



Legislative Council Staff
Nonpartisan Services for Colorado's Legislature

Final Fiscal Note

Drafting Number:	LLS 21-0931	Date:	August 23, 2021
Prime Sponsors:	Sen. Moreno Rep. McCluskie	Bill Status:	Signed into Law
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Bill Topic: INCREASE 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 increases the statutory General Fund reserve requirement to 13.40 percent of General Fund appropriations for FY 2021-22 and to 15.00 percent of appropriations beginning in FY 2022-23. It decreases the amount of money available for discretionary General Fund appropriations beginning in FY 2021-22.

Appropriation Summary: No appropriation is required.

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

Summary of Legislation

For FY 2021-22 and later years, the bill increases the balance required to be retained in the General Fund at the end of each fiscal year. Table 1 compares the reserve requirements under the bill to those in current law.

Table 1
General Fund Reserve Requirements under Current Law and SB 21-226
Percentage of General Fund Appropriations

	Current Law	SB 21-226
FY 2020-21	2.86 percent	2.86 percent
FY 2021-22	2.86 percent	13.40 percent
FY 2022-23 and later years	7.25 percent	15.00 percent

State Expenditures

This bill does not directly decrease state expenditures, but decreases the amount of money available for appropriation at the discretion of the General Assembly during the 2021 and subsequent legislative sessions. The reserve requirement calculated using the percentages in the bill will depend on actual appropriations for FY 2021-22 and later years. Based on General Fund appropriations of approximately \$12.29 billion for FY 2021-22, the bill is estimated to increase the reserve requirement by about \$1.30 billion, from \$0.35 billion to \$1.65 billion.

Effective Date

The bill was signed into law by the Governor and took effect on May 17, 2021.

State and Local Government Contacts

Joint Budget Committee Staff