State Budget

The General Assembly considered several bills concerning budgeting and the state budget during the 2018 legislative session.

Budgeting

The legislature adopted four bills and postponed indefinitely one bill concerning state budgeting processes. House Bill 18-1369 removes statutory references to the Proposition AA Refund Account, which was repealed on July 1, 2017. House Bill 18-1388 exempts mutual fund offerings from a regulation requirement and substitutes a requirement that the issuer of a security file a notice with the Department of Regulatory Affairs. This change codifies existing practice. House Bill 18-1430 requires all state agencies to develop a long-range financial plan each year for four years. This long-range financial plan must be presented annually, when an agency submits its budget request. Senate Bill 18-128, which was postponed indefinitely, would have required state agencies to submit proposed fee increases to the Joint Budget Committee for approval by February 1 each year. Approved fee increases would have required further authorization though legislation. The bill also would have set the implementation date for authorized fee increases. Senate Bill 8-191 modifies the distribution of the state share of gaming tax by changing the distribution from $5 million annually to $5 million plus an annual increase equal to the growth of the state share of gaming tax revenue.

State Budget

The legislature adopted one bill and postponed indefinitely two bills affecting the state’s budget. House Bill 18-1402 expands the authority of the State Treasurer to make international investments, which may affect interest earnings on state funds. House Bill 18-1035, which was postponed indefinitely, would have increased the General Fund statutory reserve requirement from 6.5 percent of annual appropriations incrementally until it reached 8.0 percent of annual appropriations in FY 2020-21. The bill would have reduced the amount of discretionary General Fund spending for FY 2018-19 and beyond. Senate Bill 18-061, which was postponed indefinitely, would have reduced the state income tax rate from 4.63 percent to 4.43 percent. The reduction in the state income tax rate would have reduced the amount of General Fund revenue.

Cash Funds and State Fees

The General Assembly considered a number of bills in 2018 that created or modified fees or cash fund transfers to and from the General Fund. Information about the effect of these bills on the state budget is available in the June 2018 Economic Forecast and upon request to Legislative Council Staff. Page 12 of the forecast document details cash fund transfers to and from the General Fund.
Fee bills with a revenue impact of greater than $100,000 in the first year. Six bills considered by the General Assembly created or modified fees resulting in projected increases in revenue greater than $100,000 for FY 2018-19. *House Bill 18-1006* expands newborn screening for genetic and metabolic diseases. The bill permits the Colorado Department of Public Health and Environment (CDPHE) to expand an existing fee for newborn screening and creates a new fee for hearing loss screening. *House Bill 18-1224* increases a licensing fee to pay the costs of adding a mediation component to professional disciplinary actions initiated by state agencies. *House Bill 18-1400* increases the fee caps for stationary sources of air pollutants by about 25 percent. *Senate Bill 18-027* adopts the Enhanced Nurse Licensure Compact and expands an existing licensure fee and increases fee revenue from criminal history record checks. Another bill, *House Bill 18-1339*, also increases fee revenue from criminal history background checks. The bill requires a background check for every state agency job applicant, contractor, or employee who has access to federal tax information received from the federal government. *Senate Bill 18-033* extends temporary higher fees for animal feeding operation permits collected by the Water Quality Division within CDPHE to June 30, 2025.