

Second Regular Session
Seventieth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 16-1192.02 Jason Gelender x4330

HOUSE BILL 16-1421

HOUSE SPONSORSHIP

Hullinghorst,

SENATE SPONSORSHIP

(None),

House Committees
Appropriations

Senate Committees

A BILL FOR AN ACT

101 CONCERNING THE ALLOCATION OF ADDITIONAL GENERAL FUND
102 REVENUES MADE AVAILABLE FOR EXPENDITURE IN FISCAL YEAR
103 2016-17 DUE TO THE ENACTMENT OF LEGISLATION TO END THE
104 STATE COLLECTION OF HOSPITAL PROVIDER FEE REVENUES
105 THAT ARE COUNTED AGAINST THE STATE FISCAL YEAR SPENDING
106 LIMIT, AND, IN CONNECTION THEREWITH, PRIORITIZING THE
107 ALLOCATION OF SUCH REVENUES, IN ORDER, FOR THE HIGHWAY
108 USERS TAX FUND, REPAYMENT OF THE STATE SEVERANCE TAX
109 TRUST FUND AND THE LOCAL GOVERNMENT SEVERANCE TAX
110 FUND OF MONEY DIVERTED FROM THOSE FUNDS TO THE
111 GENERAL FUND IN FISCAL YEAR 2014-15, REDUCTION IN THE
112 AMOUNT OF FISCAL YEAR 2016-17 PUBLIC SCHOOL FINANCE
113 NEGATIVE FACTOR, AND MITIGATION OF TUITION INCREASES AT

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.

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>.)

Contingent upon the passage of legislation (the CHASE Act) that eliminates the hospital provider fee at the end of fiscal year 2015-16, the bill:

- ! Requires legislative council staff, as part of its 2016 economic and revenue forecast, to estimate the total amount of general fund revenues that the state would have been required to make unavailable for expenditure in fiscal year 2016-17 and refund in fiscal year 2017-18 but for the enactment of the CHASE Act; and
- ! Requires the amount estimated by legislative council staff to be allocated as follows:
 - ! On September 30, 2016, the state treasurer must transfer the lesser of the full amount or \$50 million to the highway users tax fund (HUTF);
 - ! On September 30, 2016, the state treasurer must transfer the lesser of the full amount remaining after the HUTF transfer has been made or a total amount of \$16.2 million in equal parts to the state severance tax trust fund and the local government severance tax fund as repayment of money diverted from those funds to the general fund in fiscal year 2014-15;
 - ! The lesser of the full amount remaining after the HUTF and severance tax fund transfers have been made or a total amount of \$40 million must be used to reduce the 2016-17 public school finance negative factor; and
 - ! The lesser of the full amount remaining after the HUTF and severance tax fund transfers and the negative factor allocation have been made or \$49.5 million is allocated to governing boards of state-supported institutions of higher education to reduce fiscal year 2017-18 tuition increases and provide additional student financial assistance.

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

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

4 (a) The economic forecast prepared by legislative council staff in
5 March 2016 indicated that revenues included in state fiscal year spending,
6 as defined in section 24-77-102 (17), Colorado Revised Statutes, would
7 exceed the state fiscal year spending limit calculated pursuant to section
8 24-77-103.6, Colorado Revised Statutes, for fiscal year 2016-17 which,
9 if accurate, would require the state to make unavailable for expenditure
10 in fiscal year 2016-17 an amount of general fund revenues sufficient to
11 enable the state to make refunds to taxpayers in fiscal year 2017-18 as
12 required by section 20 of article X of the state constitution;

13 (b) The March 2016 economic forecast assumed, under the law in
14 effect at the time of its publication, that state revenues generated by the
15 hospital provider fee, which was being collected from hospitals by the
16 department of health care policy and financing until the enactment of
17 House Bill 16-_____ ended the collection of the fee at the end of fiscal
18 year 2015-16, would continue to be collected in fiscal year 2016-17 and
19 would be included in state fiscal year spending and counted against the
20 fiscal year spending limit for fiscal year 2016-17;

21 (c) The general assembly assumed, under the law in effect at the
22 time of its consideration and enactment of the legislation establishing the
23 fiscal year 2016-17 state budget, that the state would continue to collect
24 hospital provider fees in fiscal year 2016-17 and that the revenues
25 generated by those fees would be included in state fiscal year spending
26 and counted against the fiscal year spending limit for fiscal year 2016-17;

27 (d) Because hospital provider fee revenues were not general fund

1 revenues, but the state must refund revenues in excess of the state fiscal
2 year spending limit from the general fund, hospital provider fee revenues
3 that would have been collected in fiscal year 2016-17 but for the
4 enactment of House Bill 16-_____ were expected to reduce the amount
5 of general fund revenue available for expenditure by the state in fiscal
6 year 2016-17, and the general assembly took this expected reduction into
7 account by including less general fund money in the state budget for
8 fiscal year 2016-17 than it otherwise would have.

9 (2) The general assembly further finds and declares that:

10 (a) House Bill 16-_____ eliminated the hospital provider fee at the
11 end of fiscal year 2015-16;

12 (b) House Bill 16-_____:

13 (I) Will reduce the amount of state revenues counted against the
14 state fiscal year spending limit for fiscal year 2016-17;

15 (II) Is expected to prevent the state from collecting revenues in
16 excess of the state fiscal year spending limit for fiscal year 2016-17;

17 (III) Is expected to ensure that the state is not required to refund
18 general fund revenues in fiscal year 2017-18 or make any general fund
19 revenues unavailable for expenditure in fiscal year 2016-17 in
20 anticipation of a required refund; and

21 (IV) Is therefore expected to increase the amount of general fund
22 revenues available for expenditure in the 2016-17 fiscal year; and

23 (c) If, as expected, the enactment of House Bill 16-_____
24 increases the amount of general fund revenues available for expenditure
25 in fiscal year 2016-17, it is necessary, appropriate, and in the best interest
26 of the state to use the additional revenues for the purposes prioritized in
27 this act.

1 **SECTION 2.** In Colorado Revised Statutes, **add** 24-75-224 as
2 follows:

3 **24-75-224. Additional general fund money available for**
4 **expenditure in fiscal year 2016-17 - estimation of amount by**
5 **legislative council staff - expenditure prioritization - repeal.** (1) AS
6 PART OF ITS SEPTEMBER 2016 ECONOMIC AND REVENUE FORECAST, THE
7 LEGISLATIVE COUNCIL STAFF SHALL ESTIMATE THE TOTAL AMOUNT OF
8 GENERAL FUND REVENUES THAT THE STATE WOULD HAVE BEEN REQUIRED
9 TO MAKE UNAVAILABLE FOR EXPENDITURE IN FISCAL YEAR 2016-17 AND
10 REFUND IN FISCAL YEAR 2017-18 PURSUANT TO SECTION 20 OF ARTICLE X
11 OF THE STATE CONSTITUTION AND SECTIONS 24-77-103.6 AND
12 24-77-103.8, BUT FOR THE ENACTMENT OF HOUSE BILL 16-_____ IN 2016.

13 (2) THE AMOUNT ESTIMATED PURSUANT TO SUBSECTION (1) OF
14 THIS SECTION IS ALLOCATED AS FOLLOWS:

15 (a) ON SEPTEMBER 30, 2016, THE STATE TREASURER SHALL
16 TRANSFER THE LESSER OF THE FULL AMOUNT OR FIFTY MILLION DOLLARS
17 TO THE HIGHWAY USERS TAX FUND FOR ALLOCATION IN ACCORDANCE
18 WITH SECTION 43-4-205 (6.5) (a), C.R.S.;

19 (b) ON SEPTEMBER 30, 2016, THE STATE TREASURER SHALL
20 TRANSFER THE LESSER OF THE FULL AMOUNT REMAINING AFTER THE
21 TRANSFER REQUIRED BY PARAGRAPH (a) OF THIS SUBSECTION (2) HAS
22 BEEN MADE OR A TOTAL AMOUNT OF SIXTEEN MILLION TWO HUNDRED
23 THOUSAND DOLLARS IN EQUAL PARTS TO THE STATE SEVERANCE TAX
24 TRUST FUND CREATED IN SECTION 39-29-109, C.R.S., AND THE LOCAL
25 GOVERNMENT SEVERANCE TAX FUND CREATED IN SECTION 39-29-110,
26 C.R.S.;

27 (c) THE LESSER OF THE FULL AMOUNT REMAINING AFTER THE

1 TRANSFERS REQUIRED BY PARAGRAPHS (a) AND (b) OF THIS SUBSECTION
2 (2) HAVE BEEN MADE OR A TOTAL AMOUNT OF FORTY MILLION DOLLARS IS
3 ALLOCATED TO REDUCE THE NEGATIVE FACTOR ESTABLISHED IN SECTION
4 22-54-104 (5) (g), C.R.S., FOR FISCAL YEAR 2016-17; AND

5 (d) THE LESSER OF THE FULL AMOUNT REMAINING AFTER THE
6 TRANSFERS REQUIRED BY PARAGRAPHS (a) AND (b) OF THIS SUBSECTION
7 (2) AND THE ALLOCATION REQUIRED BY PARAGRAPH (c) OF THIS
8 SUBSECTION (2) HAVE BEEN MADE OR FORTY-NINE MILLION FIVE HUNDRED
9 THOUSAND DOLLARS IS ALLOCATED TO GOVERNING BOARDS OF
10 STATE-SUPPORTED INSTITUTIONS OF HIGHER EDUCATION IN ACCORDANCE
11 WITH PART 3 OF ARTICLE 18 OF TITLE 23, C.R.S., TO REDUCE FISCAL YEAR
12 2017-18 TUITION INCREASES AND, IN ACCORDANCE WITH SECTION
13 23-3.3-103, C.R.S., PROVIDE ADDITIONAL STUDENT FINANCIAL
14 ASSISTANCE.

15 (3) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2018.

16 **SECTION 3.** In Colorado Revised Statutes, 43-4-205, **amend**
17 (6.5) (a) as follows:

18 **43-4-205. Allocation of fund.** (6.5) (a) The revenues accrued to
19 and transferred to the highway users tax fund pursuant to section
20 39-26-123 (4) (a) or 24-75-219, C.R.S., TRANSFERRED TO THE HIGHWAY
21 USERS TAX FUND PURSUANT TO SECTION 24-75-224, C.R.S., or
22 appropriated to the highway users tax fund pursuant to House Bill
23 02-1389, enacted during the second regular session of the sixty-third
24 general assembly, shall be paid to the state highway fund for allocation
25 to the department of transportation and shall be expended as provided in
26 section 43-4-206 (2).

27 **SECTION 4. Effective date.** This act takes effect July 1, 2016;

1 except that this act takes effect only if House Bill 16-_____ becomes law
2 and takes effect either upon the effective date of this act or upon the
3 effective date of House Bill 16-_____, whichever is later.

4 **SECTION 5. Safety clause.** The general assembly hereby finds,
5 determines, and declares that this act is necessary for the immediate
6 preservation of the public peace, health, and safety.