

**JBC STAFF FISCAL ANALYSIS
SENATE APPROPRIATIONS COMMITTEE**

CONCERNING IMPLEMENTATION OF AMENDMENT 64.

Prime Sponsors: Sens. Jahn and Baumgardner
Representative May

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Phone: 303-866-2061
Date Prepared: April 26, 2013

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 04/24/13.

	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>
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 fiscal impact of the bill is updated from the fiscal impact shown in the April 24, 2013 fiscal note in the following ways:

- The Business, Labor and Technology Committee Report (04/24/13) eliminates the requirement that the Department of Public Health and Environment develop a disposal process, acquire a building, develop a computer tracking system and perform the actual disposal of marijuana that cannot be sold legally; and
- The bill does not create the Marijuana Cash Fund, therefore the appropriations from the Fund, totaling \$461,576 should be from the General Fund.

Legislative Council Staff and JBC Staff agree that the committee amendments and the technical issues do change the fiscal impact of the bill. The updated fiscal impact of the bill is shown in the following table.

Revised Fiscal Impact Summary	FY 2013-2014	FY 2014-2015
State Revenue	<u>(\$676,936)</u>	<u>(\$1,376,438)</u>
General Fund - Reduction - Income Taxes	(688,070)	(1,376,140)
General Fund - Reduction - Probation Fees	(9,866)	(21,298)
Cash Funds		
Adolescent Substance Abuse and Treatment Fund	21,000	21,000

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JBC Staff Analysis

Revised Fiscal Impact Summary	FY 2013-2014	FY 2014-2015
State Expenditures	<u>\$2,382,877</u>	<u>\$810,722</u>
General Fund - POST Training	1,680,000	370,000
General Fund - Reduction - Probation Costs	(38,699)	(38,699)
General Fund - Computer Programming	280,000	0
General Fund - Studies of Health Effects and Law Enforcement Activities	461,576	479,421
FTE Position Change	3.4	4.0 FTE

Amendments in This Packet for Consideration by Appropriations Committee

Amendment	Description
J.001	Staff-prepared appropriation amendment
L.004/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

If the Committee adopts amendment L.004, amendment J.002 should be adopted, and amendment J.001 should not be adopted.

J.001 Staff has prepared amendment **J.001** (attached) to add a provision adjusting the appropriations in FY 2013-14 to the Departments of Public Safety (DPS), Revenue (DOR), Public Health and Environment (DPHE), Law (DOL), and the Judicial Branch. The following table summarizes the appropriations in amendment J.001 and identifies any contingencies.

Department, Division	Purpose	Total	GF	FTE	Contingency
DPHE, Disease Control and Environmental Epidemiology	Study of the health effects of marijuana	\$307,542	\$307,542	4.0	Funded only if the regulatory and enforcement activities are fully funded.
DPS, Division of Criminal Justice	Scientific study of law enforcement activities related to marijuana	154,034	154,034	0.0	Funded only if the regulatory and enforcement activities are fully funded.
DOR, Taxation Business Group	State income tax exemption	280,000	280,000	0.0	Funded only if H.B. 13-1042 is not passed.

Department, Division	Purpose	Total	GF	FTE	Contingency
Judicial Branch	Probation services	(38,699)	(38,699)	(0.6)	Savings contingent on the passage of S.B. 13-250.
		(94,143)	(94,143)	(1.5)	Savings if S.B. 13-250 does not pass.
DOL, Criminal Justice and Appellate Unit	Colorado Peace Officer Standards and Training Board	1,680,000	1,680,000	0.0	No contingencies.
Total		\$2,382,877	\$2,382,877	3.4	

L.004/J.002 Bill Sponsor amendment **L.004** (attached) does two things:

- clarifies that the studies in the Departments of Public Health and Environment and Public Safety will only occur when there is sufficient revenue into the Marijuana Cash Fund; and
- creates the Marijuana Cash Fund.

Staff has prepared amendment **J.002** (attached) to add a provision adjusting the appropriations in FY 2013-14 to the Departments of Public Safety (DPS), Revenue (DOR), Public Health and Environment (DPHE), Law (DOL), and the Judicial Branch. The following table summarizes the appropriations in amendment J.002 and identifies any contingencies.

Department, Division	Purpose	Total	GF	CF	FTE	Contingency
DPHE, Disease Control and Environmental Epidemiology	Study of the health effects of marijuana	\$307,542	\$0	\$307,542	4.0	Funded only if the regulatory and enforcement activities are fully funded.
DPS, Division of Criminal Justice	Scientific study of law enforcement activities related to marijuana	154,034	0	154,034	0.0	Funded only if the regulatory and enforcement activities are fully funded.
DOR, Taxation Business Group	State income tax exemption	280,000	280,000	0	0.0	Funded only if H.B. 13-1042 is not passed.
Judicial Branch	Probation services	(38,699)	(38,699)	0	(0.6)	Savings contingent on the passage of S.B. 13-250.
		(94,143)	(94,143)	0	(1.5)	Savings if S.B. 13-250 does not pass.
DOL, Criminal Justice and Appellate Unit	Colorado Peace Officer Standards and Training Board	1,680,000	1,680,000	0	0.0	No contingencies.

Department, Division	Purpose	Total	GF	CF	FTE	Contingency
Total		\$2,382,877	\$1,921,301	\$461,576	3.4	

Points to Consider

Technical Issues

The Marijuana Cash Fund is not created in S.B. 13-283, but is created in H.B. 13-1317.

The bill requires that the regulatory and enforcement provisions of H.B. 13-1317 be fully funded before the funding for the studies in the Departments of Public Safety and Public Health and Environment is effective. However, the bill number for H.B. 13-1317 has not been referenced in S.B. 13-283. What regulatory and enforcement provisions are being referred too, and what is meant by fully funded?

General Fund Impact

The Joint Budget Committee has proposed a budget package for FY 2013-14 based on the March 2013 Office of State Planning and Budgeting revenue forecast. The budget package allocates all but approximately \$9.0 million of General Fund revenues projected to be available. Pursuant to S.B. 13-236, this \$9.0 million General Fund will be transferred to the Colorado Water Conservation Board (CWCB) Construction Fund. This bill requires a General Fund appropriation of \$2,382,877 for FY 2013-14 and thus will reduce the transfer to the CWCB Construction Fund by that amount.