

Second Regular Session
Seventy-first General Assembly
STATE OF COLORADO

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

LLS NO. 18-0987.02 Ed DeCecco x4216

SENATE BILL 18-276

SENATE SPONSORSHIP

Lundberg and Lambert, Moreno

HOUSE SPONSORSHIP

Hamner and Young, Rankin

Senate Committees
Appropriations

House Committees

A BILL FOR AN ACT

101 **CONCERNING AN INCREASE IN THE GENERAL FUND RESERVE.**

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://leg.colorado.gov/>.)

Joint Budget Committee. For the fiscal year 2018-19, and each fiscal year thereafter, the bill increases the statutorily required general fund reserve from 6.5% to _% of the amount appropriated for expenditure from the general fund.

The bill also repeals the following exceptions from the definition of expenditure that is used to calculate the general fund reserve:

! Rental and other payments under a lease-purchase agreement for real property included in a separate,

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

- operating line item; and
- ! Money that the state controller credits from the general fund to the capital construction fund or to the principal of the controlled maintenance trust fund.

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 general fund reserve helps ensure that there are sufficient
5 general fund revenues for state agencies to spend the general assembly's
6 appropriations, which are based on revenue estimates that are often
7 incorrect;

8 (b) Maintaining an ample reserve would also allow the state to
9 continue providing critical services even when there is an economic
10 downturn or a natural disaster;

11 (c) A recent report prepared by Moody Analytics estimates that
12 the state would need a reserve of approximately fifteen percent to endure
13 even a moderate recession;

14 (d) In his budget request for the fiscal year 2018-19, Governor
15 John Hickenlooper requested that the general assembly increase the
16 reserve to ten percent of general fund expenditures; and

17 (e) The state's current general fund reserve, which is only six and
18 one-half percent of general fund expenditures, is simply inadequate.

19 (2) Now, therefore, it is the intent of the general assembly to
20 increase the general fund reserve three-quarters of a percent as an
21 incremental improvement towards a truly sufficient general fund reserve.

22 **SECTION 2.** In Colorado Revised Statutes, 24-75-201.1, **amend**
23 (1)(d)(XIV) and (1)(d)(XVIII); **repeal** (2)(b) and (2)(c); and **add**

1 (1)(d)(XIX) as follows:

2 **24-75-201.1. Restriction on state appropriations - legislative**
3 **declaration - definitions.** (1) (d) For each fiscal year, unrestricted
4 general fund year-end balances must be retained as a reserve in the
5 following amounts:

6 (XIV) For the ~~fiscal year 2014-15 and each fiscal year thereafter,~~
7 ~~excluding the fiscal years 2015-16 and 2016-17~~ FISCAL YEARS 2014-15
8 AND 2017-18, six and one-half percent of the amount appropriated for
9 expenditure from the general fund for that fiscal year;

10 (XVIII) For the fiscal year 2016-17, six percent of the amount
11 appropriated for expenditure from the general fund for that fiscal year;

12 AND

13 (XIX) FOR THE FISCAL YEAR 2018-19 AND EACH FISCAL YEAR
14 THEREAFTER, SEVEN AND TWENTY-FIVE ONE-HUNDREDTHS PERCENT OF
15 THE AMOUNT APPROPRIATED FOR EXPENDITURE FROM THE GENERAL FUND
16 FOR THAT FISCAL YEAR.

17 (2) The basis for the calculation of the reserve as specified in this
18 section includes all appropriations for expenditure from the general fund
19 for such fiscal year, except for any appropriations for:

20 (b) ~~Rental and other payments under a lease-purchase agreement~~
21 ~~for real property authorized by the general assembly pursuant to section~~
22 ~~24-82-801 (1)(a) included in a separate line item in the operating section~~
23 ~~of an annual general appropriation act or a supplemental appropriation~~
24 ~~act; and~~

25 (c) ~~Moneys that are credited by the state controller from the~~
26 ~~general fund to the capital construction fund or to the principal of the~~
27 ~~controlled maintenance trust fund as set forth in section 24-30-1310.~~

1 **SECTION 3. Act subject to petition - effective date.** This act
2 takes effect at 12:01 a.m. on the day following the expiration of the
3 ninety-day period after final adjournment of the general assembly (August
4 8, 2018, if adjournment sine die is on May 9, 2018); except that, if a
5 referendum petition is filed pursuant to section 1 (3) of article V of the
6 state constitution against this act or an item, section, or part of this act
7 within such period, then the act, item, section, or part will not take effect
8 unless approved by the people at the general election to be held in
9 November 2018 and, in such case, will take effect on the date of the
10 official declaration of the vote thereon by the governor.