

Second Regular Session
Seventieth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 16-1256.01 Jason Gelender x4330

HOUSE BILL 16-1450

HOUSE SPONSORSHIP

Hullinghorst,

SENATE SPONSORSHIP

(None),

House Committees
Appropriations

Senate Committees

A BILL FOR AN ACT

101 CONCERNING THE ALLOCATION OF ADDITIONAL STATE REVENUE MADE
102 AVAILABLE FOR EXPENDITURE DUE TO THE ENACTMENT OF
103 LEGISLATION DURING THE 2016 REGULAR LEGISLATIVE SESSION.

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>.)

Contingent upon the passage of legislation (the CHASE Act) that eliminates the hospital provider fee at the end of fiscal year 2015-16, the bill:

! Requires annual estimation for each of the 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.

2016-17 through 2020-21 of the total amount of general fund revenues that the state would have been required to make unavailable for expenditure in the fiscal year and refund in the next fiscal year but for the enactment of the CHASE Act;

! Requires the amount that is estimated for each fiscal year and relied upon by the general assembly in developing and enacting the state budget for the next fiscal year to be allocated in specified amounts and percentages to:

! Repayment of the state severance tax trust fund and the local government severance tax fund for money diverted from those funds since July 1, 2006;

! The state education fund;

! The college opportunity fund program and institutions of higher education to offset student tuition costs, improve student services and academic quality, address controlled maintenance needs, and provide additional need-based student financial assistance;

! The general fund;

! The capital construction fund;

! The highway users tax fund for allocation to the state highway fund for expenditure by the department of transportation (CDOT) for specified transportation projects.

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

2 **SECTION 1. Legislative declaration.** (1) The general assembly
3 hereby finds and declares that:

4 (a) The economic forecast prepared by legislative council staff in
5 March 2016 indicated that revenues included in state fiscal year spending,
6 as defined in section 24-77-102 (17), Colorado Revised Statutes, would
7 exceed the state fiscal year spending limit calculated pursuant to section
8 24-77-103.6, Colorado Revised Statutes, for fiscal year 2016-17 which,
9 if accurate, would require the state to make unavailable for expenditure
10 in fiscal year 2016-17 an amount of general fund revenues sufficient to
11 enable the state to make refunds to taxpayers in fiscal year 2017-18 as

1 required by section 20 of article X of the state constitution;

2 (b) The March 2016 economic forecast assumed, under the law in
3 effect at the time of its publication, that state revenues generated by the
4 hospital provider fee, which was being collected from hospitals by the
5 department of health care policy and financing until the enactment of
6 House Bill 16-1420 ended the collection of the fee at the end of fiscal
7 year 2015-16, would continue to be collected in fiscal year 2016-17 and
8 would be included in state fiscal year spending and counted against the
9 fiscal year spending limit for fiscal year 2016-17;

10 (c) The general assembly assumed, under the law in effect at the
11 time of its consideration and enactment of the legislation establishing the
12 fiscal year 2016-17 state budget, that the state would continue to collect
13 hospital provider fees in fiscal year 2016-17 and that the revenues
14 generated by those fees would be included in state fiscal year spending
15 and counted against the fiscal year spending limit for fiscal year 2016-17;

16 (d) Because hospital provider fee revenues were not general fund
17 revenues, but the state must refund revenues in excess of the state fiscal
18 year spending limit from the general fund, hospital provider fee revenues
19 that would have been collected in fiscal year 2016-17 but for the
20 enactment of House Bill 16-1420 were expected to reduce the amount of
21 general fund revenue available for expenditure by the state in fiscal year
22 2016-17, and the general assembly took this expected reduction into
23 account by including less general fund money in the state budget for
24 fiscal year 2016-17 than it otherwise would have.

25 (2) The general assembly further finds and declares that:

26 (a) House Bill 16-1420 eliminated the hospital provider fee at the
27 end of fiscal year 2015-16;

1 (b) House Bill 16-1420:

2 (I) Will reduce the amount of state revenues counted against the
3 state fiscal year spending limit for fiscal year 2016-17 and subsequent
4 fiscal years;

5 (II) Is expected to prevent the state from collecting revenues in
6 excess of the state fiscal year spending limit for fiscal year 2016-17 and
7 to either prevent the state from collecting such revenues or reduce the
8 amount of such revenues collected in subsequent fiscal years;

9 (III) Is expected to ensure that the state is not required to refund
10 general fund revenues in fiscal year 2017-18 or make any general fund
11 revenues unavailable for expenditure in fiscal year 2016-17 in
12 anticipation of a required refund and to reduce the frequency and extent
13 to which the state is required to make refunds and make general fund
14 revenues unavailable for expenditure in subsequent fiscal years; and

15 (IV) Is therefore expected to increase the amount of general fund
16 revenues available for expenditure in the 2016-17 fiscal year; and

17 (c) If, as expected, the enactment of House Bill 16-1420 increases
18 the amount of general fund revenues available for expenditure in fiscal
19 year 2016-17 and subsequent fiscal years, it is necessary, appropriate, and
20 in the best interest of the state to use the additional revenues for the
21 purposes prioritized in this act.

22 **SECTION 2.** In Colorado Revised Statutes, **add** 24-75-224 as
23 follows:

24 **24-75-224. Additional general fund money available for**
25 **expenditure in fiscal years 2016-17 through 2020-21 - estimation of**
26 **amount - expenditure prioritization - repeal.** (1) AS PART OF ITS
27 SEPTEMBER 2016 ECONOMIC AND REVENUE FORECAST, THE LEGISLATIVE

1 COUNCIL STAFF SHALL ESTIMATE BASED ON CURRENT LAW AT THE TIME OF
2 THE ESTIMATE THE ADDITIONAL AMOUNT OF GENERAL FUND REVENUES
3 THAT THE STATE WOULD HAVE BEEN REQUIRED TO MAKE UNAVAILABLE
4 FOR EXPENDITURE IN FISCAL YEAR 2016-17 AND REFUND IN FISCAL YEAR
5 2017-18 PURSUANT TO SECTION 20 OF ARTICLE X OF THE STATE
6 CONSTITUTION AND SECTIONS 24-77-103.6 AND 24-77-103.8, BUT FOR THE
7 ENACTMENT OF HOUSE BILL 16-1420 IN 2016.

8 (2) AN AMOUNT OF GENERAL FUND REVENUES, WHICH SHALL NOT
9 BE ALLOCATED FROM THE GENERAL FUND EXEMPT ACCOUNT CREATED IN
10 SECTION 24-77-103.6 (2), THAT IS EQUAL TO THE ADDITIONAL AMOUNT
11 ESTIMATED PURSUANT TO SUBSECTION (1) OF THIS SECTION IS ALLOCATED
12 FOR FISCAL YEAR 2016-17 AS FOLLOWS:

13 (a) ON SEPTEMBER 30, 2016, THE STATE TREASURER SHALL
14 TRANSFER THE LESSER OF THE FULL AMOUNT OF GENERAL FUND REVENUES
15 OR FIFTY MILLION DOLLARS TO THE HIGHWAY USERS TAX FUND FOR
16 ALLOCATION IN ACCORDANCE WITH SECTION 43-4-205 (6.5) (a), C.R.S.;

17 (b) ON SEPTEMBER 30, 2016, THE STATE TREASURER SHALL
18 TRANSFER THE LESSER OF THE FULL AMOUNT OF GENERAL FUND REVENUES
19 REMAINING AFTER THE TRANSFER REQUIRED BY PARAGRAPH (a) OF THIS
20 SUBSECTION (2) HAS BEEN MADE OR A TOTAL AMOUNT OF SIXTEEN
21 MILLION TWO HUNDRED THOUSAND DOLLARS IN EQUAL PARTS TO THE
22 STATE SEVERANCE TAX TRUST FUND CREATED IN SECTION 39-29-109,
23 C.R.S., AND THE LOCAL GOVERNMENT SEVERANCE TAX FUND CREATED IN
24 SECTION 39-29-110, C.R.S.;

25 (c) THE LESSER OF THE FULL AMOUNT OF GENERAL FUND
26 REVENUES REMAINING AFTER THE TRANSFERS REQUIRED BY PARAGRAPHS
27 (a) AND (b) OF THIS SUBSECTION (2) HAVE BEEN MADE OR A TOTAL

1 AMOUNT OF FORTY MILLION DOLLARS IS ALLOCATED TO REDUCE THE
2 NEGATIVE FACTOR ESTABLISHED IN SECTION 22-54-104 (5) (g), C.R.S.;
3 AND

4 (d) THE LESSER OF THE FULL AMOUNT OF GENERAL FUND
5 REVENUES REMAINING AFTER THE TRANSFERS REQUIRED BY PARAGRAPHS
6 (a) AND (b) OF THIS SUBSECTION (2) AND THE ALLOCATION REQUIRED BY
7 PARAGRAPH (c) OF THIS SUBSECTION (2) HAVE BEEN MADE OR FORTY-NINE
8 MILLION FIVE HUNDRED THOUSAND DOLLARS IS ALLOCATED TO THE
9 COLLEGE OPPORTUNITY FUND PROGRAM AND INSTITUTIONS OF HIGHER
10 EDUCATION IN ACCORDANCE WITH PART 3 OF ARTICLE 18 OF TITLE 23,
11 C.R.S., TO OFFSET STUDENT COST OF TUITION, IMPROVE STUDENT
12 SERVICES AND ACADEMIC QUALITY, ADDRESS CONTROLLED MAINTENANCE
13 NEEDS, AND, IN ACCORDANCE WITH SECTION 23-3.3-103, C.R.S., PROVIDE
14 ADDITIONAL NEED-BASED STUDENT FINANCIAL ASSISTANCE.

15 (3) THE GOVERNOR, AS PART OF THE REVENUE ESTIMATE
16 PUBLISHED IN MARCH OF FISCAL YEARS 2016-17 THROUGH 2019-20 AS
17 REQUIRED BY SECTION 24-75-201.3 (2), AND THE LEGISLATIVE COUNCIL
18 STAFF, AS PART OF ITS ECONOMIC AND REVENUE FORECAST PUBLISHED IN
19 MARCH OF FISCAL YEARS 2016-17 THROUGH 2019-20, SHALL ESTIMATE
20 BASED ON CURRENT LAW AT THE TIME OF THE ESTIMATE THE ADDITIONAL
21 AMOUNT OF GENERAL FUND REVENUES THAT THE STATE WOULD HAVE
22 BEEN REQUIRED TO MAKE UNAVAILABLE FOR EXPENDITURE IN THE
23 FOLLOWING FISCAL YEAR AND REFUND IN THE NEXT FOLLOWING FISCAL
24 YEAR PURSUANT TO SECTION 20 OF ARTICLE X OF THE STATE
25 CONSTITUTION AND SECTIONS 24-77-103.6 AND 24-77-103.8, BUT FOR THE
26 ENACTMENT OF HOUSE BILL 16-1420 IN 2016.

27 (4) AN AMOUNT OF GENERAL FUND REVENUES, WHICH SHALL NOT

1 BE ALLOCATED FROM THE GENERAL FUND EXEMPT ACCOUNT CREATED IN
2 SECTION 24-77-103.6 (2), THAT IS EQUAL TO THE ADDITIONAL AMOUNT
3 ESTIMATED PURSUANT TO SUBSECTION (3) OF THIS SECTION THAT IS
4 INCLUDED IN THE REVENUE ESTIMATE OR ECONOMIC AND REVENUE
5 FORECAST PUBLISHED IN MARCH OF A FISCAL YEAR THAT IS RELIED UPON
6 BY THE GENERAL ASSEMBLY IN DEVELOPING AND ENACTING THE STATE
7 BUDGET FOR THE NEXT FISCAL YEAR IS ALLOCATED FOR EACH OF THE
8 FISCAL YEARS FROM 2017-18 THROUGH 2020-21 AS FOLLOWS:

9 (a) (I) ON JULY 1 OF 2017, 2018, AND 2019, THE STATE TREASURER
10 SHALL TRANSFER THIRTY PERCENT OF THE NET AMOUNT OF GENERAL FUND
11 REVENUES TO THE STATE EDUCATION FUND CREATED IN SECTION 17 (4) OF
12 ARTICLE IX OF THE STATE CONSTITUTION; AND

13 (II) ON JULY 1, 2020, THE STATE TREASURER SHALL TRANSFER
14 TWENTY PERCENT OF THE NET AMOUNT OF GENERAL FUND REVENUES TO
15 THE STATE EDUCATION FUND CREATED IN SECTION 17 (4) OF ARTICLE IX
16 OF THE STATE CONSTITUTION;

17 (b) (I) FOR EACH OF THE FISCAL YEARS 2017-18, 2018-19, AND
18 2019-20, TWENTY-FIVE PERCENT OF THE NET AMOUNT OF GENERAL FUND
19 REVENUES IS ALLOCATED TO THE COLLEGE OPPORTUNITY FUND PROGRAM
20 AND INSTITUTIONS OF HIGHER EDUCATION IN ACCORDANCE WITH PART 3
21 OF ARTICLE 18 OF TITLE 23, C.R.S., TO OFFSET STUDENT COST OF TUITION,
22 IMPROVE STUDENT SERVICES AND ACADEMIC QUALITY, ADDRESS
23 CONTROLLED MAINTENANCE NEEDS, AND, IN ACCORDANCE WITH SECTION
24 23-3.3-103, C.R.S., PROVIDE ADDITIONAL NEED-BASED STUDENT
25 FINANCIAL ASSISTANCE; AND

26 (II) FOR THE FISCAL YEAR 2020-21, TWENTY PERCENT OF THE NET
27 AMOUNT OF GENERAL FUND REVENUES IS ALLOCATED TO THE COLLEGE

1 OPPORTUNITY FUND PROGRAM AND INSTITUTIONS OF HIGHER EDUCATION
2 IN ACCORDANCE WITH PART 3 OF ARTICLE 18 OF TITLE 23, C.R.S., TO
3 OFFSET STUDENT COST OF TUITION, IMPROVE STUDENT SERVICES AND
4 ACADEMIC QUALITY, ADDRESS CONTROLLED MAINTENANCE NEEDS, AND,
5 IN ACCORDANCE WITH SECTION 23-3.3-103, C.R.S., PROVIDE ADDITIONAL
6 NEED-BASED STUDENT FINANCIAL ASSISTANCE;

7 (c) TWENTY PERCENT OF THE NET AMOUNT OF GENERAL FUND
8 REVENUES REMAINS IN THE GENERAL FUND AND IS AVAILABLE FOR
9 EXPENDITURE BY THE GENERAL ASSEMBLY FOR ANY LAWFUL PURPOSE;

10 (d) (I) EXCEPT AS OTHERWISE PROVIDED IN PARAGRAPH (e) OF THIS
11 SUBSECTION (4), ON JULY 1 OF 2017, 2018, AND 2019, THE STATE
12 TREASURER SHALL TRANSFER FIFTEEN PERCENT OF THE NET AMOUNT OF
13 GENERAL FUND REVENUES TO THE CAPITAL CONSTRUCTION FUND CREATED
14 IN SECTION 24-75-302 (1) (a); AND

15 (II) EXCEPT AS OTHERWISE PROVIDED IN PARAGRAPH (e) OF THIS
16 SUBSECTION (4), ON JULY 1, 2020, THE STATE TREASURER SHALL
17 TRANSFER TEN PERCENT OF THE NET AMOUNT OF GENERAL FUND
18 REVENUES TO THE CAPITAL CONSTRUCTION FUND CREATED IN SECTION
19 24-75-302 (1) (a);

20 (e) ON JULY 1 OF EACH OF THE FISCAL YEARS, THE STATE
21 TREASURER SHALL TRANSFER TEN PERCENT OF THE NET AMOUNT OF
22 GENERAL FUND REVENUES IN EQUAL PARTS TO THE STATE SEVERANCE TAX
23 TRUST FUND CREATED IN SECTION 39-29-109, C.R.S., AND THE LOCAL
24 GOVERNMENT SEVERANCE TAX FUND CREATED IN SECTION 39-29-110,
25 C.R.S.; EXCEPT THAT THE MAXIMUM TOTAL AMOUNT TRANSFERRED TO
26 THE STATE SEVERANCE TAX TRUST FUND AND THE LOCAL GOVERNMENT
27 SEVERANCE TAX FUND PURSUANT TO THIS SECTION IS THREE HUNDRED

1 SIXTY-THREE MILLION ONE HUNDRED FOUR THOUSAND FIVE HUNDRED ONE
2 DOLLARS. THE STATE TREASURER SHALL ADD TO THE AMOUNT
3 TRANSFERRED TO THE CAPITAL CONSTRUCTION FUND CREATED IN SECTION
4 24-75-302 (1) (a), PURSUANT TO PARAGRAPH (d) OF THIS SUBSECTION (4),
5 ANY PORTION OF THE NET AMOUNT OF GENERAL FUND REVENUES IN
6 EXCESS OF THE MAXIMUM TOTAL AMOUNT THAT WOULD OTHERWISE BE
7 TRANSFERRED PURSUANT TO THIS PARAGRAPH (e).

8 (f) ON JULY 1, 2020, ONLY, THE STATE TREASURER SHALL
9 TRANSFER TWENTY PERCENT OF THE NET AMOUNT OF GENERAL FUND
10 REVENUES TO THE HIGHWAY USERS TAX FUND FOR ALLOCATION IN
11 ACCORDANCE WITH SECTION 43-4-205 (6.5) (a), C.R.S., FOR THE PROJECTS
12 IDENTIFIED IN SUBSECTION (5) OF THIS SECTION.

13 (5) THE DEPARTMENT OF TRANSPORTATION SHALL EXPEND ANY
14 MONEY TRANSFERRED TO THE HIGHWAYS USERS TAX FUND FOR
15 ALLOCATION IN ACCORDANCE WITH SECTION 43-4-205 (6.5) (a), C.R.S.,
16 PURSUANT TO PARAGRAPH (a) OF SUBSECTION (2) OF THIS SECTION OR
17 PARAGRAPH (f) OF SUBSECTION (4) OF THIS SECTION EXCLUSIVELY FOR THE
18 FOLLOWING HIGHWAY CONSTRUCTION OR IMPROVEMENT PROJECTS:

19 (a) IMPROVEMENTS IN THE INTERSTATE HIGHWAY 70 MOUNTAIN
20 CORRIDOR, INCLUDING FLOYD HILL AND INTERCHANGES LOCATED TO THE
21 WEST OF THE EISENHOWER-JOHNSON TUNNELS;

22 (b) WIDENING OF INTERSTATE HIGHWAY 70 IN GRAND JUNCTION
23 AND THROUGH MESA COUNTY;

24 (c) THE INTERSECTION OF U.S. HIGHWAYS 550 AND 160 NEAR
25 DURANGO;

26 (d) U.S. HIGHWAY 160 FROM ALAMOSA TO DURANGO;

27 (e) U.S. HIGHWAY 50 IN PUEBLO;

- 1 (f) STATE HIGHWAY 13 FROM RIFLE TO MEEKER;
- 2 (g) INTERSTATE HIGHWAY 25 IN NORTHERN COLORADO;
- 3 (h) INTERSTATE HIGHWAY 25 FROM MONUMENT TO CASTLE ROCK;
- 4 (i) INTERSTATE HIGHWAY 25 INTERCHANGE IMPROVEMENTS IN
- 5 COLORADO SPRINGS AND EL PASO COUNTY;
- 6 (j) PORTS TO PLAINS CORRIDOR IMPROVEMENTS TO U.S. HIGHWAY
- 7 287 AND STATE HIGHWAY 71;
- 8 (k) NORTH METRO RAIL AND STATE HIGHWAY 119 BUS RAPID
- 9 TRANSIT PROJECTS; AND
- 10 (l) MUDSLIDE AND ROCKSLIDE PREVENTION AND MITIGATION AND
- 11 REPAIR AND RECONSTRUCTION OF ROADWAYS DAMAGED BY MUDSLIDES
- 12 AND ROCKSLIDES IN COTTONWOOD CANYON.

13 (6) THE GENERAL ASSEMBLY INTENDS TO INCREASE THE TOTAL
14 AMOUNT ANNUALLY APPROPRIATED OR TRANSFERRED FROM THE GENERAL
15 FUND EXEMPT ACCOUNT CREATED IN SECTION 24-77-103.6 BY AN AMOUNT
16 EQUAL TO THE ESTIMATED ADDITIONAL AMOUNT OF GENERAL FUND
17 REVENUES AVAILABLE FOR EXPENDITURE DUE TO THE ENACTMENT OF
18 HOUSE BILL 16-1420 IN 2016 THAT IS EITHER ESTIMATED PURSUANT TO
19 SUBSECTION (1) OF THIS SECTION OR ESTIMATED PURSUANT TO
20 SUBSECTION (3) OF THIS SECTION AND IS RELIED UPON BY THE GENERAL
21 ASSEMBLY IN DEVELOPING AND ENACTING THE STATE BUDGET.

22 (7) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2022.

23 **SECTION 3.** In Colorado Revised Statutes, 43-4-205, **amend**
24 (6.5) (a) as follows:

25 **43-4-205. Allocation of fund.** (6.5) (a) The revenues accrued to
26 and transferred to the highway users tax fund pursuant to section
27 39-26-123 (4) (a) or 24-75-219, C.R.S., or ~~appropriated to the highway~~

1 users tax fund pursuant to House Bill 02-1389, enacted during the second
2 regular session of the sixty-third general assembly, TRANSFERRED TO THE
3 HIGHWAY USERS TAX FUND PURSUANT TO SECTION 24-75-224, C.R.S.,
4 shall be paid to the state highway fund for allocation to the department of
5 transportation and shall be expended as provided in section 43-4-206 (2).

6 **SECTION 4.** In Colorado Revised Statutes, 43-4-206, **amend** (2)
7 (a) introductory portion as follows:

8 **43-4-206. State allocation.** (2) (a) Notwithstanding the
9 provisions of subsection (1) of this section, the revenues accrued to and
10 transferred to the highway users tax fund pursuant to section 39-26-123
11 (4) (a) or 24-75-219, C.R.S., or ~~appropriated to the highway users tax~~
12 ~~fund pursuant to House Bill 02-1389, enacted at the second regular~~
13 ~~session of the sixty-third general assembly, and credited to the state~~
14 ~~highway fund pursuant to section 43-4-205 (6.5),~~ TRANSFERRED TO THE
15 HIGHWAY USERS TAX FUND PURSUANT TO SECTION 24-75-224, C.R.S., FOR
16 EXPENDITURE SUBJECT TO THE ADDITIONAL LIMITATIONS SET FORTH IN
17 SECTION 24-75-224 (5), C.R.S., shall be expended by the department of
18 transportation for the implementation of the strategic transportation
19 project investment program in the following manner:

20 **SECTION 5. Effective date.** This act takes effect July 1, 2016;
21 except that this act takes effect only if House Bill 16-1420 becomes law
22 and takes effect either upon the effective date of this act or upon the
23 effective date of House Bill 16-1420, whichever is later.

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