

**UPDATED SUMMARY
SENATE BILL 16-218**

Second Regular Session - Seventieth Colorado General Assembly

This summary applies to the reengrossed version of this bill as introduced in the second house. It does not reflect any amendments that may be subsequently adopted. This summary reflects only the main points of the legislation.

Joint Budget Committee. Section 1 of the bill reduces the amount of the general fund reserve for the fiscal year 2015-16 by an amount equal to the amount of income tax revenue that is deposited in a reserve to make severance tax refunds. **Section 3** establishes the reserve in which all severance tax revenues are set aside and maintained in order to make severance tax refunds, prior to allocation to the severance tax trust fund and the local government severance tax fund. Until July 1, 2017, income tax revenue that would otherwise be deposited in the general fund may instead be deposited in the reserve if needed to make the refunds. **Section 2** makes a conforming change related to this use of the income tax revenue.

Section 4 extends a repeal date, so that severance tax revenue can continue to be allocated to the severance tax trust fund and the local government severance tax fund between January 1, 2017, and July 1, 2017.

The following amounts are restricted from being used for any purpose whatsoever:

- ! \$19.1 million dollars from the severance tax perpetual base fund; (**section 5**)
- ! \$10 million dollars from the severance tax operational fund; and (**section 6**)
- ! \$48.3 million dollars from the local government severance tax fund, *which amount comes from money that would otherwise be distributed through grants to political subdivisions socially or economically impacted by the development, processing, or energy conversion of minerals and mineral fuels.* (**section 7**)

The money in these funds remains restricted until such time that the joint budget committee, by a majority vote, releases the restriction on some or all of the money.