

JBC Staff Fiscal Analysis
House Appropriations Committee

Concerning the creation of the future of severance taxes and water funding task force, and, in connection therewith, making an appropriation.

Prime Sponsors:

Senators Roberts; Simpson
Representatives McCormick; Martinez

Date Prepared:

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JBC Analyst:

Mitch Burmeister
303-866-3147

Fiscal Impacts

Appropriation Already Added to Bill, No Amendment in Packet

General Fund/TABOR Impact

Fiscal Note Status

The most recent Legislative Council Staff Revised Fiscal Note (attached) reflects the fiscal impact of the bill as of 04/23/25.

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 includes an appropriation clause that provides \$198,592 cash funds from the Severance Tax Operational Fund to the Department of Natural Resources for FY 2025-26.

Points to Consider

TABOR/Excess State Revenues 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. Legislation that increases non-exempt revenue (such as cash funds) will increase the TABOR refund from the General Fund.

The Joint Budget Committee has proposed a budget package for FY 2025-26 based on the March 2025 OSPB revenue forecast. The budget package includes \$18.2 million General Fund set aside for other legislation outside of the JBC budget package. This may be used for appropriations, transfers, or increases in TABOR refunds for FY 2025-26.

This bill is estimated to increase cash fund revenues by between \$2.8 million and \$13.1 million in FY 2025-26 and by between \$5.9 million and \$27.7 million in FY 2026-27, 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 between \$2.8 million and \$13.1 million for FY 2025-26, reducing the \$18.2 million General Fund set aside for FY 2025-26 by the same amount.