

**First Regular Session
Sixty-ninth General Assembly
STATE OF COLORADO**

INTRODUCED

LLS NO. 13-0955.01 Ed DeCecco x4216

SENATE BILL 13-237

SENATE SPONSORSHIP

Steadman, Hodge, Lambert

HOUSE SPONSORSHIP

Gerou, Duran, Levy

Senate Committees
Appropriations

House Committees

A BILL FOR AN ACT

101 **CONCERNING THE INCREASE IN THE GENERAL FUND RESERVE.**

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>.)

Joint Budget Committee. Under current law, 4% of the amount appropriated for expenditure from the general fund in a fiscal year must be retained in the fund at the end of the fiscal year as a reserve. But once a personal income trigger occurs, which means that personal income grows by 5% from one calendar year to the next, the amount of the required general fund reserve increases by a one-half percent in each of the following 5 fiscal years.

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.

The bill changes the general fund reserve requirement by:

- ! Increasing the reserve to 5% of general fund appropriations for the fiscal years 2012-13 and 2013-14;
- ! Establishing the reserve as 5% of general fund appropriations for all subsequent years until the percentage increases after the personal income trigger occurs;
- ! Eliminating the first 2 fiscal years of reserve increases, because the reserve will already be 5% of general fund appropriations; and
- ! Delaying the remaining 3 fiscal years of one-half percent reserve increases until the third fiscal year that begins after the personal income trigger occurs so that the timing of these increases does not change from existing law.

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

2 **SECTION 1.** In Colorado Revised Statutes, 24-75-201.1, **amend**
3 (1) (d) (XII), (1) (e) (I), (1) (e) (II), (1) (e) (III) (B), and (2) as follows:

4 **24-75-201.1. Restriction on state appropriations - legislative**
5 **declaration - definitions - repeal.** (1) (d) Except as otherwise provided
6 in paragraph (e) of this subsection (1), for each fiscal year, unrestricted
7 general fund year-end balances shall be retained as a reserve in the
8 following amounts:

9 (XII) For the fiscal year 2012-13, ~~four and one-half~~ FIVE percent
10 of the amount appropriated for expenditure from the general fund for that
11 fiscal year;

12 (e) (I) The initial reserve requirement is suspended AND DOES NOT
13 APPLY until the THIRD FISCAL YEAR THAT BEGINS AFTER THE personal
14 income trigger occurs. The reserve requirement is ~~four~~ FIVE percent of the
15 amount appropriated for expenditure for each fiscal year that the initial
16 reserve requirement is suspended. ~~The initial reserve requirement applies~~
17 ~~to the first fiscal year that begins after the personal income trigger occurs.~~

18 (II) The reserve requirements set forth in subparagraphs ~~(XIII)~~;

1 ~~(XIV)~~, (XV) and (XVI) of paragraph (d) of this subsection (1) shall each
2 be ARE EACH suspended by the same number of fiscal years that the initial
3 reserve requirement is suspended pursuant to subparagraph (I) of this
4 paragraph (e).

5 (III) As used in this paragraph (e), unless the context otherwise
6 requires:

7 (B) "Initial reserve requirement" means the reserve requirement
8 set forth in ~~subparagraph (XII)~~ SUBPARAGRAPH (XIV) of paragraph (d) of
9 this subsection (1).

10 (2) ~~For each fiscal year ending with the 1985-86 fiscal year, the~~
11 ~~basis for the calculation of the percentage for the reserve as specified in~~
12 ~~subsection (1) of this section shall include all appropriations for~~
13 ~~expenditures and disbursements authorized by law from the general fund,~~
14 ~~including tax relief appropriations and other expenditures made in~~
15 ~~accordance with the provisions of subsection (1) of this section. For the~~
16 ~~1986-87 fiscal year and each fiscal year thereafter ending with the fiscal~~
17 ~~year 1990-91, the basis for the calculation of the reserve as specified in~~
18 ~~paragraph (d) of subsection (1) of this section shall include all~~
19 ~~appropriations for expenditure from the general fund for such fiscal year~~
20 ~~but shall not include the fifty percent of excess revenues transferred from~~
21 ~~the general fund to the capital construction fund pursuant to paragraph (c)~~
22 ~~of subsection (1) of this section. For the 1991-92 fiscal year and each~~
23 ~~fiscal year thereafter, The basis for the calculation of the reserve as~~
24 ~~specified in paragraph (d) of subsection (1) of this section shall include~~
25 INCLUDES all appropriations for expenditure from the general fund for
26 such fiscal year, except for any appropriations for expenditure from the
27 general fund due to a state fiscal emergency as provided for in

1 subparagraph (IV) of paragraph (a) of subsection (1) of this section.

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