

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

REVISED

*This Version Includes All Amendments Adopted
on Second Reading in the Second House*

LLS NO. 13-0955.01 Ed DeCecco x4216

SENATE BILL 13-237

SENATE SPONSORSHIP

Steadman, Hodge, Lambert

HOUSE SPONSORSHIP

Gerou, Duran, Levy

Senate Committees
Appropriations

House Committees
Appropriations

A BILL FOR AN ACT

101 **CONCERNING THE INCREASE IN THE GENERAL FUND RESERVE.**

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. Under current law, 4% of the amount appropriated for expenditure from the general fund in a fiscal year must be retained in the fund at the end of the fiscal year as a reserve. But once a personal income trigger occurs, which means that personal income grows by 5% from one calendar year to the next, the amount of the required general fund reserve increases by a one-half percent in each of the following 5 fiscal years.

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.*

HOUSE
2nd Reading Unamended
April 4, 2013

SENATE
3rd Reading Unamended
March 28, 2013

SENATE
2nd Reading Unamended
March 27, 2013

The bill changes the general fund reserve requirement by:

- ! Increasing the reserve to 5% of general fund appropriations for the fiscal years 2012-13 and 2013-14;
- ! Establishing the reserve as 5% of general fund appropriations for all subsequent years until the percentage increases after the personal income trigger occurs;
- ! Eliminating the first 2 fiscal years of reserve increases, because the reserve will already be 5% of general fund appropriations; and
- ! Delaying the remaining 3 fiscal years of one-half percent reserve increases until the third fiscal year that begins after the personal income trigger occurs so that the timing of these increases does not change from existing law.

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) (d) (XII), (1) (e) (I), (1) (e) (II), (1) (e) (III) (B), and (2) as follows:

4 **24-75-201.1. Restriction on state appropriations - legislative**
5 **declaration - definitions - repeal.** (1) (d) Except as otherwise provided
6 in paragraph (e) of this subsection (1), for each fiscal year, unrestricted
7 general fund year-end balances shall be retained as a reserve in the
8 following amounts:

9 (XII) For the fiscal year 2012-13, ~~four and one-half~~ FIVE percent
10 of the amount appropriated for expenditure from the general fund for that
11 fiscal year;

12 (e) (I) The initial reserve requirement is suspended AND DOES NOT
13 APPLY until the THIRD FISCAL YEAR THAT BEGINS AFTER THE personal
14 income trigger occurs. The reserve requirement is ~~four~~ FIVE percent of the
15 amount appropriated for expenditure for each fiscal year that the initial
16 reserve requirement is suspended. ~~The initial reserve requirement applies~~
17 ~~to the first fiscal year that begins after the personal income trigger occurs.~~

18 (II) The reserve requirements set forth in subparagraphs ~~(XIII)~~;

1 ~~(XIV)~~, (XV) and (XVI) of paragraph (d) of this subsection (1) ~~shall each~~
2 ~~be~~ ARE EACH suspended by the same number of fiscal years that the initial
3 reserve requirement is suspended pursuant to subparagraph (I) of this
4 paragraph (e).

5 (III) As used in this paragraph (e), unless the context otherwise
6 requires:

7 (B) "Initial reserve requirement" means the reserve requirement
8 set forth in ~~subparagraph (XII)~~ SUBPARAGRAPH (XIV) of paragraph (d) of
9 this subsection (1).

10 (2) ~~For each fiscal year ending with the 1985-86 fiscal year, the~~
11 ~~basis for the calculation of the percentage for the reserve as specified in~~
12 ~~subsection (1) of this section shall include all appropriations for~~
13 ~~expenditures and disbursements authorized by law from the general fund,~~
14 ~~including tax relief appropriations and other expenditures made in~~
15 ~~accordance with the provisions of subsection (1) of this section. For the~~
16 ~~1986-87 fiscal year and each fiscal year thereafter ending with the fiscal~~
17 ~~year 1990-91, the basis for the calculation of the reserve as specified in~~
18 ~~paragraph (d) of subsection (1) of this section shall include all~~
19 ~~appropriations for expenditure from the general fund for such fiscal year~~
20 ~~but shall not include the fifty percent of excess revenues transferred from~~
21 ~~the general fund to the capital construction fund pursuant to paragraph (c)~~
22 ~~of subsection (1) of this section. For the 1991-92 fiscal year and each~~
23 ~~fiscal year thereafter, The basis for the calculation of the reserve as~~
24 ~~specified in paragraph (d) of subsection (1) of this section shall include~~
25 INCLUDES all appropriations for expenditure from the general fund for
26 such fiscal year, except for any appropriations for expenditure from the
27 general fund due to a state fiscal emergency as provided for in

1 subparagraph (IV) of paragraph (a) of subsection (1) of this section.

2 **SECTION 2. 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.