

**First Regular Session
Sixty-eighth General Assembly
STATE OF COLORADO**

INTRODUCED

LLS NO. 11-0308.01 Bob Lackner

HOUSE BILL 11-1052

HOUSE SPONSORSHIP

Hullinghorst, Pace

SENATE SPONSORSHIP

Morse,

House Committees

Finance
Appropriations

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING THE ADOPTION OF PAY-AS-YOU-GO REQUIREMENTS FOR**
102 **CERTAIN BILLS WITH SPECIFIED IMPACTS ON THE STATE**
103 **BUDGET.**

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://www.leg.state.co.us/billsummaries>.)

For each regular or special session of the general assembly, prior to the passage of the long appropriation bill, the bill prohibits the appropriations committee in either house from favorably passing out a bill that either requires a tax expenditure or that results in a decrease in

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

revenue to the state unless the bill either specifically identifies equivalent decreases in such expenditures or offsets to the general fund or specifically identifies sufficient increases in revenue for the next state fiscal year and for any other fiscal year that new tax expenditures or changes in tax expenditures would be implemented so that the bill does not impact the state budget.

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

2 **SECTION 1.** Part 1 of article 75 of title 24, Colorado Revised
3 Statutes, is amended BY THE ADDITION OF A NEW SECTION to
4 read:

5 **24-75-114. Pay-as-you-go requirements - restrictions on bill**
6 **passage by appropriations committees - specified bills with impact on**
7 **state budget - 2011 regular or special legislative sessions - declaration**
8 **- definitions.** (1) THE GENERAL ASSEMBLY HEREBY FINDS, DETERMINES,
9 AND DECLARES THAT:

10 (a) THE GENERAL ASSEMBLY MUST BE EVER MINDFUL THAT THE
11 PEOPLE OF THE STATE REGULARLY FACE SIGNIFICANT FINANCIAL
12 BURDENS, PARTICULARLY IN CHALLENGING ECONOMIC TIMES. WITH THIS
13 IN MIND, AND WITH A FIRM HOLD ON ITS CONSTITUTIONAL
14 RESPONSIBILITIES, THE GENERAL ASSEMBLY MUST ENSURE THAT THE
15 PEOPLE'S MONEY IS SPENT WISELY.

16 (b) IN ORDER TO LIVE UP TO ITS CONSTITUTIONAL
17 RESPONSIBILITIES, THE GENERAL ASSEMBLY INTENDS TO ADOPT
18 "PAY-AS-YOU-GO" RULES. THESE RULES WILL GUARANTEE THAT,
19 WHENEVER A NEW EXPENDITURE IS MADE, A SOURCE OF FUNDING FOR
20 THAT EXPENDITURE WILL BE IDENTIFIED, WHETHER IT BE A REVENUE
21 INCREASE OR A SPENDING DECREASE. AS THE PEOPLE OF THE STATE
22 BALANCE THEIR OWN CHECKBOOKS IN THIS MANNER, SO TOO SHOULD THE

1 STATE FOLLOW THESE SAME PRINCIPLES IN BALANCING ITS OWN BOOKS.

2 (c) THE PEOPLE OF THE STATE DEMAND AND DESERVE FULL
3 TRANSPARENCY FROM THEIR GOVERNMENT. ULTIMATELY, IT IS THE
4 PEOPLE'S MONEY THAT IS AT STAKE. THE PEOPLE OF THE STATE NEED AND
5 DESERVE THE OPPORTUNITY TO PROVIDE INPUT ON STATE TAX
6 EXPENDITURES BASED UPON THEIR OWN NEEDS AND PRIORITIES.

7 (2) FOR EACH REGULAR OR SPECIAL SESSION OF THE GENERAL
8 ASSEMBLY, PRIOR TO THE PASSAGE OF THE ANNUAL GENERAL
9 APPROPRIATION ACT, NO BILL THAT EITHER REQUIRES A TAX EXPENDITURE
10 OR THAT RESULTS IN A DECREASE IN REVENUE TO THE STATE MAY BE
11 FAVORABLY PASSED BY THE APPROPRIATIONS COMMITTEE OF EITHER
12 HOUSE TO THE FULL CHAMBER OF SUCH HOUSE FOR CONSIDERATION ON
13 SECOND READING UNLESS THE BILL EITHER SPECIFICALLY IDENTIFIES
14 EQUIVALENT DECREASES IN SUCH EXPENDITURES OR OFFSETS TO THE
15 GENERAL FUND OR SPECIFICALLY IDENTIFIES EQUIVALENT INCREASES IN
16 REVENUE FOR THE NEXT STATE FISCAL YEAR AND FOR ANY OTHER FISCAL
17 YEAR THAT NEW TAX EXPENDITURES OR CHANGES IN TAX EXPENDITURES
18 WOULD BE IMPLEMENTED SO THAT THE BILL DOES NOT IMPACT THE STATE
19 BUDGET. FOR PURPOSES OF THIS SECTION, "TAX EXPENDITURE" MEANS,
20 WITHOUT LIMITATION, A DEDUCTION FROM TAXABLE INCOME, TAX CREDIT,
21 TAX EXEMPTION, THE LOWERING OF A TAX RATE, THE ELIMINATION OF A
22 TAX, OR THE ELIMINATION OR REDUCTION OF A FEE.

23 **SECTION 2. Safety clause.** The general assembly hereby finds,
24 determines, and declares that this act is necessary for the immediate
25 preservation of the public peace, health, and safety.