

## CHAPTER 24

---

**EDUCATION - PUBLIC SCHOOLS**


---

**SENATE BILL 16-066**

BY SENATOR(S) Steadman, Grantham, Lambert, Aguilar, Donovan, Garcia, Guzman, Heath, Jahn, Kefalas, Kerr, Merrifield, Newell, Todd;  
 also REPRESENTATIVE(S) Hamner, Young, Rankin, Becker K., Buckner, Conti, Fields, Lee, Lontine, Mitsch Bush, Pettersen, Priola, Rosenthal, Ryden, Salazar, Windholz, Winter.

**AN ACT****CONCERNING CREATION OF THE CONTINGENCY RESERVE FUND FOR SCHOOL DISTRICTS.**

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

**SECTION 1.** In Colorado Revised Statutes, **recreate and reenact, with amendments, 22-54-117** as follows:

**22-54-117. Contingency reserve - capital construction expenditures reserve - fund - lottery proceeds contingency reserve.** (1) (a) FOR THE 2007-08 FISCAL YEAR AND FISCAL YEARS THEREAFTER, THE GENERAL ASSEMBLY SHALL ANNUALLY DETERMINE THE AMOUNT TO APPROPRIATE TO THE CONTINGENCY RESERVE FUND, WHICH IS HEREBY CREATED IN THE STATE TREASURY. ~~IN DECIDING THE AMOUNT TO APPROPRIATE TO THE CONTINGENCY RESERVE FUND, THE GENERAL ASSEMBLY MAY TAKE INTO CONSIDERATION ANY RECOMMENDATIONS MADE BY THE DEPARTMENT OF EDUCATION, BUT NOTHING IN THIS SECTION OBLIGATES THE GENERAL ASSEMBLY TO PROVIDE SUPPLEMENTAL ASSISTANCE TO ALL DISTRICTS THAT ARE FOUND TO BE IN NEED OR TO FULLY FUND THE TOTAL AMOUNT OF SUCH NEED. THE STATE BOARD MAY APPROVE AND ORDER PAYMENTS FROM THE CONTINGENCY RESERVE FUND FOR SUPPLEMENTAL ASSISTANCE TO DISTRICTS DETERMINED TO BE IN NEED AS THE RESULT OF ANY OR ALL OF THE FOLLOWING CIRCUMSTANCES:~~

(I) FINANCIAL EMERGENCIES CAUSED BY AN ACT OF GOD OR ARISING FROM EXTRAORDINARY PROBLEMS IN COLLECTING TAXES;

(II) FINANCIAL EMERGENCIES ARISING FROM THE NONPAYMENT OF PROPERTY TAXES PENDING THE OUTCOME OF AN ADMINISTRATIVE APPEAL OR LITIGATION OR BOTH CHALLENGING THE INCLUSION OF THE VALUE OF CERTAIN PROPERTY IN A COUNTY'S ABSTRACT OF ASSESSMENT, WHICH RESULTED FROM A CHANGE IN THE

---

*Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.*

APPLICABLE STATE LAW;

(III) THE AMOUNT OF PROPERTY TAX LEVIED AND COLLECTED PURSUANT TO SECTION 39-10-114, C.R.S., IS INSUFFICIENT FOR THE PURPOSE OF MAKING ABATEMENTS AND REFUNDS OF PROPERTY TAXES THAT THE DISTRICT IS REQUIRED TO MAKE PURSUANT TO THAT SECTION;

(IV) A CONTINGENCY THAT COULD NOT HAVE BEEN REASONABLY FORESEEN WHEN THE DISTRICT ADOPTED THE ANNUAL BUDGET, INCLUDING BUT NOT LIMITED TO REDUCTIONS IN VALUATION OF THE DISTRICT IN EXCESS OF TWENTY PERCENT AS DESCRIBED IN SECTION 39-10-114 (1) (a) (I) (B.5), C.R.S.;

(V) UNUSUAL FINANCIAL BURDEN CAUSED BY THE INSTRUCTION OF CHILDREN WHO FORMERLY RESIDED OUTSIDE THE DISTRICT BUT ARE ASSIGNED TO LIVE WITHIN THE DISTRICT BY COURTS OR PUBLIC WELFARE AGENCIES. SUPPLEMENTAL ASSISTANCE UNDER THIS CIRCUMSTANCE MUST NOT EXCEED THE ADDITIONAL COST FOR CURRENT OPERATIONS THAT THE DISTRICT INCURS AS A RESULT OF THIS CIRCUMSTANCE.

(VI) UNUSUAL FINANCIAL BURDEN CAUSED BY THE INSTRUCTION OF CHILDREN WHO MOVE INTO THE DISTRICT AFTER THE PUPIL ENROLLMENT COUNT DATE. SUPPLEMENTAL ASSISTANCE UNDER THIS CIRCUMSTANCE MUST NOT EXCEED THE ADDITIONAL COST THAT THE DISTRICT INCURS DUE TO THE INCREASE IN PUPIL ENROLLMENT. THE PROVISIONS OF THIS SUBPARAGRAPH (VI) ARE AVAILABLE ONLY TO DISTRICTS WITH A FUNDED PUPIL COUNT OF TWO THOUSAND PUPILS OR FEWER.

(VII) UNUSUAL FINANCIAL BURDEN CAUSED BY A SIGNIFICANT DECLINE IN PUPIL ENROLLMENT AS A RESULT OF DETACHMENT AND ANNEXATION PURSUANT TO A REORGANIZATION PLAN APPROVED PURSUANT TO ARTICLE 30 OF THIS TITLE.

(b) NOTWITHSTANDING THE PROVISIONS OF PARAGRAPH (a) OF THIS SUBSECTION (1) CONCERNING CIRCUMSTANCES UNDER WHICH THE STATE BOARD MAY APPROVE AND ORDER PAYMENTS FROM THE CONTINGENCY RESERVE FUND, THE BOARD MAY, IN CASES OF EXTREME EMERGENCY, TAKE INTO CONSIDERATION SUCH OTHER FACTORS AS IT MAY DEEM NECESSARY AND PROPER IN GRANTING SUPPLEMENTAL ASSISTANCE FROM THE CONTINGENCY RESERVE FUND TO THOSE DISTRICTS THAT CANNOT MAINTAIN THEIR SCHOOLS WITHOUT ADDITIONAL FINANCIAL ASSISTANCE.

(c) (I) IF THE STATE BOARD MAKES A PAYMENT OF SUPPLEMENTAL ASSISTANCE BASED ON THE CIRCUMSTANCES DESCRIBED IN SUBPARAGRAPH (II) OF PARAGRAPH (a) OF THIS SUBSECTION (1) AND THE DISPUTED PROPERTY IS FINALLY DETERMINED TO HAVE BEEN PROPERLY INCLUDED IN THE ABSTRACT OF ASSESSMENT, THE DISTRICT, AFTER COLLECTING THE TAXES, SHALL REIMBURSE THE FULL AMOUNT OF THE PAYMENT TO THE CONTINGENCY RESERVE FUND, PLUS INTEREST AT THE SAME RATE AS PROVIDED BY STATUTE FOR PENALTY INTEREST ON UNPAID PROPERTY TAXES.

(II) NOTWITHSTANDING THE PROVISIONS OF SUBPARAGRAPH (I) OF THIS PARAGRAPH (c), ANY REIMBURSEMENT BY A DISTRICT OF A PAYMENT FOR SUPPLEMENTAL ASSISTANCE MADE PURSUANT TO THIS SUBSECTION (1) SHALL BE CREDITED TO THE CONTINGENCY RESERVE FUND.

(d) ANY UNEXPENDED MONEY IN THE CONTINGENCY RESERVE FUND AT THE END OF A BUDGET YEAR REMAINS IN THE FUND AND DOES NOT REVERT TO THE STATE GENERAL FUND OR ANY OTHER FUND.

(2) A DISTRICT THAT APPLIES FOR SUPPLEMENTAL ASSISTANCE PURSUANT TO SUBSECTION (1) OF THIS SECTION SHALL FULLY SET FORTH IN THE APPLICATION THE GROUNDS UPON WHICH THE DISTRICT RELIES FOR ASSISTANCE. THE PRESIDENT AND THE SECRETARY OF THE DISTRICT BOARD OF EDUCATION SHALL SWEAR UNDER OATH TO THE APPLICATION CONTENTS.

(3) THE STATE BOARD SHALL INVESTIGATE EACH APPLICATION FOR SUPPLEMENTAL ASSISTANCE TO THE EXTENT IT DEEMS NECESSARY. IF THE STATE BOARD FINDS THAT THE APPLICATION SHOULD BE APPROVED, IT SHALL DETERMINE THE AMOUNT OF SUPPLEMENTAL ASSISTANCE TO BE PAID. IN DETERMINING WHICH DISTRICTS RECEIVE SUPPLEMENTAL ASSISTANCE PURSUANT TO THIS SECTION AND THE AMOUNT OF THE ASSISTANCE, THE STATE BOARD SHALL CONSIDER THE AMOUNT OF THE SUPPLEMENTAL ASSISTANCE REQUESTED BY THE DISTRICT AS A PERCENTAGE OF THE DISTRICT'S TOTAL PROGRAM. BY ORDER UPON THE STATE TREASURER, THE STATE BOARD SHALL DIRECT PAYMENT FROM THE CONTINGENCY RESERVE FUND OF THE APPROVED AMOUNT TO THE TREASURER OF THE RECEIVING DISTRICT FOR CREDIT TO THE GENERAL FUND OF THE DISTRICT.

**SECTION 2. Safety clause.** The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Approved: March 18, 2016