

First Regular Session  
Sixty-eighth General Assembly  
STATE OF COLORADO

INTRODUCED

LLS NO. 11-0363.01 Jason Gelender

SENATE BILL 11-027

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SENATE SPONSORSHIP

King S.,

HOUSE SPONSORSHIP

(None),

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Senate Committees  
State, Veterans & Military Affairs

House Committees

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A BILL FOR AN ACT

101 CONCERNING THE COLORADO ECONOMIC STABILITY FUND, AND, IN  
102 CONNECTION THEREWITH, CREATING THE FUND AND SPECIFYING  
103 THE CONDITIONS UNDER WHICH MONEYS MUST BE TRANSFERRED  
104 TO AND MAY BE EXPENDED FROM THE FUND.

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Bill Summary

*(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)*

The bill creates the Colorado economic stability fund (fund), specifies that the principal of the fund shall consist of general fund

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.  
Capital letters indicate new material to be added to existing statute.  
Dashes through the words indicate deletions from existing statute.

moneys transferred to the fund, requires fund interest and income to be credited to the fund, and specifically:

- ! Requires 10% of any increase in the amount of general fund revenues for a state fiscal year over the amount of general fund revenues for the prior state fiscal year to be transferred to the fund at the end of the state fiscal year unless such a transfer would cause the balance of the fund to exceed 15% of the amount of general fund revenues for the state fiscal year; and
- ! Requires moneys to be transferred from the fund to the general fund at the end of a state fiscal year to the extent necessary to prevent the balance of the fund from exceeding 15% of the highest amount of general fund revenues for any of the 4 state fiscal years immediately preceding the state fiscal year.

For any given state fiscal year, the bill allows the general assembly to appropriate or transfer up to one-half of the moneys in the fund if:

- ! The amount of general fund revenues for the immediately preceding state fiscal year was at least 10% less than the amount of general fund revenues for the next preceding state fiscal year and the general assembly has declared a state fiscal emergency by adopting a joint resolution approved by a two-thirds majority vote of the members of both houses and the governor; or
- ! The general assembly has adopted a joint resolution approved by a two-thirds majority vote of the members of both houses and the governor that declares that extraordinary circumstances other than a state fiscal emergency necessitate the appropriation or transfer of fund moneys.

The bill allows moneys appropriated or transferred from the fund for any given state fiscal year to be used only:

- ! For refunds required by the taxpayer's bill of rights (TABOR), to the extent that such appropriations or transfers do not reduce the fund balance to an amount that is less than 15% of the amount of general fund revenues for the state fiscal year; or
- ! To provide funding for programs that were in existence and receiving state funding prior to the beginning of the state fiscal year and that provide vital services determined by the joint budget committee to be necessary to help preserve the public peace, health, or safety.

The bill allows the general assembly to appropriate or transfer more than one-half of the moneys in the fund during a state fiscal year if the general assembly authorizes the appropriations or transfers by

adopting a separate joint resolution approved by a two-thirds majority vote of the members of both houses and the governor.

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1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** Article 75 of title 24, Colorado Revised Statutes, is  
3 amended BY THE ADDITION OF A NEW PART to read:

4 PART 14

5 COLORADO ECONOMIC STABILITY FUND

6 **24-75-1401. Colorado economic stability fund - creation -**  
7 **required transfers to fund - use of fund - definitions.** (1) AS USED IN  
8 THIS PART 14, UNLESS THE CONTEXT OTHERWISE REQUIRES:

9 (a) "STABILITY FUND" MEANS THE COLORADO ECONOMIC  
10 STABILITY FUND CREATED IN SUBSECTION (2) OF THIS SECTION.

11 (b) "VITAL SERVICES" MEANS SERVICES DETERMINED BY THE JOINT  
12 BUDGET COMMITTEE, BY A RECORDED VOTE OF A MAJORITY OF ITS  
13 MEMBERS, TO BE NECESSARY TO HELP PRESERVE THE PUBLIC PEACE,  
14 HEALTH, OR SAFETY.

15 (2) THE COLORADO ECONOMIC STABILITY FUND IS HEREBY  
16 CREATED IN THE STATE TREASURY. THE PRINCIPAL OF THE STABILITY  
17 FUND SHALL CONSIST OF MONEYS TRANSFERRED FROM THE GENERAL FUND  
18 TO THE STABILITY FUND PURSUANT TO SUBSECTION (3) OF THIS SECTION.  
19 INTEREST AND INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF  
20 MONEYS IN THE STABILITY FUND SHALL BE CREDITED TO THE STABILITY  
21 FUND AND SHALL NOT BE CREDITED TO THE GENERAL FUND OR ANY OTHER  
22 FUND AT THE END OF ANY STATE FISCAL YEAR BUT MAY BE APPROPRIATED  
23 OR TRANSFERRED FROM THE STABILITY FUND AS SPECIFIED IN  
24 SUBSECTIONS (4) AND (5) OF THIS SECTION.

25 (3) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (4) OF THIS

1 SECTION, EFFECTIVE JUNE 30 OF ANY STATE FISCAL YEAR IN WHICH THE  
2 AMOUNT OF GENERAL FUND REVENUES HAS INCREASED OVER THE AMOUNT  
3 OF GENERAL FUND REVENUES FOR THE PRIOR STATE FISCAL YEAR, THE  
4 STATE CONTROLLER SHALL TRANSFER FROM THE GENERAL FUND TO THE  
5 STABILITY FUND AN AMOUNT EQUAL TO TEN PERCENT OF THE AMOUNT BY  
6 WHICH GENERAL FUND REVENUES INCREASED.

7 (4) IF A TRANSFER OTHERWISE REQUIRED BY SUBSECTION (3) OF  
8 THIS SECTION WOULD CAUSE THE BALANCE OF THE STABILITY FUND AS OF  
9 THE EFFECTIVE DATE OF THE TRANSFER TO EXCEED FIFTEEN PERCENT OF  
10 THE AMOUNT OF GENERAL FUND REVENUES FOR THE STATE FISCAL YEAR  
11 THAT INCLUDES THE EFFECTIVE DATE, THE AMOUNT OF THE TRANSFER  
12 SHALL BE REDUCED TO THE AMOUNT THAT WILL CAUSE THE BALANCE OF  
13 THE STABILITY FUND AS OF THE EFFECTIVE DATE TO EQUAL FIFTEEN  
14 PERCENT OF THE AMOUNT OF GENERAL FUND REVENUES FOR THE STATE  
15 FISCAL YEAR. IF THE REQUIRED REDUCTION CANNOT BE ACCOMPLISHED  
16 SOLELY THROUGH A REDUCTION IN THE AMOUNT OF THE TRANSFER, THE  
17 STATE CONTROLLER SHALL NOT MAKE THE TRANSFER AND SHALL INSTEAD:

18 (a) IF THE BALANCE OF THE STABILITY FUND AS OF THE EFFECTIVE  
19 DATE OF THE TRANSFER DOES NOT EXCEED FIFTEEN PERCENT OF THE  
20 HIGHEST AMOUNT OF GENERAL FUND REVENUES FOR ANY OF THE FOUR  
21 STATE FISCAL YEARS IMMEDIATELY PRECEDING THE STATE FISCAL YEAR  
22 THAT INCLUDES THE EFFECTIVE DATE, ALLOW THE STABILITY FUND TO  
23 REMAIN AT ITS CURRENT BALANCE; OR

24 (b) IF THE BALANCE OF THE STABILITY FUND AS OF THE EFFECTIVE  
25 DATE OF THE TRANSFER EXCEEDS FIFTEEN PERCENT OF THE HIGHEST  
26 AMOUNT OF GENERAL FUND REVENUES FOR ANY OF THE FOUR STATE  
27 FISCAL YEARS IMMEDIATELY PRECEDING THE STATE FISCAL YEAR THAT

1 INCLUDES THE EFFECTIVE DATE, TRANSFER FROM THE STABILITY FUND TO  
2 THE GENERAL FUND, EFFECTIVE JUNE 30 OF THE STATE FISCAL YEAR, THE  
3 AMOUNT NEEDED TO REDUCE THE BALANCE OF THE STABILITY FUND TO  
4 FIFTEEN PERCENT OF THE HIGHEST AMOUNT OF GENERAL FUND REVENUES  
5 FOR ANY OF THE FOUR IMMEDIATELY PRECEDING STATE FISCAL YEARS.

6 (5) FOR ANY GIVEN STATE FISCAL YEAR, THE GENERAL ASSEMBLY  
7 MAY APPROPRIATE MONEYS DIRECTLY FROM THE STABILITY FUND, OR  
8 CAUSE MONEYS TO BE TRANSFERRED FROM THE STABILITY FUND TO THE  
9 GENERAL FUND IN ORDER TO MAKE ADDITIONAL MONEYS AVAILABLE FOR  
10 GENERAL FUND APPROPRIATIONS OR FOR REFUNDS REQUIRED BY SECTION  
11 20 OF ARTICLE X OF THE STATE CONSTITUTION, SUBJECT TO THE  
12 FOLLOWING LIMITATIONS:

13 (a) THE GENERAL ASSEMBLY MAY ONLY APPROPRIATE MONEYS  
14 FROM, OR CAUSE MONEYS TO BE TRANSFERRED FROM, THE STABILITY FUND  
15 IF:

16 (I) (A) THE AMOUNT OF GENERAL FUND REVENUES FOR THE  
17 IMMEDIATELY PRECEDING STATE FISCAL YEAR WAS AT LEAST TEN PERCENT  
18 LESS THAN THE AMOUNT OF GENERAL FUND REVENUES FOR THE NEXT  
19 PRECEDING STATE FISCAL YEAR; AND

20 (B) THE GENERAL ASSEMBLY HAS DECLARED A STATE FISCAL  
21 EMERGENCY BY ADOPTING A JOINT RESOLUTION APPROVED BY A  
22 TWO-THIRDS MAJORITY VOTE OF THE MEMBERS OF BOTH HOUSES AND THE  
23 GOVERNOR; OR

24 (II) THE GENERAL ASSEMBLY HAS ADOPTED A JOINT RESOLUTION  
25 APPROVED BY A TWO-THIRDS MAJORITY VOTE OF THE MEMBERS OF BOTH  
26 HOUSES AND THE GOVERNOR THAT DECLARES THAT EXTRAORDINARY  
27 CIRCUMSTANCES OTHER THAN A STATE FISCAL EMERGENCY NECESSITATE

1 THE APPROPRIATION OR TRANSFER OF STABILITY FUND MONEYS.

2 (b) MONEYS APPROPRIATED OR TRANSFERRED FROM THE  
3 STABILITY FUND MAY BE USED ONLY TO PROVIDE FUNDING FOR REFUNDS  
4 REQUIRED BY SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION, TO  
5 THE EXTENT THAT SUCH APPROPRIATIONS OR TRANSFERS DO NOT REDUCE  
6 THE BALANCE OF THE STABILITY FUND TO AN AMOUNT THAT IS LESS THAN  
7 FIFTEEN PERCENT OF THE AMOUNT OF GENERAL FUND REVENUES FOR THE  
8 STATE FISCAL YEAR, OR FOR PROGRAMS THAT:

9 (I) WERE IN EXISTENCE AND RECEIVING STATE FUNDING PRIOR TO  
10 THE BEGINNING OF THE STATE FISCAL YEAR; AND

11 (II) PROVIDE VITAL SERVICES.

12 (c) THE GENERAL ASSEMBLY MAY APPROPRIATE OR TRANSFER A  
13 TOTAL OF NO MORE THAN ONE-HALF OF THE MONEYS IN THE STABILITY  
14 FUND; EXCEPT THAT THE GENERAL ASSEMBLY MAY APPROPRIATE OR  
15 TRANSFER MORE THAN ONE-HALF OF THE MONEYS IN THE STABILITY FUND  
16 IF THE GENERAL ASSEMBLY AUTHORIZES SUCH APPROPRIATIONS OR  
17 TRANSFERS BY ADOPTING A JOINT RESOLUTION SEPARATE FROM A JOINT  
18 RESOLUTION DESCRIBED IN SUB-SUBPARAGRAPH (B) OF SUBPARAGRAPH (I)  
19 OR SUBPARAGRAPH (II) OF PARAGRAPH (a) OF THIS SUBSECTION (5)  
20 APPROVED BY A TWO-THIRDS MAJORITY VOTE OF THE MEMBERS OF BOTH  
21 HOUSES AND THE GOVERNOR.

22 **SECTION 2. Safety clause.** The general assembly hereby finds,  
23 determines, and declares that this act is necessary for the immediate  
24 preservation of the public peace, health, and safety.