



Legislative Council Staff

Research Note

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Bill Number

House Bill 17-1187

Sponsors

Representative Thurlow
Senator Crowder

Short Title

Change Excess State Revenues
Cap Growth Factor

Research Analyst

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Status

The bill was postponed indefinitely by the Senate State Affairs Committee on March 20, 2017.

Background

The metrics used under current law and proposed under the bill to calculate the excess state revenue cap are explained below.

Population. The state uses data from the U.S. Census Bureau to calculate annual changes in population.

Denver-Boulder-Greeley consumer price index. The consumer price index is calculated by measuring the change in the price of certain pre-determined goods and services — such as food and transportation — over time. The annual percent change in the consumer price index is used as a measure of inflation. The U.S. Bureau of Labor Statistics produces semiannual consumer price indexes for different urban areas, including the Denver-Boulder-Greeley metropolitan area.

State personal income. Personal income is a measure of all income received by an individual from all sources, including but not limited to wages and salary, employer contributions to retirement and health plans, public assistance programs, and rental properties. The Bureau of Economic Analysis within the U.S. Department of Commerce produces quarterly state personal income estimates. Federal officials use state personal income estimates to determine how to allocate support for certain programs. State governments use personal income statistics to estimate tax revenue, set spending limits, and determine the need for public services.

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House Action

House Finance Committee (February 27, 2017). At the hearing, about 25 individuals testified on the bill. Some of the testimony in support of the bill was offered by the Colorado Competitive Council, the Colorado Education Association, and the Colorado Municipal League; some of the testimony in opposition to the bill was offered by the Independence Institute and Americans for Prosperity. The committee referred the bill to the House Appropriations Committee.

House Appropriations Committee (March 3, 2017). The committee referred the bill to the House Committee of the Whole.

House second reading (March 7, 2017). The House adopted floor amendment 1, which specifies how additional money retained under Referendum C pursuant to the bill and subsequent ballot measure can be spent and creates a new account, the Supplemental General Fund Exempt Account, to hold an amount equal to the additional moneys collected. The House passed the bill on second reading, as amended.

House third reading (March 9, 2017). The House passed the bill on third reading with no amendments.

House Action

Senate State Affairs Committee (March 20, 2017). At the hearing, about 22 individuals testified in support of the bill. Some of the testimony in support of the bill was offered by Colorado Counties, Inc., Indivisible Colorado, and the Bell Policy Center. One individual representing the TABOR Committee testified in opposition to the bill. The committee voted to postpone indefinitely the bill.

Relevant Research

Report on Referendum C Revenue and Spending, FY 2005-06 through FY 2016-17:
<http://tinyurl.com/h3xo2ct>