

Be it Enacted by the People of the State of Colorado:

ARTICLE X OF THE CONSTITUTION is amended to BY THE ADDITION OF A NEW SECTION, to read:

SECTION 21. RESPONSE TO FISCAL EMERGENCIES.

- (1) THE PEOPLE OF THE STATE OF COLORADO DECLARE THAT THEIR ELECTED REPRESENTATIVES HAVE BEEN UNABLE TO ADEQUATELY RESPOND TO ONE OR MORE FISCAL EMERGENCIES IN RECENT YEARS, GIVEN THE INFLEXIBLE CONSTITUTIONAL RESTRICTIONS AND MANDATES RELATING TO THE USE OF STATE REVENUE. THE PEOPLE FURTHER FIND THAT THESE CONSTRAINTS AND DEMANDS ON STATE REVENUE ARE INTEGRALLY RELATED. ACCORDINGLY, OUR ELECTED REPRESENTATIVES SHOULD BE AUTHORIZED TO SUSPEND THOSE RELATED PROVISIONS OF LAW THAT PREVENT A REASONABLE RESPONSE TO FISCAL EMERGENCIES SO AS TO AVOID CRISES IN THE PROVISION OF NEEDED GOVERNMENTAL SERVICES.
- (2)
 - (a) A STATE FISCAL EMERGENCY PURSUANT TO THIS SECTION MAY ONLY BE DECLARED BY A THREE-FIFTHS VOTE OF EACH HOUSE OF THE COLORADO GENERAL ASSEMBLY AND WITH THE APPROVAL OF THE GOVERNOR. WHEN A STATE FISCAL EMERGENCY IS DECLARED, THE APPLICABLE PROVISIONS OF SUBSECTIONS (3) AND (4) ARE TO BE GIVEN EFFECT.
 - (b) A DISTRICT FISCAL EMERGENCY PURSUANT TO THIS SECTION MAY ONLY BE DECLARED BY A THREE-FIFTHS VOTE OF THE GOVERNING BODY OF THAT DISTRICT.
- (3) UPON A DECLARATION OF A FISCAL EMERGENCY PURSUANT TO THIS SECTION, THE STATE OR DISTRICT SPENDING LIMIT AND REFUND PROVISIONS CONTAINED IN TABOR FOR THE GOVERNMENTAL ENTITY MAKING SUCH DECLARATION SHALL BE SUSPENDED FOR THE PERIOD OF TIME SET FORTH IN THE DECLARATION NOT TO EXCEED THREE CONSECUTIVE FISCAL YEARS, BEGINNING IN THE FISCAL YEAR WHEN SUCH DECLARATION IS MADE.
- (4) UPON A DECLARATION OF A STATE FISCAL EMERGENCY PURSUANT TO THIS SECTION, UP TO HALF OF THE STATE SPENDING REQUIRED BY SECTION 17(1) OF ARTICLE IX OF THE CONSTITUTION SHALL BE SUSPENDED FOR THE PERIOD OF TIME REFERRED TO IN THE DECLARATION ADOPTED PURSUANT TO SUBSECTION (3), NOT TO EXCEED THREE CONSECUTIVE FISCAL YEARS, BEGINNING IN THE FISCAL YEAR WHEN SUCH DECLARATION IS MADE.
- (5) A FISCAL EMERGENCY MAY BE DECLARED DURING OR AFTER THE LAST YEAR OF A PREVIOUSLY DECLARED FISCAL EMERGENCY, NOTWITHSTANDING ANY PROVISION OF LAW.
- (6) FOR PURPOSES OF THIS SECTION:
 - (a) "DISTRICT" MEANS ANY LOCAL GOVERNMENT, EXCLUDING "ENTERPRISES" AS DEFINED IN PARAGRAPH (d) OF SUBSECTION (2) OF ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION.
 - (b) "FISCAL EMERGENCY" MEANS:
 - (I) AFTER ADJUSTMENT FOR THE STATE OR DISTRICT POPULATION GROWTH AND INFLATION, A REDUCTION IN THE TOTAL TAX REVENUES THAT ARE COLLECTED BY THE STATE OR A DISTRICT IN A COMPLETE FISCAL YEAR WHEN COMPARED TO THE TOTAL

TAX REVENUES THAT WERE COLLECTED BY THE STATE OR THAT DISTRICT DURING THE PREVIOUS FISCAL YEAR;

(II) A NATURAL OR MANMADE DISASTER, SUCH AS A MAJOR FOREST FIRE OR TERRORIST ACT, THAT PLACES UNANTICIPATED DEMANDS ON STATE OR DISTRICT REVENUES; OR

(III) AS APPLICABLE AND NOTWITHSTANDING ANY PROVISION OF LAW, A DETERMINATION THAT EITHER:

(A) THE APPLICATION OF THE STATE SPENDING LIMIT AND REFUND PROVISIONS CONTAINED IN TABOR AND SECTION 17(1) OF ARTICLE IX OF THE CONSTITUTION WOULD SIGNIFICANTLY IMPAIR THE ABILITY OF THE STATE TO PROVIDE NEEDED, EXISTING SERVICES; OR

(B) THE APPLICATION OF THE DISTRICT SPENDING LIMIT AND REFUND PROVISIONS CONTAINED IN TABOR WOULD SIGNIFICANTLY IMPAIR THE ABILITY OF THAT DISTRICT TO PROVIDE NEEDED, EXISTING SERVICES.

(b) "STATE OR DISTRICT SPENDING LIMIT AND REFUND PROVISIONS CONTAINED IN TABOR" MEANS THE LIMITS DESCRIBED IN THE FORTH SENTENCE OF SUBSECTION (1) OF ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, PARAGRAPHS (a) OR (b) OF SUBSECTION (7) OF ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, AS APPLICABLE, AND THE FIRST SENTENCE OF PARAGRAPH (d) OF SUBSECTION (7) OF ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION.

(7) THIS SECTION SHALL BE EFFECTIVE ON JANUARY 1, 2005.