



Legislative  
Council Staff

*Nonpartisan Services for Colorado's Legislature*

**FISCAL NOTE**

**Drafting Number:** LLS 18-0113  
**Prime Sponsors:** Rep. Lebsock

**Date:** January 18, 2018  
**Bill Status:** House Finance  
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**Bill Topic:** INCREASE GENERAL FUND RESERVE

- Summary of Fiscal Impact:**
- State Revenue
  - State Expenditure
  - State Transfer
  - TABOR Refund
  - Local Government
  - Statutory Public Entity

This bill increases the General Fund statutory reserve requirement to 7.0 percent of appropriations for FY 2018-19, 7.5 percent for FY 2019-20, and 8.0 percent for FY 2020-21 and each year thereafter. It will reduce the amount of money available for discretionary General Fund appropriations in FY 2018-19 and subsequent years.

**Appropriation Summary:** No appropriation is required.

**Fiscal Note Status:** This fiscal note reflects the introduced bill.

**Summary of Legislation**

Under current law, the state is required to retain a General Fund balance equal to 6.5 percent of appropriations at the end of each fiscal year. For the purposes of calculating the statutory reserve requirement, appropriations for payments in accordance with lease-purchase agreements are excluded.

This bill increases the statutory reserve requirement as shown in Table 1. For FY 2020-21 and subsequent years, the reserve requirement is 8.0 percent under this bill.

**Table 1**  
**Statutory General Fund Reserve Requirement under HB 18-1035**

	FY 2018-19	FY 2019-20	FY 2020-21
General Fund Reserve Requirement (percent of appropriations)	7.0 percent	7.5 percent	8.0 percent

**State Expenditures**

This bill does not directly decrease state expenditures, but reduces the amount of money available for appropriations at the discretion of the General Assembly during the 2018 legislative session and subsequent sessions. The bill does not change the reserve requirement for the

current FY 2017-18, for which a budget was enacted during the 2017 legislative session. Beginning with the general appropriations act (Long Bill) for FY 2018-19, this bill reduces the amount available for appropriations.

The additional amount required to be reserved in future years will depend on budgetary decisions that have not yet been made. Based on the budget enacted for FY 2017-18, had the reserve requirement been 7.0 percent of General Fund appropriations rather than 6.5 percent, the required reserve would increase by \$52.0 million. Had the reserve requirement been 8.0 percent, the required reserve would increase by \$155.9 million.

**Effective Date**

The bill takes effect August 8, 2018, if the General Assembly adjourns on May 9, 2018, as scheduled, and no referendum petition is filed.

**State and Local Government Contacts**

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