

**JBC STAFF FISCAL ANALYSIS
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING INCREASING THE NUMBER OF ACCESSORY DWELLING UNITS.

Prime Sponsors: Reps. Amabile and Weinberg
Sens. Mullica and Exum

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Appropriation Items of Note

Appropriation Required, Amendments in Packet

General Fund 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 03/26/24.

XXX	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>
	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

Amendments in This Packet for Consideration by Appropriations Committee

Amendment	Description
J.001	Staff-prepared appropriation amendment
J.002	Bill Sponsor amendment - changes fiscal impact <i>and</i> appropriation
L.015	Bill Sponsor amendment - changes fiscal impact

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 \$537,246 cash funds from the Accessory Dwelling Unit Fee Reduction and Encouragement Grant Program Fund to the Department of Local Affairs for FY 2024-25. Of this amount, \$70,000 is reappropriated to the Governor's Office of Information Technology. This provision also

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states that the appropriation is based on the assumption that the Department of Local Affairs will require an additional 4.9 FTE to implement the act.

J.002 Bill Sponsor amendment **J.002** (attached) adds a provision appropriating \$537,246 cash funds from the Accessory Dwelling Unit Fee Reduction and Encouragement Grant Program Fund to the Department of Local Affairs for FY 2024-25. Of this amount, \$70,000 is reappropriated to the Governor's Office of Information Technology. This provision also states that the appropriation is based on the assumption that the Department of Local Affairs will require an additional 4.9 FTE to implement the act.

The amendment also adds a provision appropriating \$8.0 million General Fund to the Office of Economic Development and International Trade (OEDIT) for FY 2024-25 to contract with the Colorado Housing and Finance Authority (CHFA). The Revised Fiscal Note (03/26/24) specifies that this cost should be paid for by existing resources, specifically, from OEDIT's continuously appropriated Economic Development Fund.

L.015 Bill Sponsor amendment **L.015** (attached) reduces the General Fund transfer to the Accessory Dwelling Unit Fee Reduction and Encouragement Grant Program Fund in the Department of Local Affairs from \$10.0 million to \$5.0 million. Legislative Council Staff and JBC Staff agree that **L.015** does not change the required appropriation in FY 2024-25, but will reduce the amount of ADU Encouragement Grants that can be made annually in FY 2025-26 through FY 2028-29.

The Committee should adopt amendment **J.001** or **J.002**, but not both. **L.015** may be adopted regardless of any other adopted amendment.

Points to Consider

General Fund Impact

The Joint Budget Committee has proposed a budget package for FY 2024-25 based on the March 2024 Office of State Planning and Budgeting (OSPB) revenue forecast. The budget package includes \$93.5 million in set-asides for legislation outside of the package (see table below). The budget package accounts for the 15.0 percent reserve associated with the placeholders (a total of \$14.0 million).

General Fund Appropriation Placeholders for Other 2024 Legislation	
Description	FY 2024-25
General Legislative Priorities	\$21,739,130
Legislation for Shared Housing Priorities	42,478,261
Legislation for Shared Workforce and Education Priorities	16,152,110

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General Fund Appropriation Placeholders for Other 2024 Legislation	
Legislation for Other Shared Priorities	10,519,130
Legislation for Distributions to Rural Hospitals	2,608,689
TOTAL Placeholders for Other 2024 Legislation	\$93,497,320

This bill includes a General Fund transfer of \$10.0 million to the Accessory Dwelling Unit Fee Reduction and Encouragement Grant Program Fund in FY 2023-24, reducing the \$93.5 million set aside by the same amount. If Bill Sponsor amendment **L.015** is adopted, this transfer will be reduced to \$5.0 million.

If Bill Sponsor amendment **J.002** is adopted, the bill will include a General Fund appropriation of \$8.0 million for FY 2024-25, reducing the \$93.5 million set aside by the same amount.