

Dynamic Fiscal Note

GS 2026

HB190 S2



The purpose of this note is to provide legislators and staff with a spectrum of possible dynamic economic impacts that may result from the implementation of the proposed legislation. This note is not a forecast, nor should it be viewed as a concrete prediction of budgetary or other impacts to the state's financial position. The Office of the Legislative Fiscal Analyst does not take a position as to which of the response scenarios outlined below, if any, is most probable. Such a determination is contingent upon various macroeconomic, behavioral, and political factors that are beyond the scope of objective analytic methodologies. The predictions outlined here make no claim as to the timeframe under which the dynamic impacts may occur, nor the employment, growth, or other paths that key economic indicators may take on the way to the new equilibrium.

Scenario 1: Do Nothing

This scenario outlines the proposed legislation's financial opportunity cost where the primary alternative is allowing the money to bear interest.

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
Investment	\$2,900,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest	\$0	\$87,000	\$89,600	\$92,300	\$95,100	\$97,900	\$100,900	\$103,900
Balance	\$2,900,000	\$2,987,000	\$3,076,600	\$3,168,900	\$3,264,000	\$3,361,900	\$3,462,800	\$3,566,700

Scenario 2: Static Fiscal Note

This scenario summarizes the fiscal impacts as outlined in the static fiscal note and is presented here for convenient comparison.

	Current Fiscal Year	Next Fiscal Year	Following Fiscal Year
General Fund	\$0	\$0	\$0
Income Tax Fund	\$0	(\$2,600,000)	(\$2,900,000)
Other State Funds	\$0	\$0	\$0

Scenario 3: Minimal Dynamic Response

This scenario presents the predicted marginal long term economic equilibrium conditions if there is small response relative to the static impact of the legislation.

	Economic Output	Employment	Labor Income	State Revenue
Direct*	\$8,975,100	29	\$2,7708,700	\$114,400
Indirect**	\$3,477,300	16	\$1,012,700	\$60,300
Induced***	\$3,257,400	16	\$924,800	\$96,100

Scenario 4: Medium Dynamic Response

This scenario presents the predicted marginal long term economic equilibrium conditions if there is medium response relative to the static impact of the legislation.

	Economic Output	Employment	Labor Income	State Revenue
Direct	\$26,925,200	86	\$8,117,100	\$343,200
Indirect	\$10,431,800	48	\$3,038,000	\$180,900
Induced	\$9,772,100	46	\$2,774,500	\$288,300

Scenario 5: Maximal Dynamic Response

This scenario presents the predicted marginal long term economic equilibrium conditions if there is large response relative to the static impact of the legislation.

	Economic Output	Employment	Labor Income	State Revenue
Direct	\$44,875,300	143	\$13,528,600	\$572,000
Indirect	\$17,386,300	79	\$5,036,300	\$301,500
Induced	\$16,286,900	77	\$4,624,100	\$480,500

*Impact from private spending. **Impact from direct plus household spending. ***Impact from Indirect plus government spending