 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 Regulatory Agencies to **not** seek annual authority from the General Assembly to spend money from the Wildfire Catastrophe Reinsurance Enterprise Fund?