

Second Regular Session
Sixty-seventh General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 10-0572.01 Jason Gelender

HOUSE BILL 10-1177

HOUSE SPONSORSHIP

King S.,

SENATE SPONSORSHIP

(None),

House Committees

Finance

State, Veterans, & Military Affairs

Senate Committees

A BILL FOR AN ACT

101 CONCERNING THE COLORADO ECONOMIC STABILITY FUND, AND, IN
102 CONNECTION THEREWITH, CREATING THE FUND AND SPECIFYING
103 THE CONDITIONS UNDER WHICH MONEYS MUST BE TRANSFERRED
104 TO AND MAY BE EXPENDED FROM THE FUND.

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>.)

The bill creates the Colorado economic stability fund (fund), specifies that the principal of the fund shall consist of general fund

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.

moneys transferred to the fund, requires fund interest and income to be credited to the fund, and specifically:

- ! Requires 10% of any increase in the amount of general fund revenues for a fiscal year over the amount of general fund revenues for the prior fiscal year to be transferred to the fund at the end of the fiscal year unless such a transfer would cause the balance of the fund to exceed 15% of the amount of general fund revenues for the fiscal year;
- ! Requires moneys to be transferred from the fund to the general fund at the end of a fiscal year to the extent necessary to prevent the balance of the fund from exceeding 15% of the amount of general fund revenues for the fiscal year.

For any given fiscal year, the bill allows the general assembly to appropriate or transfer up to one-half of the moneys in the fund, subject to the following limitations:

- ! The amount of general fund revenues for the immediately preceding fiscal year must have been at least 10% less than the amount of general fund revenues for the next preceding fiscal year.
- ! The general assembly must have declared a state fiscal emergency by adopting a joint resolution approved by a two-thirds majority vote of the members of both houses and the governor.
- ! Moneys transferred or appropriated from the fund may be used only to provide funding for programs that were in existence and receiving state funding prior to the beginning of the fiscal year and that provide vital services determined by the joint budget committee to be necessary to help preserve the public peace, health, or safety.

The bill allows the general assembly to appropriate or transfer more than one-half of the moneys in the fund during a fiscal year if the general assembly authorizes such appropriations or transfers by adopting a separate joint resolution approved by a two-thirds majority vote of the members of both houses and the governor.

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

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

4 **PART 13**
5 **COLORADO ECONOMIC STABILITY FUND**

1 **24-75-1301. Colorado economic stability fund - creation -**
2 **required transfers to fund - use of fund - definitions.** (1) AS USED IN
3 THIS PART 13, UNLESS THE CONTEXT OTHERWISE REQUIRES:

4 (a) "STABILITY FUND" MEANS THE COLORADO ECONOMIC
5 STABILITY FUND CREATED IN SUBSECTION (2) OF THIS SECTION.

6 (b) "VITAL SERVICES" MEANS SERVICES DETERMINED BY THE JOINT
7 BUDGET COMMITTEE, BY A RECORDED VOTE OF A MAJORITY OF ITS
8 MEMBERS, TO BE NECESSARY TO HELP PRESERVE THE PUBLIC PEACE,
9 HEALTH, OR SAFETY.

10 (2) THE COLORADO ECONOMIC STABILITY FUND IS HEREBY
11 CREATED IN THE STATE TREASURY. THE PRINCIPAL OF THE STABILITY
12 FUND SHALL CONSIST OF MONEYS TRANSFERRED FROM THE GENERAL FUND
13 TO THE FUND PURSUANT TO SUBSECTION (3) OF THIS SECTION. INTEREST
14 AND INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEYS
15 IN THE STABILITY FUND SHALL BE CREDITED TO THE STABILITY FUND AND
16 SHALL NOT BE CREDITED TO THE GENERAL FUND OR ANY OTHER FUND AT
17 THE END OF ANY FISCAL YEAR BUT MAY BE TRANSFERRED FROM THE
18 STABILITY FUND AS SPECIFIED IN SUBSECTIONS (4) AND (5) OF THIS
19 SECTION.

20 (3) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (4) OF THIS
21 SECTION, EFFECTIVE JUNE 30 OF ANY STATE FISCAL YEAR IN WHICH THE
22 AMOUNT OF GENERAL FUND REVENUES HAS INCREASED OVER THE AMOUNT
23 OF GENERAL FUND REVENUES FOR THE PRIOR FISCAL YEAR, THE STATE
24 CONTROLLER SHALL TRANSFER FROM THE GENERAL FUND TO THE
25 STABILITY FUND AN AMOUNT EQUAL TO TEN PERCENT OF THE AMOUNT BY
26 WHICH GENERAL FUND REVENUES INCREASED.

27 (4) IF A TRANSFER OTHERWISE REQUIRED BY SUBSECTION (3) OF

1 THIS SECTION WOULD CAUSE THE BALANCE OF THE STABILITY FUND AS OF
2 THE EFFECTIVE DATE OF THE TRANSFER TO EXCEED FIFTEEN PERCENT OF
3 THE AMOUNT OF GENERAL FUND REVENUES FOR THE STATE FISCAL YEAR
4 THAT INCLUDES THE EFFECTIVE DATE, THE AMOUNT OF THE TRANSFER
5 SHALL BE REDUCED TO THE AMOUNT THAT WILL CAUSE THE BALANCE OF
6 THE STABILITY FUND AS OF SAID EFFECTIVE DATE TO EQUAL FIFTEEN
7 PERCENT OF THE AMOUNT OF GENERAL FUND REVENUES FOR THE FISCAL
8 YEAR. IF THE REQUIRED REDUCTION IN THE BALANCE OF THE STABILITY
9 FUND CANNOT BE ACCOMPLISHED SOLELY THROUGH A REDUCTION IN THE
10 AMOUNT OF THE TRANSFER, THE STATE CONTROLLER SHALL NOT MAKE
11 THE TRANSFER AND SHALL INSTEAD TRANSFER FROM THE STABILITY FUND
12 TO THE GENERAL FUND, EFFECTIVE JUNE 30 OF THE FISCAL YEAR, THE
13 AMOUNT NEEDED TO REDUCE THE BALANCE OF THE STABILITY FUND TO
14 FIFTEEN PERCENT OF THE AMOUNT OF GENERAL FUND REVENUES FOR THE
15 FISCAL YEAR.

16 (5) FOR ANY GIVEN FISCAL YEAR, THE GENERAL ASSEMBLY MAY
17 APPROPRIATE MONEYS DIRECTLY FROM THE STABILITY FUND, OR CAUSE
18 MONEYS TO BE TRANSFERRED FROM THE STABILITY FUND TO THE GENERAL
19 FUND IN ORDER TO MAKE ADDITIONAL MONEYS AVAILABLE FOR GENERAL
20 FUND APPROPRIATIONS, SUBJECT TO THE FOLLOWING LIMITATIONS:

21 (a) THE GENERAL ASSEMBLY MAY ONLY APPROPRIATE MONEYS
22 FROM, OR CAUSE MONEYS TO BE TRANSFERRED FROM, THE STABILITY FUND
23 IF THE AMOUNT OF GENERAL FUND REVENUES FOR THE IMMEDIATELY
24 PRECEDING FISCAL YEAR WAS AT LEAST TEN PERCENT LESS THAN THE
25 AMOUNT OF GENERAL FUND REVENUES FOR THE NEXT PRECEDING FISCAL
26 YEAR;

27 (b) THE GENERAL ASSEMBLY MAY ONLY APPROPRIATE MONEYS

1 FROM, OR CAUSE MONEYS TO BE TRANSFERRED FROM, THE STABILITY FUND
2 IF THE GENERAL ASSEMBLY HAS DECLARED A STATE FISCAL EMERGENCY
3 BY ADOPTING A JOINT RESOLUTION APPROVED BY A TWO-THIRDS MAJORITY
4 VOTE OF THE MEMBERS OF BOTH HOUSES AND THE GOVERNOR;

5 (c) MONEYS TRANSFERRED OR APPROPRIATED FROM THE
6 STABILITY FUND MAY BE USED ONLY TO PROVIDE FUNDING FOR PROGRAMS
7 THAT:

8 (I) WERE IN EXISTENCE AND RECEIVING STATE FUNDING PRIOR TO
9 THE BEGINNING OF THE FISCAL YEAR; AND

10 (II) PROVIDE VITAL SERVICES;

11 (d) THE GENERAL ASSEMBLY MAY APPROPRIATE OR TRANSFER A
12 TOTAL OF NO MORE THAN ONE-HALF OF THE MONEYS IN THE STABILITY
13 FUND; EXCEPT THAT THE GENERAL ASSEMBLY MAY APPROPRIATE OR
14 TRANSFER MORE THAN ONE-HALF OF THE MONEYS IN THE STABILITY FUND
15 IF THE GENERAL ASSEMBLY AUTHORIZES SUCH APPROPRIATIONS OR
16 TRANSFERS BY ADOPTING A JOINT RESOLUTION SEPARATE FROM THE JOINT
17 RESOLUTION DESCRIBED IN PARAGRAPH (b) OF THIS SUBSECTION (5)
18 APPROVED BY A TWO-THIRDS MAJORITY VOTE OF THE MEMBERS OF BOTH
19 HOUSES AND THE GOVERNOR.

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