

**JBC STAFF FISCAL ANALYSIS
SENATE APPROPRIATIONS COMMITTEE**

CONCERNING THE REGISTRATION EXEMPTION FOR SPECIAL MOBILE MACHINERY, AND, IN CONNECTION THEREWITH, ELIMINATING THE REQUIREMENT THAT AN OWNER OF SUCH MACHINERY REGULARLY HAVE AT LEAST ONE THOUSAND ITEMS OF SUCH MACHINERY IN THE STATE TO OBTAIN A REGISTRATION EXEMPT CERTIFICATE FOR THE MACHINERY.

Prime Sponsors: Sens. Zenzinger and Van Winkle
Reps. Snyder and Bockenfeld

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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 Fiscal Note (attached) reflects the fiscal impact of the bill as of 01/27/23.

	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>
XXX	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 Senate Finance Committee Report (01/31/23) includes an amendment to the bill. This amendment makes technical adjustments to the bill, which define the circumstances in which the owner of special mobile machinery is issued a registration-exempt certificate in lieu of registration, license plates, annual validating tabs, or identifying decals, as well as the timing of payment for fees and surcharges associated with the registration-exempt certificate. This amendment results in a slight workload reduction and decreases the appropriation required to \$1,075,368 and 13.6 FTE. Legislative Council Staff and JBC Staff agree with this change to the fiscal impact.

Amendments in This Packet for Consideration by Appropriations Committee

Amendment	Description
J.001	Staff-prepared appropriation amendment

Amendment	Description
L.003/J.002	Bill Sponsor amendment - changes fiscal impact <i>and</i> appropriation

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 \$1,075,368 cash funds to the Department of Revenue for FY 2023-24 from the Colorado DRIVES Cash Fund. This provision also states that the appropriation is based on the assumption that the Department will require an additional 13.6 FTE. Additionally, the amendment includes a provision reducing the FY 2023-24 Long Bill appropriation to the Department of Revenue by \$3,748 cash funds from the License Plate Cash Fund for license plate ordering.

L.003 and J.002

Bill Sponsor amendment **L.003** (attached) changes the number of owned mobile machinery from one item to 250 items, reducing the fiscal impact, and requiring an appropriation of \$122,165 cash funds from the Colorado DRIVES Cash Fund and 0.9 FTE. Appropriation amendment **J.002** (attached) adds a provision appropriating a total of \$122,165 cash funds from the Colorado DRIVES Cash Fund to the Department of Revenue for FY 2023-24. This provision also states that the appropriation is based on the assumption that the Department will require an additional 0.9 FTE.

If the Committee adopts L.003 it should adopt J.002 and not J.001.

Points to Consider

TABOR/ Excess State Revenues Impact

The December 2022 Legislative Council Staff (LCS) revenue forecast projects a TABOR surplus liability of \$1.53 billion for FY 2023-24 and \$1.37 billion for FY 2024-25. These sums must be refunded to taxpayers out of the General Fund. Legislation that decreases non-exempt revenue (such as cash funds) to the State will decrease the TABOR refund made out of the General Fund. This will increase the amount of General Fund available for programs.

The Joint Budget Committee (JBC) is developing a budget package for FY 2023-24. This bill is estimated to decrease cash fund revenues by \$3,748 in FY 2023-24 and FY 2024-25, which will increase the available General Fund in each fiscal year by an equal amount. Additionally, this bill is estimated to decrease General Fund revenues by \$40,490 in FY 2023-24 and FY 2024-25, which will result in a decrease in the TABOR surplus liability of an equal amount.