



Legislative
Council Staff

Nonpartisan Services for Colorado's Legislature

HB 20-1383

FINAL FISCAL NOTE

Drafting Number:	LLS 20-1101	Date:	October 19, 2020
Prime Sponsors:	Rep. Esgar; Ransom Sen. Moreno; Rankin	Bill Status:	Signed into Law
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Bill Topic: **REDUCE THE GENERAL FUND RESERVE**

Summary of Fiscal Impact:	<input type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
	<input checked="" type="checkbox"/> State Expenditure	<input type="checkbox"/> Local Government
	<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

Budget package bill. This bill decreases the statutory General Fund reserve requirement to 3.07 percent of General Fund appropriations for FY 2019-20 and 2.86 percent of appropriations for FY 2020-21. It will increase the amount of money available for discretionary General Fund appropriations for these two years.

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

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

Summary of Legislation

Under current law, the state is required to retain a General Fund balance equal to 7.25 percent of General Fund appropriations at the end of each fiscal year. This bill decreases the reserve requirement to 3.07 percent of appropriations for the current FY 2019-20 and 2.86 percent of appropriations for FY 2020-21. For FY 2021-22 and subsequent years, the reserve requirement remains unchanged at 7.25 percent.

State Expenditures

This bill does not directly increase state expenditures, but increases the amount of money available for appropriation at the discretion of the General Assembly during the 2020 and 2021 legislative sessions. The reserve requirement calculated using the percentages in the bill will depend on actual appropriations for FY 2019-20 and FY 2020-21. Based on the Joint Budget Committee Staff's appropriations report for FY 2020-21, the bill requires a reserve of \$363.5 million for FY 2019-20 and \$304.8 million for FY 2020-21. Therefore, reducing the reserve requirement is expected to increase the amount available for appropriation by \$494.9 million in the current FY 2019-20 and by \$467.9 million in FY 2020-21.

Effective Date

The bill was signed into law by the Governor and took effect on June 30, 2020.

State and Local Government Contacts

Joint Budget Committee Staff