

**First Regular Session
Seventieth General Assembly
STATE OF COLORADO**

REREVISED

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

LLS NO. 15-0913.01 Esther van Mourik x4215

HOUSE BILL 15-1280

HOUSE SPONSORSHIP

Young, Hamner, Rankin, Becker K., Brown, Vigil

SENATE SPONSORSHIP

Grantham, Lambert, Steadman, Baumgardner, Kefalas, Sonnenberg

House Committees
Appropriations

Senate Committees
Appropriations

A BILL FOR AN ACT

101 **CONCERNING THE CREATION OF A CAPITAL RESERVE IN CERTAIN CASH**
102 **FUNDS.**

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 1 of the bill requires a department to identify a capital reserve, which consists of accumulated depreciation related to a capital outlay or capital construction, in a cash fund. The capital reserve is subject to annual appropriation in the annual general appropriation act.

Section 2 requires the state controller to include in the annual

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
3rd Reading Unamended
April 14, 2015

SENATE
Amended 2nd Reading
April 13, 2015

HOUSE
3rd Reading Unamended
March 24, 2015

HOUSE
Amended 2nd Reading
March 23, 2015

report on cash fund uncommitted reserves the amount of the capital reserve that is excluded from the uncommitted reserves. **Section 4** specifies that long-term assets credited to a cash fund, which are excluded from uncommitted reserves, include a capital reserve, and **section 3** is a conforming amendment that repeals a provision that is made unnecessary by the express inclusion of a capital reserve as a long-term asset.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** 24-75-403 as
3 follows:

4 **24-75-403. Capital reserve - creation - annual appropriation**
5 **- definitions.** (1) AS USED IN THIS SECTION:

6 (a) "CAPITAL CONSTRUCTION" HAS THE SAME MEANING AS SET
7 FORTH IN SECTION 24-30-1301 (2).

8 (b) "CAPITAL OUTLAY" HAS THE SAME MEANING AS SET FORTH IN
9 SECTION 24-75-112 (1) (a).

10 (c) "CAPITAL RENEWAL" HAS THE SAME MEANING AS SET FORTH IN
11 SECTION 24-30-1301 (3).

12 (d) "CASH FUND" MEANS ANY FUND ESTABLISHED BY LAW FOR A
13 SPECIFIC PROGRAM OR PURPOSE; EXCEPT THAT "CASH FUND" DOES NOT
14 INCLUDE THE STATE GENERAL FUND CREATED BY SECTION 24-75-201, THE
15 LOTTERY FUND CREATED IN SECTION 24-35-210, THE HIGHWAY USERS TAX
16 FUND CREATED IN SECTION 43-4-201, C.R.S., OR THE LIMITED GAMING
17 FUND CREATED IN SECTION 12-47.1-701 (1), C.R.S.

18 (e) "CONTROLLED MAINTENANCE" HAS THE SAME MEANING AS SET
19 FORTH IN SECTION 24-30-1301 (4).

20 (f) "DEPRECIATION" MEANS AN AMOUNT CALCULATED IN
21 ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES.

22 (g) "DEPRECIATION PERIOD" MEANS A PERIOD DETERMINED IN

1 FISCAL PROCEDURES ISSUED BY THE STATE CONTROLLER.

2 (2) FOR EACH CASH FUND FROM WHICH MONEYS ARE
3 APPROPRIATED FOR CAPITAL OUTLAY OR CAPITAL CONSTRUCTION, THE
4 PRINCIPAL DEPARTMENT RESPONSIBLE FOR THE ACCOUNTING RELATED TO
5 THE FUND SHALL IDENTIFY IN THE FUND BALANCE REPORT A CAPITAL
6 RESERVE, WHICH CONSISTS OF AN AMOUNT EQUAL TO THE DEPRECIATION
7 OF THE DEPRECIABLE COMPONENTS OF THE CAPITAL OUTLAY OR THE
8 CAPITAL CONSTRUCTION, BASED ON THE DEPRECIATION PERIOD.

9 (3) ANY UNCOMMITTED CAPITAL RESERVES AT THE END OF A
10 FISCAL YEAR MAY BE USED FOR CAPITAL OUTLAY, CAPITAL
11 CONSTRUCTION, CAPITAL RENEWAL, OR CONTROLLED MAINTENANCE,
12 SUBJECT TO AN APPROPRIATION IN THE ANNUAL GENERAL APPROPRIATION
13 ACT. THIS APPROPRIATION REQUIREMENT APPLIES EVEN IF THE MONEYS IN
14 THE FUND ARE OTHERWISE CONTINUOUSLY APPROPRIATED.

15 **SECTION 2.** In Colorado Revised Statutes, 24-30-207, **amend**
16 (3) as follows:

17 **24-30-207. Reports of revenue and expenditures.** (3) For the
18 1997-98 fiscal year and for each fiscal year thereafter, the controller shall
19 prepare a report for the state ascertaining the amount of uncommitted
20 reserves, as defined in ~~section 24-75-402 (2)~~ SECTION 24-75-402 (2) (h),
21 credited to each state cash fund, as defined by section 24-75-402 (2) (b).
22 THE STATE CONTROLLER SHALL INCLUDE IN THE REPORT THE AMOUNT OF
23 THE CAPITAL RESERVE THAT IS EXCLUDED FROM THE DEFINITION OF
24 "UNCOMMITTED RESERVES" IN ACCORDANCE WITH SECTION 24-75-402 (2)
25 (h) (I). ~~Such report shall be audited by~~ The state auditor SHALL AUDIT
26 SUCH REPORT. ~~Such report shall~~ MUST be delivered to the office of state
27 ~~planning and budgeting~~ and to the joint budget committee of the general

1 assembly on or before September 20 of each year.

2 **SECTION 3.** In Colorado Revised Statutes, 24-30-1108, **repeal**

3 (6) (a) (I) as follows:

4 **24-30-1108. Revolving fund - service charges - pricing policy.**

5 ~~(6) (a) (I) For the 2013-14 fiscal year and each fiscal year thereafter, the~~
6 ~~alternative target reserve for purposes of section 24-75-402 for the~~
7 ~~department of personnel revolving fund will be sixteen and five-tenths~~
8 ~~percent of the amount expended from the fund during a fiscal year, plus~~
9 ~~any balance identified in the capital outlay reserve.~~

10 **SECTION 4.** In Colorado Revised Statutes, 24-75-402, **amend**

11 (2) (h) (I) as follows:

12 **24-75-402. Cash funds - limit on uncommitted reserves -**

13 **reduction in amount of fees - exclusions.** (2) For purposes of this
14 section, unless the context otherwise requires:

15 (h) "Uncommitted reserves" means the fund balance of a cash
16 fund as of June 30 of any fiscal year, minus the following:

17 (I) Any long-term assets credited to the cash fund, INCLUDING A
18 CAPITAL RESERVE IDENTIFIED IN ACCORDANCE WITH SECTION 24-75-403;

19 **SECTION 5. Applicability.** This act applies to fiscal years that
20 begin on or after July 1, 2014.

21 **SECTION 6. Safety clause.** The general assembly hereby finds,
22 determines, and declares that this act is necessary for the immediate
23 preservation of the public peace, health, and safety.