

**First Regular Session
Seventy-third General Assembly
STATE OF COLORADO**

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

LLS NO. 21-0979.01 Ed DeCecco x4216

SENATE BILL 21-283

SENATE SPONSORSHIP

Moreno, Hansen, Rankin

HOUSE SPONSORSHIP

McCluskie, Herod

Senate Committees
Appropriations

House Committees

A BILL FOR AN ACT

101 **CONCERNING CASH FUND SOLVENCY, AND, IN CONNECTION**
102 **THEREWITH, CREATING THE CASH FUND SOLVENCY FUND TO**
103 **ALLOW THE STATE CONTROLLER TO TRANSFER MONEY TO**
104 **CERTAIN CASH FUNDS WITH ANTICIPATED CASH DEFICITS,**
105 **WHICH AMOUNTS WILL BE LATER REPAID, TRANSFERRING**
106 **MONEY TO THE MARIJUANA CASH FUND, AND MAKING AND**
107 **REDUCING AN APPROPRIATION.**

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://leg.colorado.gov/>.)

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

Joint Budget Committee. Section 1 of the bill creates the cash fund solvency fund. The purpose of the fund is to allow the state controller to transfer money from the fund to another cash fund for which it is anticipated that there will be a cash deficit. Thereafter, the state controller is required to transfer the same amount of money from the cash fund back to the cash fund solvency fund in one or more installments, which may be over multiple fiscal years. The state controller is required to annually report to the joint budget committee and the office of state planning and budgeting about any transfers made.

Section 2 requires the state treasurer to transfer \$1,805,317 from the marijuana tax cash fund to the marijuana cash fund and \$1,200,000 from the general fund to the marijuana cash fund. The first transfer repays the marijuana cash fund for a prior transfer and the second transfer partially repays the marijuana cash fund.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** 24-30-210 as
3 follows:

4 **24-30-210. Cash fund solvency fund - creation - loans - report**
5 **- legislative declaration.** (1) THE GENERAL ASSEMBLY HEREBY FINDS AND
6 DECLARES THAT:

7 (a) WHEN FEE-FUNDED PROGRAMS USE MULTI-YEAR LICENSING
8 AND SERVICE PERIODS, STATE AGENCIES MAY HAVE REVENUE SHORTFALLS
9 DURING OFF-CYCLE YEARS IN WHICH REVENUE COLLECTIONS ARE
10 DRAMATICALLY LOWER THAN THEY ARE IN ON-CYCLE YEARS;

11 (b) THE COVID-19 PANDEMIC HAS REDUCED FEE REVENUE OR
12 DISRUPTED THE FEE CYCLE FOR MANY STATE PROGRAMS, WHICH
13 EXACERBATES THE NEED FOR A MULTI-YEAR, CASH-MANAGEMENT
14 SOLUTION TO SMOOTH OUT REVENUE FLUCTUATIONS;

15 (c) FEE-FUNDED STATE PROGRAMS SHOULD BE ABLE TO WEATHER
16 THE CURRENT AND FUTURE ECONOMIC DOWNTURNS WITHOUT RESORTING
17 TO LARGE, SHORT-TERM FEE INCREASES ON BUSINESSES AND COLORADANS

1 AS THEY ARE RECOVERING FROM THE DOWNTURN; AND

2 (d) PROVIDING FEE-FUNDED PROGRAMS ADEQUATE, MULTI-YEAR
3 FLEXIBILITY TO MANAGE CASH FLOWS WHILE ALSO MAINTAINING THE
4 EXISTING SAFEGUARDS AGAINST OVERCHARGING FEE PAYERS FOR
5 SERVICES IS AN IMPORTANT STATE FUNCTION.

6 (2) THE CASH FUND SOLVENCY FUND, REFERRED TO IN THIS
7 SECTION AS THE "FUND", IS HEREBY CREATED IN THE STATE TREASURY.
8 THE FUND CONSISTS OF MONEY CREDITED TO THE FUND PURSUANT TO
9 SUBSECTION (4) OF THIS SECTION AND ANY OTHER MONEY THAT THE
10 GENERAL ASSEMBLY MAY APPROPRIATE OR TRANSFER TO THE FUND. THE
11 STATE TREASURER SHALL CREDIT ALL INTEREST AND INCOME DERIVED
12 FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE CASH FUND
13 SOLVENCY FUND TO THE FUND.

14 (3) (a) NOTWITHSTANDING ANY PROVISION OF LAW TO THE
15 CONTRARY, UPON THE REQUEST OF THE OFFICE OF STATE PLANNING AND
16 BUDGETING, THE STATE CONTROLLER MAY TRANSFER MONEY FROM THE
17 FUND TO ANOTHER CASH FUND IF THE STATE CONTROLLER DETERMINES
18 THAT:

19 (I) THE PRIMARY SOURCE OF REVENUE IN THE CASH FUND IS FROM
20 FEE REVENUE;

21 (II) THE FEE REVENUE IS COLLECTED ON A MULTI-YEAR LICENSING
22 AND SERVICE PERIOD OR THERE HAS BEEN AN UNEXPECTED, SIGNIFICANT
23 DECREASE IN FEE REVENUE COLLECTED; AND

24 (III) THE CASH FUND WILL HAVE A DEFICIT BASED ON CURRENT
25 EXPENDITURES IN THE ABSENCE OF A SIGNIFICANT FEE INCREASE, UNLESS
26 A LOAN IS MADE TO THE CASH FUND.

27 (b) AFTER A TRANSFER TO A CASH FUND UNDER SUBSECTION (3)(a)

1 OF THIS SECTION, THE STATE CONTROLLER SHALL TRANSFER THE SAME
2 AMOUNT OF MONEY FROM THE CASH FUND BACK TO THE CASH FUND
3 SOLVENCY FUND IN ONE OR MORE INSTALLMENTS. THE STATE
4 CONTROLLER SHALL ESTABLISH THE TERMS OF THE REPAYMENT
5 TRANSFERS, WHICH MAY BE OVER MULTIPLE FISCAL YEARS.

6 (4) ON JULY 1, 2021, THE STATE TREASURER SHALL TRANSFER
7 THREE MILLION ONE HUNDRED THOUSAND DOLLARS FROM THE GENERAL
8 FUND TO THE FUND.

9 (5) NOTWITHSTANDING SECTION 24-1-136 (11), ON OR BEFORE
10 NOVEMBER 1, 2021, AND EACH NOVEMBER 1 THEREAFTER, THE STATE
11 CONTROLLER SHALL ANNUALLY REPORT TO THE JOINT BUDGET COMMITTEE
12 AND THE OFFICE OF STATE PLANNING AND BUDGETING ABOUT ANY
13 TRANSFERS THAT HAVE BEEN MADE UNDER THIS SECTION, THE TERMS OF
14 THE REPAYMENT TRANSFERS, AND THE AMOUNT THAT HAS BEEN REPAID.

15 **SECTION 2.** In Colorado Revised Statutes, 44-10-801, **amend**
16 (1)(d) as follows:

17 **44-10-801. Marijuana cash fund - repeal.** (1) (d) (I) ~~On July 1,~~
18 ~~2014, the state treasurer shall transfer to the marijuana tax cash fund~~
19 ~~created in section 39-28.8-501 any money in the fund that is attributable~~
20 ~~to the retail marijuana excise tax transferred pursuant to section~~
21 ~~39-28.8-305 (1)(b), the retail marijuana sales tax transferred pursuant to~~
22 ~~section 39-28.8-203 (1)(b), or the sales tax imposed pursuant to section~~
23 ~~39-26-106, on the retail sale of marijuana products pursuant to this article~~
24 ~~10.~~

25 (II) ~~On the date on which the state controller publishes the~~
26 ~~comprehensive annual financial report of the state for the 2013-14 state~~
27 ~~fiscal year, the state treasurer shall transfer to the marijuana tax cash fund~~

1 ~~created in section 39-28.8-501 any remaining money in the fund that is~~
2 ~~attributable to the retail marijuana excise tax transferred pursuant to~~
3 ~~section 39-28.8-305 (1)(b), the retail marijuana sales tax transferred~~
4 ~~pursuant to section 39-28.8-203 (1)(b), or the sales tax imposed pursuant~~
5 ~~to section 39-26-106, on the retail sale of marijuana products under this~~
6 ~~article 10.~~

7 (III) (A) On July 1, 2019, the state treasurer shall transfer nine
8 hundred fourteen thousand four hundred sixteen dollars from the
9 marijuana cash fund to the marijuana tax cash fund created in section
10 39-28.8-501. On July 1, 2020, the state treasurer shall transfer eight
11 hundred ninety thousand nine hundred one dollars from the marijuana
12 cash fund to the marijuana tax cash fund.

13 (B) ON JULY 1, 2021, THE STATE TREASURER SHALL TRANSFER ONE
14 MILLION EIGHT HUNDRED FIVE THOUSAND THREE HUNDRED SEVENTEEN
15 DOLLARS FROM THE MARIJUANA TAX CASH FUND CREATED IN SECTION
16 39-28.8-501 TO THE MARIJUANA CASH FUND.

17 (C) THIS SUBSECTION (1)(d)(III) IS REPEALED, EFFECTIVE JULY 1,
18 2022.

19 (IV) (A) Notwithstanding any other provision of law, on June 30,
20 2020, the state treasurer shall transfer one million six hundred thousand
21 dollars from the marijuana cash fund to the general fund.

22 (B) ON JULY 1, 2021, THE STATE TREASURER SHALL TRANSFER ONE
23 MILLION TWO HUNDRED THOUSAND DOLLARS FROM THE GENERAL FUND TO
24 THE MARIJUANA CASH FUND.

25 (C) THIS SUBSECTION (1)(d)(IV) IS REPEALED, EFFECTIVE JULY 1,
26 2022.

27 **SECTION 3. Appropriation - adjustments to 2021 long bill.**

1 (1) The appropriation from reappropriated funds received from the
2 department of revenue, made in the annual general appropriation act for
3 the 2021-22 state fiscal year to the department of public health and
4 environment for use by disease control and public health response for
5 laboratory services related to certification is decreased by \$1,135,728.

6 (2) The cash funds appropriation from the marijuana cash fund
7 created in section 44-10-801 (1)(a), C.R.S., made in the annual general
8 appropriation act for the 2021-22 state fiscal year to the department of
9 revenue for use by marijuana enforcement for transfers to department of
10 public health and environment related to the marijuana laboratory testing
11 reference library is decreased by \$1,135,728.

12 (3) For the 2021-22 state fiscal year, \$1,135,728 is appropriated
13 to the department of public health and environment. This appropriation
14 is from the marijuana tax cash fund created in section 39-28.8-501 (1),
15 C.R.S. To implement this act, the department may use this appropriation
16 for use by disease control and public health response for laboratory
17 services related to certification.

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