

**JBC Staff Fiscal Analysis**  
**House Appropriations Committee**

Concerning state regulation of underground injection control wells.

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**Prime Sponsors:**

Representatives Paschal; Smith  
Senators Hinrichsen; Simpson

**Date Prepared:**

May 8, 2026

**JBC Analyst:**

Kelly Shen  
303-866-5434

**Fiscal Impacts**

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Appropriation Required, Amendments in Packet

TABOR Impact

Significant Appropriation Increase in Third Year

**Fiscal Note Status**

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The most recent Legislative Council Staff First Revised Fiscal Note (attached) reflects the fiscal impact of the bill as of 03/30/26.

**No Change:** Attached LCS Fiscal Note accurately reflects the fiscal impact of the bill.

**Amendments in This Packet**

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J.001 Staff-prepared appropriation amendment

L.012 Bill Sponsor amendment – changes fiscal impact

**Current Appropriations Clause in Bill**

The bill requires but does not contain an appropriations clause.

**Description of Amendments in This Packet**

**J.001**

Staff amendment **J.001** (attached) appropriates \$213,867 from the Energy and Carbon Management Cash Fund to the Department of Natural Resources for FY 2026-27. The appropriation reflects 1.3 FTE. Of this amount, \$41,541 is further appropriated to the Department of Law, reflecting 0.2 FTE.

**L.012**

Bill Sponsor amendment **L.012** (attached) requires the Department to include, in their annual budget request, a request for spending authority to enforce rules for the regulation of wells covered in this bill and to include a

proposal to eliminate or minimize the program’s fiscal impact for the first fiscal year in which fee revenue will be collected or expended. Legislative Council Staff and JBC Staff agree that this amendment has no fiscal impact.

The Committee should adopt **J.001**, and may also adopt **L.012**.

## Points to Consider

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The Joint Budget Committee (JBC) has proposed a budget package for FY 2026-27 based on the March 2026 Office of State Planning and Budgeting (OSPB) revenue forecast. The forecast does not anticipate a TABOR surplus liability for FY 2025-26, but does anticipate a surplus liability of \$711.1 million for FY 2026-27 and \$515.6 million in FY 2027-28 to be refunded to taxpayers out of the General Fund. Legislation that increases non-exempt revenue (such as cash funds) will increase the TABOR refund from the General Fund.

### Future Fiscal Impact

Increases in cash fund expenditures require either an increase in fee or assessment revenue or a draw-down of existing reserve balance. Eventually, the cash fund will have to generate revenue on an ongoing basis to sustainably pay for an ongoing expenditure. In a TABOR refund year, cash fund revenue increases require a TABOR refund paid from the General Fund of an equal amount.

Although this bill does not have an immediate General Fund or TABOR impact, it includes cash fund expenditures that increase by \$1.2 million and 9.0 FTE for FY 2028-29 and by \$1.1 million and 9.0 for FY 2029-30.

### TABOR/Excess State Revenues Impact

This bill is estimated to increase cash fund revenues by \$1.2 million in FY 2028-29 and by \$1.1 million in FY 2029-30, which will reduce the available General Fund in each fiscal year by equal amounts.