

CHAPTER 303

GOVERNMENT - STATE

SENATE BILL 21-283

BY SENATOR(S) Moreno, Hansen, Rankin, Gonzales, Priola;
also REPRESENTATIVE(S) McCluskie, Herod, Bird, Cutter, Esgar, Exum, Lontine, Michaelson Jenet, Snyder.

AN ACT

CONCERNING CASH FUND SOLVENCY, AND, IN CONNECTION THEREWITH, CREATING THE CASH FUND SOLVENCY FUND TO ALLOW THE STATE CONTROLLER TO TRANSFER MONEY TO CERTAIN CASH FUNDS WITH ANTICIPATED CASH DEFICITS, WHICH AMOUNTS WILL BE LATER REPAID, TRANSFERRING MONEY TO THE MARIJUANA CASH FUND, AND MAKING AND REDUCING AN APPROPRIATION.

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

SECTION 1. In Colorado Revised Statutes, **add** 24-30-210 as follows:

24-30-210. Cash fund solvency fund - creation - loans - report - legislative declaration. (1) THE GENERAL ASSEMBLY HEREBY FINDS AND DECLARES THAT:

(a) WHEN FEE-FUNDED PROGRAMS USE MULTI-YEAR LICENSING AND SERVICE PERIODS, STATE AGENCIES MAY HAVE REVENUE SHORTFALLS DURING OFF-CYCLE YEARS IN WHICH REVENUE COLLECTIONS ARE DRAMATICALLY LOWER THAN THEY ARE IN ON-CYCLE YEARS;

(b) THE COVID-19 PANDEMIC HAS REDUCED FEE REVENUE OR DISRUPTED THE FEE CYCLE FOR MANY STATE PROGRAMS, WHICH EXACERBATES THE NEED FOR A MULTI-YEAR, CASH-MANAGEMENT SOLUTION TO SMOOTH OUT REVENUE FLUCTUATIONS;

(c) FEE-FUNDED STATE PROGRAMS SHOULD BE ABLE TO WEATHER THE CURRENT AND FUTURE ECONOMIC DOWNTURNS WITHOUT RESORTING TO LARGE, SHORT-TERM FEE INCREASES ON BUSINESSES AND COLORADANS AS THEY ARE RECOVERING FROM THE DOWNTURN; AND

(d) PROVIDING FEE-FUNDED PROGRAMS ADEQUATE, MULTI-YEAR FLEXIBILITY TO

Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.

MANAGE CASH FLOWS WHILE ALSO MAINTAINING THE EXISTING SAFEGUARDS AGAINST OVERCHARGING FEE PAYERS FOR SERVICES IS AN IMPORTANT STATE FUNCTION.

(2) THE CASH FUND SOLVENCY FUND, REFERRED TO IN THIS SECTION AS THE "FUND", IS HEREBY CREATED IN THE STATE TREASURY. THE FUND CONSISTS OF MONEY CREDITED TO THE FUND PURSUANT TO SUBSECTION (4) OF THIS SECTION AND ANY OTHER MONEY THAT THE GENERAL ASSEMBLY MAY APPROPRIATE OR TRANSFER TO THE FUND. THE STATE TREASURER SHALL CREDIT ALL INTEREST AND INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE CASH FUND SOLVENCY FUND TO THE FUND.

(3)(a) NOTWITHSTANDING ANY PROVISION OF LAW TO THE CONTRARY, UPON THE REQUEST OF THE OFFICE OF STATE PLANNING AND BUDGETING, THE STATE CONTROLLER MAY TRANSFER MONEY FROM THE FUND TO ANOTHER CASH FUND IF THE STATE CONTROLLER DETERMINES THAT:

(I) THE PRIMARY SOURCE OF REVENUE IN THE CASH FUND IS FROM FEE REVENUE;

(II) THE FEE REVENUE IS COLLECTED ON A MULTI-YEAR LICENSING AND SERVICE PERIOD OR THERE HAS BEEN AN UNEXPECTED, SIGNIFICANT DECREASE IN FEE REVENUE COLLECTED; AND

(III) THE CASH FUND WILL HAVE A DEFICIT BASED ON CURRENT EXPENDITURES IN THE ABSENCE OF A SIGNIFICANT FEE INCREASE, UNLESS A LOAN IS MADE TO THE CASH FUND.

(b) AFTER A TRANSFER TO A CASH FUND UNDER SUBSECTION (3)(a) OF THIS SECTION, THE STATE CONTROLLER SHALL TRANSFER THE SAME AMOUNT OF MONEY FROM THE CASH FUND BACK TO THE CASH FUND SOLVENCY FUND IN ONE OR MORE INSTALLMENTS. THE STATE CONTROLLER SHALL ESTABLISH THE TERMS OF THE REPAYMENT TRANSFERS, WHICH MAY BE OVER MULTIPLE FISCAL YEARS.

(4) ON JULY 1, 2021, THE STATE TREASURER SHALL TRANSFER THREE MILLION ONE HUNDRED THOUSAND DOLLARS FROM THE GENERAL FUND TO THE FUND.

(5) NOTWITHSTANDING SECTION 24-1-136 (11), ON OR BEFORE NOVEMBER 1, 2021, AND EACH NOVEMBER 1 THEREAFTER, THE STATE CONTROLLER SHALL ANNUALLY REPORT TO THE JOINT BUDGET COMMITTEE AND THE OFFICE OF STATE PLANNING AND BUDGETING ABOUT ANY TRANSFERS THAT HAVE BEEN MADE UNDER THIS SECTION, THE TERMS OF THE REPAYMENT TRANSFERS, AND THE AMOUNT THAT HAS BEEN REPAID.

SECTION 2. In Colorado Revised Statutes, 44-10-801, **add** (1)(e) as follows:

44-10-801. Marijuana cash fund - repeal. (1) (e) (I) ON JULY 1, 2021, THE STATE TREASURER SHALL TRANSFER ONE MILLION EIGHT HUNDRED FIVE THOUSAND THREE HUNDRED SEVENTEEN DOLLARS FROM THE MARIJUANA TAX CASH FUND CREATED IN SECTION 39-28.8-501 TO THE MARIJUANA CASH FUND.

(II) ON JULY 1, 2021, THE STATE TREASURER SHALL TRANSFER ONE MILLION TWO

HUNDRED THOUSAND DOLLARS FROM THE GENERAL FUND TO THE MARIJUANA CASH FUND.

(III) THIS SUBSECTION (1)(e) IS REPEALED, EFFECTIVE JULY 1, 2022.

SECTION 3. Appropriation - adjustments to 2021 long bill. (1) The appropriation from reappropriated funds received from the department of revenue, made in the annual general appropriation act for the 2021-22 state fiscal year to the department of public health and environment for use by disease control and public health response for laboratory services related to certification is decreased by \$1,135,728.

(2) The cash funds appropriation from the marijuana cash fund created in section 44-10-801 (1)(a), C.R.S., made in the annual general appropriation act for the 2021-22 state fiscal year to the department of revenue for use by marijuana enforcement for transfers to department of public health and environment related to the marijuana laboratory testing reference library is decreased by \$1,135,728.

(3) For the 2021-22 state fiscal year, \$1,135,728 is appropriated to the department of public health and environment. This appropriation is from the marijuana tax cash fund created in section 39-28.8-501 (1), C.R.S. To implement this act, the department may use this appropriation for use by disease control and public health response for laboratory services related to certification.

SECTION 4. Safety clause. The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, or safety.

Approved: June 23, 2021