

Second Regular Session
Sixty-eighth General Assembly
STATE OF COLORADO

REENGROSSED

*This Version Includes All Amendments
Adopted in the House of Introduction*

LLS NO. 12-0687.02 Ed DeCecco x4216

SENATE BILL 12-083

SENATE SPONSORSHIP

Scheffel,

HOUSE SPONSORSHIP

DelGrosso,

Senate Committees

Finance
Appropriations

House Committees

A BILL FOR AN ACT

101 **CONCERNING DYNAMIC MODELING TO ANALYZE THE FISCAL IMPACT**
102 **OF PROPOSED LEGISLATION.**

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 changes the process by which legislative council staff obtains a dynamic model to be used initially to analyze the direct and indirect or secondary economic effects related to a limited number of bills making a tax policy change. Specifically, the bill requires the director of research to solicit and accept proposals to develop or procure a dynamic

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.*

SENATE
3rd Reading Unamended
May 8, 2012

SENATE
Amended 2nd Reading
May 7, 2012

model and to present the proposals to the executive committee of the legislative council (executive committee). The executive committee then selects the dynamic model. As soon as there is sufficient moneys in the dynamic modeling cash fund, which includes gifts, grants, and donations, the director must purchase the dynamic model to be used by legislative council staff.

The requirement that the director hire an independent contractor if there is \$120,000 in gifts, grants, and donations is eliminated, and the prohibition on using general fund moneys is limited to prohibiting such moneys from being used to purchase the model.

The bill also exempts the dynamic modeling cash fund from general reporting and repeal requirements related to gifts, grants, and donations.

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

2 **SECTION 1. In Colorado Revised Statutes, repeal and reenact,**
3 **with amendments, 2-3-304.5 as follows:**

4 **2-3-304.5. Dynamic model advisory committee - creation -**
5 **duties - cash fund - repeal. (1) (a) THE DYNAMIC MODEL ADVISORY**
6 **COMMITTEE, REFERRED TO IN THIS SECTION AS THE "COMMITTEE", IS**
7 **HEREBY CREATED IN THE LEGISLATIVE BRANCH. THE COMMITTEE CONSISTS**
8 **OF THE FOLLOWING FOUR MEMBERS:**

9 **(I) THE DIRECTOR OF RESEARCH;**

10 **(II) THE DIRECTOR OF THE OFFICE OF STATE PLANNING AND**
11 **BUDGETING OR HIS OR HER DESIGNEE;**

12 **(III) ONE ECONOMIST APPOINTED BY THE SPEAKER OF THE HOUSE**
13 **OF REPRESENTATIVES; AND**

14 **(IV) ONE ECONOMIST APPOINTED BY THE PRESIDENT OF THE**
15 **SENATE.**

16 **(b) THE SPEAKER OF THE HOUSE OF REPRESENTATIVES AND THE**
17 **PRESIDENT OF THE SENATE SHALL APPOINT THEIR RESPECTIVE MEMBERS**
18 **NO LATER THAN JUNE 15, 2012, FOR A TERM EXPIRING ON JULY 1, 2013.**

1 THE APPOINTED MEMBER SERVES AT THE PLEASURE OF THE APPOINTING
2 AUTHORITY.

3 (c) THE DIRECTOR OF RESEARCH IS THE COMMITTEE CHAIRPERSON.

4 (d) THE COMMITTEE SHALL CONVENE ITS FIRST MEETING NO LATER
5 THAN JULY 15, 2012, AND SHALL MEET MONTHLY THEREAFTER, OR MORE
6 FREQUENTLY IF NECESSARY, BASED ON THE WORKLOAD OF THE
7 COMMITTEE. THE COMMITTEE SHALL HOLD AT LEAST ONE PUBLIC MEETING
8 AT WHICH THE COMMITTEE HEARS PUBLIC TESTIMONY REGARDING
9 DYNAMIC MODELING.

10 (e) MEMBERS OF THE COMMITTEE SERVE WITHOUT
11 COMPENSATION.

12 (2) (a) EXCEPT AS SET FORTH IN PARAGRAPH (b) OF THIS
13 SUBSECTION (2), THE DIRECTOR OF RESEARCH IS AUTHORIZED TO ACCEPT
14 GIFTS, GRANTS, OR DONATIONS FROM PRIVATE OR PUBLIC SOURCES ON
15 BEHALF OF THE COMMITTEE TO FUND THE COMMITTEE'S COSTS. THE
16 DIRECTOR OF RESEARCH SHALL TRANSMIT ALL MONEYS RECEIVED
17 PURSUANT TO THIS PARAGRAPH (a) TO THE STATE TREASURER, WHO SHALL
18 CREDIT THE SAME TO THE DYNAMIC MODEL ADVISORY COMMITTEE CASH
19 FUND, WHICH IS HEREBY CREATED IN THE STATE TREASURY AND REFERRED
20 TO IN THIS SECTION AS THE "FUND". MONEYS IN THE FUND ARE
21 CONTINUOUSLY APPROPRIATED TO THE COMMITTEE TO PAY ANY COSTS
22 INCURRED IN COMPLYING WITH THIS SECTION. THE STATE TREASURER MAY
23 INVEST ANY MONEYS IN THE FUND NOT EXPENDED FOR THE PURPOSES OF
24 THIS SECTION AS PROVIDED BY LAW. ALL INTEREST AND INCOME DERIVED
25 FROM THE INVESTMENT AND DEPOSIT OF MONEYS IN THE FUND SHALL BE
26 CREDITED TO THE FUND. ANY UNEXPENDED AND UNENCUMBERED MONEYS
27 REMAINING IN THE FUND AT THE END OF THE 2011-12 FISCAL YEAR SHALL

1 REMAIN IN THE FUND AND SHALL NOT BE CREDITED OR TRANSFERRED TO
2 THE GENERAL FUND OR ANOTHER FUND. ANY UNEXPENDED AND
3 UNENCUMBERED MONEYS REMAINING IN THE FUND AS OF JUNE 30, 2013,
4 SHALL BE RETURNED, ON A PRO RATA BASIS, TO THE ORIGINAL DONORS.

5 (b) THE DIRECTOR OF RESEARCH SHALL NOT ACCEPT MORE THAN
6 ONE HUNDRED THOUSAND DOLLARS OF TOTAL GIFTS, GRANTS, AND
7 DONATIONS PURSUANT TO THIS SECTION.

8 (3) (a) EXCEPT AS SET FORTH IN PARAGRAPH (b) OF THIS
9 SUBSECTION (3), THE COMMITTEE SHALL:

10 (I) CONDUCT RESEARCH ON THE DYNAMIC MODELS AVAILABLE TO
11 THE STATE;

12 (II) ANALYZE THE DYNAMIC MODELS USED IN OTHER STATES;

13 (III) ASSESS THE AVAILABILITY OF DATA FOR THE STATE AND
14 LOCAL GOVERNMENTS TO BE USED WITH THE DYNAMIC MODEL;

15 (IV) IDENTIFY ANY ISSUES RELATED TO USING A DYNAMIC MODEL
16 TO ANALYZE THE DIRECT AND INDIRECT OR SECONDARY ECONOMIC
17 EFFECTS OF BILLS;

18 (V) ESTIMATE THE ANNUAL COSTS OF USING THE DYNAMIC MODEL
19 TO ANALYZE BILLS MAKING A TAX POLICY CHANGE AND FOR OTHER BILLS;

20 AND

21 (VI) MAKE RECOMMENDATIONS REGARDING THE ACQUISITION AND
22 USE OF A DYNAMIC MODEL.

23 (b) THE COMMITTEE SHALL UNDERTAKE THE DUTIES SET FORTH IN
24 PARAGRAPH (a) OF THIS SUBSECTION (3) TO THE EXTENT THAT THERE ARE
25 SUFFICIENT MONEYS IN THE FUND.

26 (c) THE LEGISLATIVE COUNCIL STAFF AND THE OFFICE OF
27 LEGISLATIVE LEGAL SERVICES SHALL PROVIDE STAFF SUPPORT TO THE

1 COMMITTEE.

2 (4) (a) ON SEPTEMBER 1, 2012, THE COMMITTEE SHALL SUBMIT A
3 STATUS REPORT REGARDING ITS WORK TO THE EXECUTIVE COMMITTEE OF
4 THE LEGISLATIVE COUNCIL.

5 (b) NO LATER THAN JANUARY 31, 2013, THE COMMITTEE SHALL
6 SUBMIT A FINAL REPORT TO THE EXECUTIVE COMMITTEE OF THE
7 LEGISLATIVE COUNCIL THAT DETAILS THE WORK OF THE COMMITTEE AND
8 THAT INCLUDES THE INFORMATION RELATED TO ITS DUTIES SET FORTH IN
9 SUBSECTION (3) OF THIS SECTION. IF THE COMMITTEE HAS RECEIVED
10 INSUFFICIENT GIFTS, GRANTS, OR DONATIONS TO PARTIALLY OR WHOLLY
11 UNDERTAKE ITS DUTIES, THE COMMITTEE SHALL INCLUDE SUCH FACT IN
12 THE REPORT.

13 (5) THIS SECTION IS EXEMPT FROM THE PROVISIONS OF PART 13 OF
14 ARTICLE 75 OF TITLE 24, C.R.S.

15 (6) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2013.

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