HB04-1021

JBC STAFF FISCAL ANALYSIS
HOUSE APPROPRIATIONS COMMITTEE

CONCERNING THE CONSUMPTION OF ALCOHOL.

Prime Sponsors:	Representative Briggs	JBC Analyst:	Karl Spiecker
	Senator McElhany	Phone:	866-2061
		Date Prepared:	March 31, 2004

Summary of Amendments Made to the Bill After the 01/05/04 Legislative Council Staff Fiscal Note was Prepared (Amended by the Transportation & Energy Committee 01/21/04)

The House Transportation & Energy Committee amendment inserted language allowing for "tastings" of alcohol beverages in retail liquor stores and liquor-licensed drugstores. This change does not affect the fiscal impact of the bill, as delineated in the Legislative Council Staff Fiscal Note dated January 5, 2004. It should be noted, however, that violations related to tastings may increase General Fund revenue from fines by a minimal amount, if penalties are imposed by the Department of Revenue's Liquor Enforcement Division.

JBC staff has conferred with Legislative Council Staff, which concurs with this assessment of the fiscal impact associated with the House Transportation & Energy Committee amendment.

JBC Staff Concurrence with Legislative Council Fiscal Note

XXX	**Concurs**		**Does Not Concur**		**Updated**

Amendments/Appropriation Status

The bill does not contain an appropriations clause. Staff has drafted an amendment (**J.002**) that does the following:

1. Appropriates $83,950 cash funds exempt (Driver's License Administrative Revocation Account of the Highway Users Tax Fund) and 0.4 FTE to the Department of Revenue in FY 2004-05. These funds are considered to be exempt because they are classified as reserves in the HUTF. Revenue into this account comes from fees paid by drivers' whose licenses have been revoked. These revenues count toward TABOR, which limits the amount of revenue that can be received by the state in any given year.

2. Appropriates $8,377 General Fund and 0.2 FTE to the Judicial Department in FY 2004-05.

3. Transfers $76,414 from the General Fund to the Capital Construction Fund in FY 2005-06. Appropriates $76,414 from the Capital Construction Fund to the Corrections Expansion Reserve in FY 2005-06 for construction costs associated with the bill.

4. Transfers $90,307 from the General Fund to the Capital Construction Fund in FY 2006-07. Appropriates $90,307 from the Capital Construction Fund to the Corrections Expansion Reserve in FY 2006-07 for construction costs associated with the bill. Appropriates $19,425 General Fund to the Department of Corrections for operating expenses in FY 2006-07.

5. Transfers $13,893 from the General Fund to the Capital Construction Fund in FY 2007-08. Appropriates $13,893 from the Capital Construction Fund to the Corrections Expansion Reserve in FY 2007-08 for construction costs associated with the bill. Appropriates $42,425 General Fund to the Department of Corrections for operating expenses in FY 2007-08.

6. Transfers $69,467 from the General Fund to the Capital Construction Fund in FY 2008-09. Appropriates $69,467 from the Capital Construction Fund to the Corrections Expansion Reserve in FY 2008-09 for construction costs associated with the bill. Appropriates $45,960 General Fund to the Department of Corrections for operating expenses in FY 2008-09.

Sponsor Amendments

Staff is not aware of any sponsor amendment(s) to be offered.

Questions and Concerns

1. The bill will require total appropriations and transfers from the General Fund totaling $357,911 from FY 2005-06 through FY 2008-09.

2. The March 2004 Legislative Council Staff forecast projects a TABOR surplus of $24.6 million in FY 2004-05 and $327.2 million in FY 2005-06. This sum must be refunded to the taxpayers out of the General Fund. Legislation that increases non-exempt revenue (such as cash funds) to the state will further increase the TABOR refund made out of the General Fund. Correspondingly, this will reduce the amount of General Fund available for programs. This bill is estimated to increase cash fund revenues by $71,638 in FY 2004-05 and $116,435 in FY 2005-06, which in turn, will reduce the available General Fund by an equal amount in each of these years.