

Second Regular Session  
Sixty-ninth General Assembly  
STATE OF COLORADO

REVISED

*This Version Includes All Amendments Adopted  
on Second Reading in the Second House*

LLS NO. 14-1057.01 Nicole Myers x4326

HOUSE BILL 14-1393

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HOUSE SPONSORSHIP

Gerou, Duran, May

SENATE SPONSORSHIP

Hodge, Steadman, Lambert

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House Committees  
Finance

Senate Committees  
Appropriations

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A BILL FOR AN ACT

101 CONCERNING A CLARIFICATION REGARDING THE TREATMENT OF  
102 FEDERAL FUNDS FOR PURPOSES OF SECTION 20 OF ARTICLE X OF  
103 THE STATE CONSTITUTION.

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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>.)*

**Joint Budget Committee.** Section 20 of article X of the state constitution, the taxpayer's bill of rights (TABOR), excludes federal funds from the definition of a district's fiscal year spending. However, the historic flooding in Colorado in the fall of 2013 as well as previous

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.*

SENATE  
2nd Reading Unamended  
May 6, 2014

HOUSE  
3rd Reading Unamended  
May 1, 2014

HOUSE  
2nd Reading Unamended  
April 30, 2014

disaster emergencies in the state have highlighted confusion on the part of some local governments and enterprises regarding the TABOR implications in connection with federal emergency grant moneys that pass through the state before receipt by the local government or enterprise.

Without modifying any provisions of TABOR, the bill clarifies the following for TABOR purposes:

! Any federal funds that a local government receives, regardless of whether such federal funds pass through the state prior to receipt by the local government, shall not be included in the local government's calculation of its fiscal year spending.

! Any grant of federal funds that an enterprise receives, regardless of whether such federal funds pass through the state or any local government in the state prior to receipt by the enterprise, shall not be included in the enterprise's calculation of the total percentage of annual revenues that it receives in grants from the state and local governments.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** part 13 to article  
3 1 of title 29 as follows:

4 PART 13

5 FEDERAL FUNDS RECEIVED BY

6 LOCAL GOVERNMENTS

7 **29-1-1301. Federal funds received by local governments -**  
8 **enterprises - definitions.** (1) FOR PURPOSES OF SECTION 20 OF ARTICLE  
9 X OF THE STATE CONSTITUTION:

10 (a) ANY FEDERAL FUNDS THAT A LOCAL GOVERNMENT RECEIVES,  
11 REGARDLESS OF WHETHER SUCH FEDERAL FUNDS PASS THROUGH THE  
12 STATE PRIOR TO RECEIPT BY THE LOCAL GOVERNMENT, SHALL NOT BE  
13 INCLUDED IN THE LOCAL GOVERNMENT'S CALCULATION OF ITS FISCAL  
14 YEAR SPENDING; AND

15 (b) ANY GRANT OF FEDERAL FUNDS THAT AN ENTERPRISE  
16 RECEIVES, REGARDLESS OF WHETHER SUCH FEDERAL FUNDS PASS

1 THROUGH THE STATE OR ANY LOCAL GOVERNMENT PRIOR TO RECEIPT BY  
2 THE ENTERPRISE, SHALL NOT BE INCLUDED IN THE ENTERPRISE'S  
3 CALCULATION OF THE PERCENTAGE OF ANNUAL REVENUES THAT IT  
4 RECEIVES IN GRANTS FROM THE STATE AND LOCAL GOVERNMENTS IN  
5 COLORADO COMBINED.

6 (2) FOR THE PURPOSES OF THIS PART 13:

7 (a) "ENTERPRISE" HAS THE SAME MEANING AS PROVIDED IN  
8 SECTION 20 (2) (d) OF ARTICLE X OF THE STATE CONSTITUTION.

9 (b) "FEDERAL FUNDS" MEANS ANY PECUNIARY RESOURCES FROM  
10 THE NATIONAL GOVERNMENT OF THE UNITED STATES.

11 (c) "FISCAL YEAR SPENDING" HAS THE SAME MEANING AS  
12 PROVIDED IN SECTION 20 (2) (e) OF ARTICLE X OF THE STATE  
13 CONSTITUTION.

14 (d) "GRANT" MEANS ANY DIRECT CASH SUBSIDY OR OTHER DIRECT  
15 CONTRIBUTION OF MONEY FROM THE STATE OR ANY LOCAL GOVERNMENT  
16 IN THE STATE THAT IS NOT REQUIRED TO BE REPAYED.

17 (e) "LOCAL GOVERNMENT" MEANS A DISTRICT FOR PURPOSES OF  
18 SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION, OTHER THAN THE  
19 STATE.

20 (f) "STATE" MEANS THE CENTRAL CIVIL GOVERNMENT OF THE  
21 STATE OF COLORADO, WHICH CONSISTS OF THE FOLLOWING:

22 (I) THE LEGISLATIVE, EXECUTIVE, AND JUDICIAL BRANCHES OF  
23 GOVERNMENT ESTABLISHED BY ARTICLE III OF THE STATE CONSTITUTION;

24 (II) ALL ORGANS OF THE BRANCHES OF GOVERNMENT SPECIFIED IN  
25 SUBPARAGRAPH (I) OF THIS PARAGRAPH (f), INCLUDING THE DEPARTMENTS  
26 OF THE EXECUTIVE BRANCH; THE LEGISLATIVE HOUSES AND AGENCIES;  
27 AND THE APPELLATE AND TRIAL COURTS AND COURT PERSONNEL; AND

1           (III) ANY STATE INSTITUTION OF HIGHER EDUCATION THAT HAS  
2 NOT BEEN DESIGNATED AS AN ENTERPRISE.

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