

**Second Regular Session
Sixty-seventh General Assembly
STATE OF COLORADO**

INTRODUCED

LLS NO. 10-0933.01 Ed DeCecco

SENATE BILL 10-168

SENATE SPONSORSHIP

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Senate Committees
State, Veterans & Military Affairs

House Committees

A BILL FOR AN ACT

101 **CONCERNING A REDUCTION IN STATE EXPENDITURES, AND, IN**
102 **CONNECTION THEREWITH, ENACTING THE "TAXPAYER**
103 **PROTECTION ACT OF 2010".**

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 requires the governor to reduce state expenditures for the current state fiscal year and the next state fiscal year as follows:

! For the current state fiscal year, the governor must reduce state personnel expenditures by \$17.8 million (.24% of

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.

2009-10 general fund appropriations in the general appropriation bill);

! For the next state fiscal year, the governor must reduce total state expenditures by \$306.5 million (4.39% of the governor's general fund budget request). These reductions will be made through cuts to state personnel expenditures and to any nonessential state programs, with priority given to the former type of cut.

If the governor reduces personnel expenditures from a cash fund, an amount equal to such reduction shall be transferred from the cash fund to the general fund.

The bill reduces the judicial branch and legislative agency expenditures and per diem payments for members of the general assembly by .24% for the current state fiscal year and by 4.39% for the next state fiscal year.

The bill specifies that the general assembly shall not reduce the amount of the homestead property tax exemption for qualifying senior citizens for property tax years commencing on or after January 1, 2010.

Beginning March 1, 2010, the bill also raises the amount that a retail vendor may retain each month when collecting and remitting state sales tax revenues back to 3.33%.

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 **REDUCTION IN STATE EXPENDITURES**

6 **24-75-1301. Short title.** THIS PART 13 SHALL BE KNOWN AND
7 MAY BE CITED AS THE "TAXPAYER PROTECTION ACT OF 2010".

8 **24-75-1302. Legislative declaration.** (1) THE GENERAL
9 ASSEMBLY HEREBY FINDS, DETERMINES, AND DECLARES THAT:

10 (a) THE STATE OF COLORADO AND THE REST OF THE UNITED
11 STATES ARE CURRENTLY EXPERIENCING THE WORST ECONOMIC CRISIS
12 SINCE THE GREAT DEPRESSION OF THE 1930s;

13 (b) THIS ECONOMIC CRISIS HAS CONTRIBUTED TO THE FAILURE OF

1 NUMEROUS BUSINESSES, A DECLINE IN CONSUMER WEALTH, LOSS OF JOBS,
2 AND A SIGNIFICANT DECLINE IN OVERALL ECONOMIC ACTIVITY;

3 (c) INDIVIDUALS THROUGHOUT THE STATE ARE STRUGGLING TO
4 MAKE ENDS MEET;

5 (d) BUSINESSES THROUGHOUT THE STATE ARE REDUCING PAYROLL
6 AND COSTS, RIGHT-SIZING ADMINISTRATIVE FUNCTIONS, AND SEEKING
7 GREATER EFFICIENCIES; AND

8 (e) IT IS UNREASONABLE FOR THE INCREASED EXPANSION OF THE
9 STATE GOVERNMENT TO BE FUNDED THROUGH TAX INCREASES ON
10 INDIVIDUALS AND BUSINESSES THAT HAVE DECREASING REVENUE.

11 (2) THE GENERAL ASSEMBLY FURTHER DECLARES THAT THE
12 APPROPRIATE WAY FOR THE STATE TO ADDRESS THE CURRENT STATE
13 REVENUE SHORTFALL IS THROUGH BROAD-BASED SPENDING REDUCTIONS,
14 NOT THROUGH TAX OR FEE INCREASES THAT WILL WORSEN THE RECESSION.

15 **24-75-1303. Definitions.** AS USED IN THIS PART 13, UNLESS THE
16 CONTEXT OTHERWISE REQUIRES:

17 (1) "GROUP BENEFIT PLANS" MEANS GROUP BENEFIT COVERAGES
18 CONTRACTED FOR OR ADMINISTERED BY THE STATE PERSONNEL DIRECTOR
19 FOR MEDICAL, DENTAL, AND LIFE BENEFITS.

20 (2) "LEGISLATIVE AGENCY" MEANS THE OFFICE OF LEGISLATIVE
21 LEGAL SERVICES, LEGISLATIVE COUNCIL STAFF, OFFICE OF THE STATE
22 AUDITOR, STAFF OF THE JOINT BUDGET COMMITTEE, LEGISLATIVE
23 INFORMATION SERVICES, SENATE SERVICES STAFF, STAFF OF THE HOUSE OF
24 REPRESENTATIVES, SENATE MAJORITY AND MINORITY STAFF, AND HOUSE
25 OF REPRESENTATIVES MAJORITY AND MINORITY STAFF.

26 (3) "STATE EMPLOYEE" MEANS AN EMPLOYEE WITHIN THE STATE
27 PERSONNEL SYSTEM. IN NO CASE SHALL "STATE EMPLOYEE" INCLUDE A

1 PERSON TEACHING AT ANY GRADE LEVEL FROM KINDERGARTEN THROUGH
2 THE TWELFTH GRADE IN A PUBLIC SCHOOL OF THE STATE OR ANY OTHER
3 PERSON NOT WITHIN THE STATE PERSONNEL SYSTEM.

4 (4) "TOTAL COMPENSATION" INCLUDES, BUT IS NOT LIMITED TO,
5 SALARY, GROUP BENEFIT PLANS, RETIREMENT BENEFITS, PERFORMANCE
6 AWARDS, INCENTIVES, PREMIUM PAY PRACTICES, AND LEAVE.

7 **24-75-1304. Reduction in state expenditures - state fiscal year**
8 **2009-10.** (1) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, ON OR
9 BEFORE MARCH 1, 2010, THE GOVERNOR, WITH THE ADVICE AND
10 ASSISTANCE OF THE STATE PERSONNEL DIRECTOR, SHALL REDUCE TOTAL
11 STATE EXPENDITURES TO BE MADE FOR THE STATE FISCAL YEAR 2009-10
12 BY SEVENTEEN MILLION EIGHT HUNDRED THOUSAND DOLLARS, WHICH IS
13 EQUAL TO TWENTY-FOUR ONE-HUNDREDTHS PERCENT OF THE TOTAL
14 GENERAL FUND APPROPRIATIONS INCLUDED IN THE GENERAL
15 APPROPRIATION BILL FOR THE STATE FISCAL YEAR 2009-10.

16 (2) THE REDUCTION IN EXPENDITURES REQUIRED PURSUANT TO
17 SUBSECTION (1) OF THIS SECTION SHALL BE ACHIEVED BY A REDUCTION IN
18 STATE PERSONNEL EXPENDITURES, WHICH REDUCTION SHALL BE ACHIEVED
19 THROUGH ONE OR MORE OF THE FOLLOWING MEASURES:

20 (a) THE ELIMINATION OF ANY CURRENTLY VACANT NONESSENTIAL
21 POSITIONS;

22 (b) REDUCTIONS IN STATE EMPLOYEE TOTAL COMPENSATION, WITH
23 SUCH REDUCTIONS FIRST IMPACTING STATE EMPLOYEES WHOSE TOTAL
24 COMPENSATION IS MORE THAN ONE HUNDRED THOUSAND DOLLARS; AND

25 (c) A REDUCTION IN THE NUMBER OF NONESSENTIAL STATE
26 EMPLOYEES.

27 (3) ON OR BEFORE MARCH 1, 2010, THE GOVERNOR SHALL SUBMIT

1 A REPORT DESCRIBING THE REDUCTIONS REQUIRED PURSUANT TO
2 SUBSECTION (1) OF THIS SECTION TO THE JOINT BUDGET COMMITTEE.

3 (4) (a) FROM THE EFFECTIVE DATE OF THIS PARAGRAPH (a) UNTIL
4 JUNE 30, 2010, THE AMOUNT OF ANY PER DIEM PAID TO A MEMBER OF THE
5 GENERAL ASSEMBLY SHALL BE REDUCED BY AN AMOUNT EQUAL TO THE
6 PER DIEM MULTIPLIED BY TWENTY-FOUR ONE-HUNDREDTHS PERCENT.

7 (b) ON OR BEFORE MARCH 1, 2010, THE JUDICIAL BRANCH AND
8 EACH LEGISLATIVE AGENCY SHALL REDUCE ITS TOTAL OPERATING
9 EXPENSES TO BE MADE FOR THE STATE FISCAL YEAR 2009-10 BY
10 TWENTY-FOUR ONE-HUNDREDTHS PERCENT.

11 **24-75-1305. Reduction in state expenditures - state fiscal year**
12 **2010-11.** (1) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, ON OR
13 BEFORE MARCH 15, 2010, THE GOVERNOR, WITH THE ADVICE AND
14 ASSISTANCE OF THE STATE PERSONNEL DIRECTOR, SHALL REDUCE TOTAL
15 STATE EXPENDITURES TO BE MADE FOR THE STATE FISCAL YEAR 2010-11
16 BY THREE HUNDRED SIX MILLION FIVE HUNDRED THOUSAND DOLLARS,
17 WHICH IS EQUAL TO FOUR AND THIRTY-NINE ONE-HUNDREDTHS PERCENT
18 OF THE GOVERNOR'S BUDGET REQUEST, DATED NOVEMBER 1, 2009, FOR
19 GENERAL FUND OPERATING APPROPRIATIONS FOR THE STATE FISCAL YEAR
20 2010-11.

21 (2) (a) THE REDUCTION IN EXPENDITURES REQUIRED PURSUANT TO
22 SUBSECTION (1) OF THIS SECTION SHALL BE ACHIEVED THROUGH THE
23 MEASURES IDENTIFIED IN SECTION 24-75-1304 (2) AND,
24 NOTWITHSTANDING ANY OTHER PROVISION OF LAW, A REDUCTION IN
25 NONESSENTIAL STATE PROGRAMS.

26 (b) IN MAKING REDUCTIONS REQUIRED PURSUANT TO THIS
27 SECTION, PRIORITY SHALL BE GIVEN TO REDUCING THE EXPENDITURES

1 THROUGH THE MEASURES IDENTIFIED IN SECTION 24-75-1304 (2) (a).

2 (3) ON OR BEFORE MARCH 15, 2010, THE GOVERNOR SHALL
3 SUBMIT A REPORT DESCRIBING THE REDUCTIONS REQUIRED PURSUANT TO
4 SUBSECTION (1) OF THIS SECTION TO THE JOINT BUDGET COMMITTEE.

5 (4) (a) FROM JULY 1, 2010, UNTIL JUNE 30, 2011, THE AMOUNT OF
6 ANY PER DIEM PAID TO A MEMBER OF THE GENERAL ASSEMBLY SHALL BE
7 REDUCED BY AN AMOUNT EQUAL TO THE PER DIEM MULTIPLIED BY FOUR
8 AND THIRTY-NINE ONE-HUNDREDTHS PERCENT.

9 (b) ON OR BEFORE MARCH 15, 2010, THE JUDICIAL BRANCH AND
10 EACH LEGISLATIVE AGENCY SHALL REDUCE THE TOTAL OPERATING
11 EXPENSES TO BE MADE FOR THE STATE FISCAL YEAR 2010-11 BY FOUR AND
12 THIRTY-NINE ONE-HUNDREDTHS PERCENT.

13 **24-75-1306. Transfers to general fund.** NOTWITHSTANDING ANY
14 OTHER PROVISION OF LAW, IF, PURSUANT TO SECTION 24-75-1304 OR
15 24-75-1305, THE GOVERNOR REDUCES PERSONNEL EXPENDITURES FROM
16 A CASH FUND, AN AMOUNT OF MONEYS EQUAL TO SUCH REDUCTION SHALL
17 BE TRANSFERRED FROM THE CASH FUND TO THE GENERAL FUND, AND SUCH
18 MONEYS MAY THEREAFTER BE APPROPRIATED FOR ANY LAWFUL PURPOSE.

19 **24-75-1307. Repeal of part.** THIS PART 13 IS REPEALED,
20 EFFECTIVE JULY 1, 2011.

21 **SECTION 2.** 39-3-203, Colorado Revised Statutes, is amended
22 BY THE ADDITION OF A NEW SUBSECTION to read:

23 **39-3-203. Property tax exemption - qualifications.**

24 (7) NOTWITHSTANDING ANY PROVISION OF LAW TO THE CONTRARY, THE
25 GENERAL ASSEMBLY SHALL NOT REDUCE THE AMOUNT OF THE EXEMPTION
26 SET FORTH IN THIS SECTION FOR QUALIFYING SENIOR CITIZENS FOR ANY
27 PROPERTY TAX YEAR COMMENCING ON OR AFTER JANUARY 1, 2010.

1 **SECTION 3.** 39-26-105 (1) (f) (I) (B) and (1) (f) (I) (C),
2 Colorado Revised Statutes, are amended to read:

3 **39-26-105. Vendor liable for tax - repeal.**

4 (1) (f) (I) Notwithstanding any other provision of this section:

5 (B) A vendor shall not retain any amount to cover the vendor's
6 expense in collecting and remitting tax pursuant to this section on any
7 return made on or after July 1, 2009, but prior to ~~June 30, 2011~~ MARCH
8 1, 2010. For any return made prior to August 1, 2009, a vendor shall not
9 be liable for any interest or other penalty imposed as a result of an error
10 made in connection with the elimination of the amount of sales tax
11 revenues that may be retained in accordance with the provisions of this
12 sub-subparagraph (B).

13 (C) ~~If the September 2010 forecast prepared by the legislative~~
14 ~~council staff indicates sufficient revenues to fully fund a six percent~~
15 ~~increase in general fund spending for the 2010-11 state fiscal year, then~~
16 ~~the provisions of this subparagraph (I) shall not apply and the amount~~
17 ~~retained by a vendor to cover the vendor's expense in collecting and~~
18 ~~remitting tax shall be as provided in paragraph (a) of this subsection (1)~~
19 ~~for periods commencing on or after January 1, 2011.~~

20 **SECTION 4. 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.