

**Second Regular Session
Seventy-second General Assembly
STATE OF COLORADO**

REREVISED

*This Version Includes All Amendments
Adopted in the Second House*

LLS NO. 20-1286.01 Ed DeCecco x4216

HOUSE BILL 20-1417

HOUSE SPONSORSHIP

Becker, Bird, Buentello, Cutter, Duran, Esgar, Froelich, Garnett, Herod, Jackson, McCluskie, McLachlan, Michaelson Jenet, Mullica, Sirota, Snyder, Sullivan, Titone, Valdez A., Valdez D., Woodrow, Young

SENATE SPONSORSHIP

Hansen, Bridges, Fields, Garcia, Ginal, Moreno, Pettersen, Story, Winter

House Committees

Finance
Appropriations

Senate Committees

Finance

A BILL FOR AN ACT

101 **CONCERNING THE ESTABLISHMENT OF ADMINISTRATIVE CONDITIONS**
102 **RELATED TO MONEY IN THE GENERAL FUND FROM THE FEDERAL**
103 **CORONAVIRUS RELIEF FUND THAT APPLY TO AN ALLOCATION**
104 **ESTABLISHED IN SEPARATE LEGISLATION UNTIL THE UNSPENT**
105 **MONEY REMAINING IN THE SUBFUND IS TRANSFERRED TO THE**
106 **UNEMPLOYMENT COMPENSATION FUND ON DECEMBER 30, 2020.**

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>.)

The state received \$1.67 billion from the federal coronavirus relief

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.

SENATE
3rd Reading Unamended
June 11, 2020

SENATE
2nd Reading Unamended
June 10, 2020

HOUSE
3rd Reading Unamended
June 9, 2020

HOUSE
Amended 2nd Reading
June 8, 2020

fund created in the federal "Coronavirus Aid, Relief, and Economic Security Act of 2020" (CARES Act), and the governor allocated \$70 million of these federal funds to the general fund for further allocation by the general assembly for any permissible uses under the CARES Act. The state controller has set aside this money in a special account, known as the care subfund.

The bill codifies the care subfund (subfund) in the general fund and reiterates the requirement that the money in the subfund can only be used as permitted under the CARES Act. Any state department that receives an appropriation from the subfund is required to comply with any reporting and record-keeping requirements established by the state controller or the office of state planning and budgeting. Any appropriations from the subfund are excluded from the base for purposes of calculating the state reserve for fiscal year 2020-21.

The bill establishes that any unexpended amounts before the close of business on December 30, 2020, revert to the subfund and the state treasurer is directed to transfer such amount to the unemployment compensation fund, which is a permissible use of the federal funds.

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

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

4 **24-75-224. Care subfund - creation - administration - transfer**
5 **- legislative declaration.** (1) THE CARE SUBFUND IS CREATED IN THE
6 GENERAL FUND. THE SUBFUND CONSISTS OF SEVENTY MILLION DOLLARS
7 TRANSFERRED TO THE GENERAL FUND IN ACCORDANCE WITH THE
8 GOVERNOR'S EXECUTIVE ORDER D 2020 070. MONEY IN THE SUBFUND IS
9 SUBJECT TO APPROPRIATION BY THE GENERAL ASSEMBLY FOR ALLOWABLE
10 EXPENDITURES UNDER SECTION 42 U.S.C. 801 (d).

11 (2) A STATE DEPARTMENT THAT RECEIVES AN APPROPRIATION
12 FROM THE CARE SUBFUND SHALL COMPLY WITH ANY REPORTING OR
13 RECORD-KEEPING REQUIREMENTS ESTABLISHED BY THE STATE
14 CONTROLLER OR THE OFFICE OF STATE PLANNING AND BUDGETING FOR THE
15 FEDERAL FUNDS INCLUDED IN THE SUBFUND.

1 (3) ANY MONEY TRANSFERRED FROM THE CARE SUBFUND TO
2 ANOTHER CASH FUND IS SUBJECT TO THE REPORTING AND
3 RECORD-KEEPING REQUIREMENTS SET FORTH IN SUBSECTION (2) OF THIS
4 SECTION. IF AS OF DECEMBER 30, 2020, THERE IS ANY UNEXPENDED
5 MONEY THAT ORIGINATED FROM THE CARE SUBFUND IN ANOTHER CASH
6 FUND, THEN THE STATE TREASURER SHALL TRANSFER THE UNEXPENDED
7 AMOUNT FROM THE CASH FUND TO THE SUBFUND PRIOR TO THE TRANSFER
8 REQUIRED IN SUBSECTION (4)(a) OF THIS SECTION.

9 (4) (a) JUST PRIOR TO THE CLOSE OF BUSINESS ON DECEMBER 30,
10 2020, ANY UNEXPENDED APPROPRIATIONS FROM THE CARE SUBFUND
11 REVERT TO THE SUBFUND, AND THE STATE TREASURER SHALL TRANSFER
12 THE FINAL BALANCE IN THE SUBFUND TO THE UNEMPLOYMENT
13 COMPENSATION FUND, CREATED IN SECTION 8-77-101 (1).

14 (b) THE GENERAL ASSEMBLY HEREBY FINDS AND DECLARES THAT:

15 (I) THE PUBLIC HEALTH EMERGENCY CAUSED BY COVID-19
16 CAUSED A HISTORIC INCREASE IN UNEMPLOYMENT IN THE STATE AND THIS
17 HAS CAUSED A DRAMATIC INCREASE IN THE NUMBER OF CLAIMS FOR
18 BENEFITS FROM THE UNEMPLOYMENT COMPENSATION FUND;

19 (II) AS A RESULT, IT IS ESTIMATED THAT THE UNEMPLOYMENT
20 COMPENSATION FUND WILL HAVE A DEFICIT OF APPROXIMATELY TWO
21 BILLION DOLLARS BY THE END OF THE FISCAL YEAR 2020-21;

22 (III) THESE COSTS WILL NOT BE REIMBURSED BY THE FEDERAL
23 GOVERNMENT, NOR ARE THEY ACCOUNTED FOR IN THE BUDGET APPROVED
24 AS OF MARCH 27, 2020;

25 (IV) THE UNITED STATES DEPARTMENT OF TREASURY HAS STATED
26 THAT PAYMENTS TO THE STATE UNEMPLOYMENT INSURANCE FUND ARE AN
27 ALLOWABLE USE OF THE MONEY FROM THE FEDERAL CORONAVIRUS RELIEF

1 FUND, UNDER SECTION 42 U.S.C. 801 (d); AND

2 (V) THE TRANSFER FROM THE CARE SUBFUND TO THE STATE
3 UNEMPLOYMENT COMPENSATION FUND IS A NECESSARY EXPENDITURE
4 INCURRED DUE TO THE PUBLIC HEALTH EMERGENCY WITH RESPECT TO
5 COVID-19.

6 (c) THE MONEY TRANSFERRED FROM THE CARE SUBFUND IS NOT A
7 GRANT TO THE UNEMPLOYMENT COMPENSATION FUND UNDER SECTION
8 24-77-102 (7)(b)(III).

9 **SECTION 2.** In Colorado Revised Statutes, 24-75-201.1, **add**
10 (2)(d) as follows:

11 **24-75-201.1. Restriction on state appropriations - legislative**
12 **declaration - definitions - repeal.** (2) The basis for the calculation of
13 the reserve as specified in this section includes all appropriations for
14 expenditure from the general fund for such fiscal year, except for any
15 appropriations for:

16 (d) (I) EXPENDITURES FROM THE CARE SUBFUND CREATED IN
17 SECTION 24-75-224 (1).

18 (II) THIS SUBSECTION (2)(d) IS REPEALED, EFFECTIVE JULY 1, 2021.

19 **SECTION 3. Safety clause.** The general assembly hereby finds,
20 determines, and declares that this act is necessary for the immediate
21 preservation of the public peace, health, or safety.