

**JBC STAFF FISCAL ANALYSIS
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING THE CREATION OF A BUDGET STABILIZATION FUND, AND, IN CONNECTION THEREWITH, REQUIRING THE APPROPRIATION OF GENERAL FUND MONEYS AND THE CREDITING OF PORTIONS OF GENERAL FUND SURPLUS AND TOBACCO SETTLEMENT MONEYS TO THE BUDGET STABILIZATION FUND UNDER SPECIFIED CIRCUMSTANCES AND ALLOWING APPROPRIATIONS FROM THE BUDGET STABILIZATION FUND UNDER OTHER SPECIFIED CIRCUMSTANCES.

Prime Sponsors: Representative Buescher

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Summary of Amendments Made to the Bill After the 04/20/06 Legislative Council Staff Revised Fiscal Note was Prepared

None.

JBC Staff Concurrence with Legislative Council Staff Fiscal Note

Concurs **Does Not Concur** **Updated Analysis**

Amendments/Appropriation Status

The bill does not contain an appropriations clause. For FY 2006-07, the bill requires the General Assembly to appropriate to the Budget Stabilization Fund any amount available but not appropriated for programs under the six percent General Fund limit. However, at this time, this amount can not be determined. A supplemental appropriation would need to be made in the 2007 Session, if necessary, once the amount is determined.

Sponsor Amendments

The sponsor has submitted one amendment (**L.009**). This amendment does two things. First, it clarifies when the General Assembly will make the appropriation for FY 2006-07 as required by the bill by indicating the appropriation will occur after all supplemental appropriations for the fiscal year have been made. Second, it adds language indicating that: (1) the interest and income earned on the deposit and investment of moneys in the Budget Stabilization Fund that are credited to the Control Maintenance Trust Fund will be accounted for separately in the Controlled Maintenance Trust Fund, and (2) those moneys may be expended or appropriated for controlled maintenance projects of institutions of higher education. The sponsor amendment addresses Items 1 and 2 in the "*Points to Consider*" section of this Staff Fiscal Analysis.

Points to Consider

1. Section 1 of the bill indicates that interest and income earned on the deposit and investment of moneys in the Budget Stabilization Fund will be transferred to the Controlled Maintenance Trust Fund and then be used "only for controlled maintenance projects of institutions of higher education". This provision is in conflict with the existing statute, Section 24-75-302.5 (2)(a), C.R.S., which specifies the principal of the Controlled Maintenance Trust Fund shall not be expended or appropriated for any purpose other than use as part of the state emergency reserve.
2. Section 1 of the bill requires an appropriation be made to the Budget Stabilization Fund in an amount equal to the difference between total General Fund appropriations subject to the statutory limit on General Fund appropriations for FY 2006-07, and the statutory limit. The language of the bill is unclear as to when the amount for this appropriation is to be determined and how the appropriation is to be made.
3. Section 1 of the bill indicates that 10 percent of any amount transferred to the Highway Users Tax Fund and the Capital Construction Fund pursuant to Section 24-75-218, C.R.S., instead be allocated to the Budget Stabilization Fund. An allocation of this type could be subject to the six percent limit as described in Section 24-75-201.1, C.R.S. As such, an allocation at the end of a fiscal year may result in an over expenditure of the six percent limit if appropriations are already at the limit in a given fiscal year.