

Second Regular Session
Sixty-eighth General Assembly
STATE OF COLORADO

REENGROSSED

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

LLS NO. 12-0900.02 Ed DeCecco x4216

SENATE BILL 12-168

SENATE SPONSORSHIP

Steadman, Hodge, Lambert

HOUSE SPONSORSHIP

Gerou, Becker, Levy

Senate Committees
Finance

House Committees

A BILL FOR AN ACT

101 **CONCERNING A TRIGGER RELATED TO GENERAL FUND OBLIGATIONS**
102 **CREATED IN SENATE BILL 09-228.**

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>.)

Joint Budget Committee. There are 2 general fund obligations that apply for each fiscal year in a period of 5 fiscal years. First, there must be a reserve in the general fund that is a specified percentage of the amount appropriated for expenditure from the general fund. Second, a percentage of the total general fund revenues must be transferred to the

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
April 10, 2012

SENATE
Amended 2nd Reading
April 9, 2012

capital construction fund and the highway users tax fund.

The 5-year period of reserve and transfer requirements begins in the fiscal year 2012-13, unless a trigger is not met. The trigger is met if Colorado personal income grows by at least 5% during the 2012-13 fiscal year, which is growth from the calendar year 2011 to the calendar year 2012. If the trigger is not met, then the reserve and transfers are not required until the first fiscal year that there is at least 5% of growth in Colorado personal income based on the equivalent later calendar years. Once the trigger is met, then all 5 years of the reserve and transfer requirements will apply.

The bill eliminates the current trigger mechanism and suspends the initial reserve and transfer requirements until the first year after the personal income trigger is met. As compared to the current law, this change adds a year between the trigger occurring and the initial application of the reserve and transfer requirements. The "personal income trigger" is defined to mean an increase in Colorado personal income from one calendar year, starting with 2011, to the next by an amount equal to 5% or more. The bill also requires the estimates reported by the bureau of economic analysis in the United States department of commerce to be used for Colorado personal income.

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

2 **SECTION 1.** In Colorado Revised Statutes, 24-75-201.1, **amend**

3 (1) (e) as follows:

4 **24-75-201.1. Restriction on state appropriations - legislative**
5 **declaration - definitions - repeal.** (1) (e) (I) ~~Subparagraph (XII) of~~
6 ~~paragraph (d) of this subsection (1) shall not apply in the fiscal year~~
7 ~~2012-13 if Colorado personal income increases by less than five percent~~
8 ~~from the calendar year 2011 to the calendar year 2012. In such case, the~~
9 ~~unrestricted general fund year-end balance for fiscal year 2012-13 shall~~
10 ~~be four percent of the amount appropriated for expenditure from the~~
11 ~~general fund for that fiscal year, and the annual reserve required for each~~
12 ~~succeeding fiscal year shall remain the same until the next fiscal year~~
13 ~~during which Colorado personal income increases by at least five percent.~~
14 ~~For such fiscal year during which Colorado personal income increases by~~

1 at least five percent, the unrestricted general fund year-end balance
2 retained as a reserve shall be four and one-half percent. For purposes of
3 this subparagraph (I), Colorado personal income shall be considered to
4 increase by at least five percent during a given fiscal year if, from the
5 calendar year that commences eighteen months prior to the first day of the
6 fiscal year, and to the next calendar year, Colorado personal income
7 increases by at least five percent THE INITIAL RESERVE REQUIREMENT IS
8 SUSPENDED UNTIL THE PERSONAL INCOME TRIGGER OCCURS. THE RESERVE
9 REQUIREMENT IS FOUR PERCENT OF THE AMOUNT APPROPRIATED FOR
10 EXPENDITURE FOR EACH FISCAL YEAR THAT THE INITIAL RESERVE
11 REQUIREMENT IS SUSPENDED. THE INITIAL RESERVE REQUIREMENT APPLIES
12 TO THE FIRST FISCAL YEAR THAT BEGINS AFTER THE PERSONAL INCOME
13 TRIGGER OCCURS.

14 (I.5) FOR PURPOSES OF DETERMINING WHETHER THE PERSONAL
15 INCOME TRIGGER OCCURS, THE FOLLOWING ESTIMATES REPORTED BY THE
16 BUREAU OF ECONOMIC ANALYSIS IN THE UNITED STATES DEPARTMENT OF
17 COMMERCE ARE USED:

18 (A) FOR THE LATER CALENDAR YEAR, THE FIRST AVAILABLE
19 ESTIMATE REPORTED BY THE BUREAU AFTER THE END OF THE CALENDAR
20 YEAR; AND

21 (B) FOR THE EARLIER CALENDAR YEAR, THE REVISED ESTIMATE
22 THAT IS AVAILABLE AT THE SAME TIME AS THE ESTIMATE SET FORTH IN
23 SUB-SUBPARAGRAPH (A) OF THIS SUBPARAGRAPH (I.5).

24 (II) The reserve requirements set forth in subparagraphs (XIII),
25 (XIV), (XV), and (XVI) of paragraph (d) of this subsection (1) shall be
26 ~~delayed~~ EACH BE SUSPENDED by the SAME number of fiscal years that the
27 INITIAL reserve REQUIREMENT is ~~four percent~~ SUSPENDED pursuant to

1 subparagraph (I) of this paragraph (e).

2 (III) As used in this paragraph (e), UNLESS THE CONTEXT
3 OTHERWISE REQUIRES:

4 (A) "Colorado personal income" means the total personal income
5 for Colorado, as defined and officially reported by the bureau of
6 economic analysis in the United States department of commerce.

7 (B) "INITIAL RESERVE REQUIREMENT" MEANS THE RESERVE
8 REQUIREMENT SET FORTH IN SUBPARAGRAPH (XII) OF PARAGRAPH (d) OF
9 THIS SUBSECTION (1).

10 (C) "PERSONAL INCOME TRIGGER" MEANS AN INCREASE IN ANNUAL
11 COLORADO PERSONAL INCOME FROM ONE CALENDAR YEAR, STARTING
12 WITH 2011, TO THE NEXT CALENDAR YEAR THEREAFTER BY AN AMOUNT
13 EQUAL TO FIVE PERCENT OR MORE.

14 (D) "RESERVE REQUIREMENT" MEANS THE MINIMUM
15 UNRESTRICTED GENERAL FUND YEAR-END BALANCE FOR THE FISCAL YEAR.

16 **SECTION 2.** In Colorado Revised Statutes, 24-75-219, **amend**
17 (2) (e); and **add** (1) (e) and (1) (f) as follows:

18 **24-75-219. Transfers - transportation - capital construction -**
19 **definitions.** (1) As used in this section, unless the context otherwise
20 requires:

21 (e) "INITIAL TRANSFERS" MEANS THE TRANSFERS REQUIRED
22 PURSUANT TO PARAGRAPH (a) OF SUBSECTION (2) OF THIS SECTION.

23 (f) "PERSONAL INCOME TRIGGER" MEANS AN INCREASE IN ANNUAL
24 COLORADO PERSONAL INCOME FROM ONE CALENDAR YEAR, STARTING
25 WITH 2011, TO THE NEXT CALENDAR YEAR THEREAFTER BY AN AMOUNT
26 EQUAL TO FIVE PERCENT OR MORE.

27 (2) (e) (I) ~~Paragraph (a) of this subsection (2) shall not apply in~~

1 ~~the fiscal year 2012-13 if personal income increases by less than five~~
2 ~~percent from the calendar year 2011 to the calendar year 2012, and in~~
3 ~~such case the transfers required by paragraph (a) shall be made instead in~~
4 ~~the next state fiscal year during which Colorado personal income~~
5 ~~increases by at least five percent. For purposes of this subparagraph (I),~~
6 ~~Colorado personal income shall be considered to increase by at least five~~
7 ~~percent during a given state fiscal year if, from the calendar year that~~
8 ~~commences eighteen months prior to the first day of the state fiscal year,~~
9 ~~and to the next calendar year, Colorado personal income increases by at~~
10 ~~least five percent~~ THE INITIAL TRANSFERS ARE SUSPENDED UNTIL THE
11 PERSONAL INCOME TRIGGER OCCURS. THE INITIAL TRANSFERS SHALL BE
12 MADE IN THE FIRST STATE FISCAL YEAR THAT BEGINS AFTER THE PERSONAL
13 INCOME TRIGGER OCCURS.

14 (I.5) FOR PURPOSES OF DETERMINING WHETHER THE PERSONAL
15 INCOME TRIGGER OCCURS, THE FOLLOWING ESTIMATES REPORTED BY THE
16 BUREAU OF ECONOMIC ANALYSIS IN THE UNITED STATES DEPARTMENT OF
17 COMMERCE ARE USED:

18 (A) FOR THE LATER CALENDAR YEAR, THE FIRST AVAILABLE
19 ESTIMATE REPORTED BY THE BUREAU AFTER THE END OF THE CALENDAR
20 YEAR; AND

21 (B) FOR THE EARLIER CALENDAR YEAR, THE REVISED ESTIMATE
22 THAT IS AVAILABLE AT THE SAME TIME AS THE ESTIMATE SET FORTH IN
23 SUB-SUBPARAGRAPH (A) OF THIS SUBPARAGRAPH (I.5).

24 (II) The transfers required pursuant to paragraphs (b) and (c) of
25 this subsection (2) shall ~~be delayed~~ EACH BE SUSPENDED by the same
26 number of state fiscal years that the ~~transfer required pursuant to~~
27 ~~paragraph (a) of this subsection (2) was delayed~~ INITIAL TRANSFERS ARE

1 SUSPENDED PURSUANT TO SUBPARAGRAPH (I) OF THIS PARAGRAPH (e).

2 **SECTION 3. Safety clause.** The general assembly hereby finds,
3 determines, and declares that this act is necessary for the immediate
4 preservation of the public peace, health, and safety.