

# UNDER THE DOME

WITH THE NCLA

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## STATE REVENUE FORECAST BRIGHT, BUT TOO BRIGHT?

This past week, state economists issued their highly anticipated quarterly economic forecast. The news was good. \$12.21 B anticipated for 2014 – 15 fiscal year. \$133M more than that projected in December's forecast. But the good news may have TABOR consequences if they the projections become a reality.

Under TABOR, the revenues outpace the 6% TABOR revenue limitations which trigger a required refund back to taxpayers. An interesting dilemma to be sure as the anticipated growth comes as a result of new tax revenues generated by the new marijuana sales tax. The legislature has the option to ask voters in November to keep the new revenues. Given the new tax has triggered the TABOR dilemma, an opinion of the Colorado Supreme Court is being requested to determine how best and legally to proceed.

Any new revenue in the coffers presents an opportunity and a challenge in of itself. Anticipating positive growth in revenue, numerous legislative proposals request significant portions of the growth in revenue from last year's state budget. From a \$100 increase in higher education funding, a \$55 Million job creation tax credit to \$100 M in transportation funding and \$2 M in angel investor tax relief, the spending priorities of legislative leadership are being negotiated behind the scenes and in the Joint Budget Committee.

This week the official budget bill, called the "Long Bill", will be introduced. Haggling over spending priorities will be done publicly and are expected to draw tensions on both sides of the aisle. As many on the budget committee have said, its difficult to cut budgets when revenues are down, but the debate can be more tenuous when there are surplus dollars to fight over. There are nearly twice as much in spending requests for 2014-15 fiscal year than there are additional revenues in which to spend.

## NCLA TESTIFIES IN SUPPORT OF STATE FUNDS FOR HIGHWAYS

This week, Sandra Hagen Solin, NCLA Issues Manager, testified in support of House Minority Leader Brian DelGrosso's (R-Loveland) proposal which pulls \$100 Million from the General Fund for state highway construction allocated based upon lane miles. House Bill 14-1259 was heard in the Transportation Committee Thursday morning.

The committee meeting had strong representation from Northern Colorado as the committee includes three northern Colorado legislators, Representatives Fischer, Ginal and Buck, the bill, of course, is sponsored by Rep. DelGrosso. The bill was passed on an 11-2 vote with Rep. Fischer being one of the two no votes. Fischer argued that when there are other priorities of state funding, this wasn't less of a priority relative to the others. Ginal

and Buck voted in favor. Solin testified highlighted the North I-25 (Hwy 14 - Hwy 66) corridor, the billion dollar price tag, the anticipated completion in 2075 under current funding projections, and noted that all funding options, including participation by the state General Fund, were necessary to expedite this project in the fastest growing region of the state.

The bill moves to the Appropriations committee and is now in the hopper as the long bill is being debated.