

**NOTE: This bill has been prepared for the signatures of the appropriate legislative officers and the Governor. To determine whether the Governor has signed the bill or taken other action on it, please consult the legislative status sheet, the legislative history, or the Session Laws.**



SENATE BILL 18-276

BY SENATOR(S) Lundberg and Lambert, Moreno, Garcia, Gardner, Jahn, Kefalas, Martinez Humenik, Priola, Sonnenberg, Williams A., Grantham; also REPRESENTATIVE(S) Hamner and Young, Rankin, Buckner, Exum, Gray, Hansen, Kennedy, Kraft-Tharp, Lawrence, Liston, Michaelson Jenet, Pettersen, Reyher, Rosenthal, Salazar, Weissman, Wilson, Duran.

CONCERNING AN INCREASE IN THE GENERAL FUND RESERVE.

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

**SECTION 1. Legislative declaration.** (1) The general assembly hereby finds and declares that:

(a) The general fund reserve helps ensure that there are sufficient general fund revenues for state agencies to spend the general assembly's appropriations, which are based on revenue estimates that are often incorrect;

(b) Maintaining an ample reserve would also allow the state to continue providing critical services even when there is an economic downturn or a natural disaster;

(c) A recent report prepared by Moody Analytics estimates that the

state would need a reserve of approximately fifteen percent to endure even a moderate recession;

(d) In his budget request for the fiscal year 2018-19, Governor John Hickenlooper requested that the general assembly increase the reserve to ten percent of general fund expenditures; and

(e) The state's current general fund reserve, which is only six and one-half percent of general fund expenditures, is simply inadequate.

(2) Now, therefore, it is the intent of the general assembly to increase the general fund reserve three-quarters of a percent as an incremental improvement towards a truly sufficient general fund reserve.

**SECTION 2.** In Colorado Revised Statutes, 24-75-201.1, **amend** (1)(d)(XIV) and (1)(d)(XVIII); **repeal** (2)(b) and (2)(c); and **add** (1)(d)(XIX) as follows:

**24-75-201.1. Restriction on state appropriations - legislative declaration - definitions.** (1) (d) For each fiscal year, unrestricted general fund year-end balances must be retained as a reserve in the following amounts:

~~(XIV) For the fiscal year 2014-15 and each fiscal year thereafter, excluding the fiscal years 2015-16 and 2016-17~~ FISCAL YEARS 2014-15 AND 2017-18, six and one-half percent of the amount appropriated for expenditure from the general fund for that fiscal year;

(XVIII) For the fiscal year 2016-17, six percent of the amount appropriated for expenditure from the general fund for that fiscal year; AND

(XIX) FOR THE FISCAL YEAR 2018-19 AND EACH FISCAL YEAR THEREAFTER, SEVEN AND TWENTY-FIVE ONE-HUNDREDTHS PERCENT OF THE AMOUNT APPROPRIATED FOR EXPENDITURE FROM THE GENERAL FUND FOR THAT FISCAL YEAR.

(2) The basis for the calculation of the reserve as specified in this section includes all appropriations for expenditure from the general fund for such fiscal year, except for any appropriations for:

~~(b) Rental and other payments under a lease-purchase agreement for real property authorized by the general assembly pursuant to section 24-82-801 (1)(a) included in a separate line item in the operating section of an annual general appropriation act or a supplemental appropriation act; and~~

~~(c) Moneys that are credited by the state controller from the general fund to the capital construction fund or to the principal of the controlled maintenance trust fund as set forth in section 24-30-1310.~~

**SECTION 3. Act subject to petition - effective date.** This act takes effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly (August 8, 2018, if adjournment sine die is on May 9, 2018); except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within such period, then the act, item, section, or part will not take effect unless

approved by the people at the general election to be held in November 2018 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.

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Kevin J. Grantham  
PRESIDENT OF  
THE SENATE

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Crisanta Duran  
SPEAKER OF THE HOUSE  
OF REPRESENTATIVES

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Effie Ameen  
SECRETARY OF  
THE SENATE

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Marilyn Eddins  
CHIEF CLERK OF THE HOUSE  
OF REPRESENTATIVES

APPROVED \_\_\_\_\_

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John W. Hickenlooper  
GOVERNOR OF THE STATE OF COLORADO