

First Regular Session
Seventy-third General Assembly
STATE OF COLORADO

REENGROSSED

*This Version Includes All Amendments
Adopted in the House of Introduction*

LLS NO. 21-0934.01 Ed DeCecco x4216

SENATE BILL 21-227

SENATE SPONSORSHIP

Moreno and Rankin, Hansen

HOUSE SPONSORSHIP

Ransom, Herod, McCluskie

Senate Committees
Appropriations

House Committees

A BILL FOR AN ACT

101 **CONCERNING THE STATE EMERGENCY RESERVE, AND, IN CONNECTION**
102 **THEREWITH, DESIGNATING THE STATE EMERGENCY RESERVE**
103 **FOR THE 2021-22 STATE FISCAL YEAR, CREATING THE STATE**
104 **EMERGENCY RESERVE CASH FUND, AND REQUIRING**
105 **REIMBURSEMENTS FOR EXPENDITURES FROM A FUND THAT IS**
106 **DESIGNATED AS PART OF THE STATE EMERGENCY RESERVE TO**
107 **BE RETURNED TO THE FUND.**

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.

SENATE
3rd Reading Unamended
April 9, 2021

SENATE
2nd Reading Unamended
April 8, 2021

Joint Budget Committee. Under the Taxpayer's Bill of Rights and the implementing legislation, the state is required to maintain an emergency reserve to be used for declared emergencies (state emergency reserve). The state may use the state emergency reserve for declared emergencies only.

Section 1 of the bill designates the cash and capital asset that constitute the state emergency reserve for the 2021-22 fiscal year.

Section 2 creates the state emergency reserve cash fund (fund) to be some or all of the state emergency reserve. On June 30, 2021, the state treasurer is required to transfer \$101 million from the general fund and \$100 million from the controlled maintenance trust fund to the fund.

If money from any fund that is designated as part of the state emergency reserve is expended for a declared emergency and the state subsequently receives reimbursement for the expenditure, then the bill requires the state treasurer to deposit the reimbursement into the fund that was the source for the expenditure.

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

2 **SECTION 1. State emergency reserve - designation.** (1) The
3 funds and capital asset designated to constitute the state emergency
4 reserve for the 2021-22 fiscal year are:

5 (a) The disaster emergency fund created in section 24-33.5-706
6 (2)(a), C.R.S., up to a maximum of \$48,000,000;

7 (b) The state emergency reserve cash fund created in section
8 24-77-104 (6), C.R.S., up to a maximum of \$201,000,000;

9 (c) The unclaimed property tourism promotion trust fund created
10 in section 38-13-801.5 (1), C.R.S., up to a maximum of \$5,000,000;

11 (d) The Colorado water conservation board construction fund
12 created in section 37-60-121 (1)(a), C.R.S., up to a maximum of
13 \$33,000,000;

14 (e) The major medical insurance fund created in section 8-46-202
15 (1)(a), C.R.S., up to a maximum of \$59,000,000;

16 (f) The marijuana tax cash fund created in section 39-28.8-501

1 (1), C.R.S., up to a maximum of \$100,000,000; and

2 (g) The capitol annex building located at 1375 Sherman Street,
3 Denver, Colorado, 80203, which has a value that exceeds \$29,000,000.

4 **SECTION 2.** In Colorado Revised Statutes, 24-77-104, **amend**
5 (1) and (2)(a); and **add** (6) and (7) as follows:

6 **24-77-104. State emergency reserve - cash fund - creation -**
7 **declaration of emergency - reimbursement of emergency reserve**
8 **expenditures.** (1) The state shall ~~hereby~~ establish a state emergency
9 reserve ~~which shall be~~ THAT IS held by the state for emergencies declared
10 pursuant to subsection (3) of this section. ~~Said~~ FOR EACH STATE FISCAL
11 YEAR, THE state emergency reserve shall ~~be no less than the following:~~
12 NOT BE LESS THAN THREE PERCENT OF STATE FISCAL YEAR SPENDING
13 MINUS ANNUAL BONDED DEBT SERVICE.

14 ~~(a) For fiscal year 1993-94, one percent of state fiscal year~~
15 ~~spending minus annual bonded debt service;~~

16 ~~(b) For fiscal year 1994-95, two percent of state fiscal year~~
17 ~~spending minus annual bonded debt service;~~

18 ~~(c) For fiscal year 1995-96 and each fiscal year thereafter, three~~
19 ~~percent of state fiscal year spending minus annual bonded debt service.~~

20 (2) (a) The state emergency reserve ~~shall consist of such moneys~~
21 ~~as are~~ CONSISTS OF MONEY IN THE STATE EMERGENCY RESERVE CASH
22 FUND CREATED IN SUBSECTION (6) OF THIS SECTION AND ANY OTHER
23 MONEY OR CAPITAL ASSET THAT IS annually designated by the general
24 assembly in the general appropriation bill or by separate bill to constitute
25 ~~said~~ THE emergency reserve. ~~For the fiscal year 1996-97 and each fiscal~~
26 ~~year thereafter,~~ The principal of the controlled maintenance trust fund
27 created in section 24-75-302.5 (2), may constitute all or some portion of

1 the state emergency reserve.

2 (6) (a) THE STATE EMERGENCY RESERVE CASH FUND, REFERRED TO
3 IN THIS SUBSECTION (6) AS THE "FUND", IS HEREBY CREATED IN THE STATE
4 TREASURY. THE FUND CONSISTS OF MONEY TRANSFERRED TO THE FUND
5 PURSUANT TO SUBSECTION (6)(c) OF THIS SECTION AND ANY OTHER
6 MONEY THAT THE GENERAL ASSEMBLY MAY APPROPRIATE TO THE FUND.
7 THE STATE TREASURER SHALL CREDIT ALL INTEREST AND INCOME DERIVED
8 FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE STATE EMERGENCY
9 RESERVE CASH FUND TO THE FUND.

10 (b) MONEY IN THE FUND SHALL NOT BE EXPENDED OR
11 APPROPRIATED FOR ANY PURPOSE OTHER THAN FOR A DECLARED
12 EMERGENCY IN ACCORDANCE WITH SUBSECTION (3) OF THIS SECTION. IF
13 THE GOVERNOR DECLARES A DISASTER EMERGENCY PURSUANT TO SECTION
14 24-33.5-704 (4), THEN THE GOVERNOR MAY TRANSFER MONEY FROM THE
15 FUND TO THE DISASTER EMERGENCY FUND CREATED IN SECTION
16 24-33.5-706, IF THE MONEY IN THE DISASTER EMERGENCY FUND IS
17 INSUFFICIENT.

18 (c) (I) ON JUNE 30, 2021, THE STATE TREASURER SHALL TRANSFER
19 ONE HUNDRED ONE MILLION DOLLARS FROM THE GENERAL FUND TO THE
20 FUND.

21 (II) ON JUNE 30, 2021, THE STATE TREASURER SHALL TRANSFER
22 ONE HUNDRED MILLION DOLLARS FROM THE CONTROLLED MAINTENANCE
23 TRUST FUND CREATED IN SECTION 24-75-302.5 (2)(a) TO THE FUND.

24 (7) BEGINNING JULY 1, 2021, IF ANY MONEY IN A FUND THAT IS
25 DESIGNATED BY THE GENERAL ASSEMBLY AS PART OF THE STATE
26 EMERGENCY RESERVE IS EXPENDED AND THE STATE SUBSEQUENTLY
27 RECEIVES A REIMBURSEMENT FOR THE EXPENDITURE, THEN THE STATE

1 TREASURER SHALL DEPOSIT THE REIMBURSEMENT INTO THE FUND THAT
2 WAS THE ORIGINAL SOURCE OF THE MONEY. THIS SUBSECTION (7) APPLIES
3 REGARDLESS OF WHETHER THE EXPENDITURE IS MADE DIRECTLY FROM THE
4 FUND OR IF IT IS TRANSFERRED FROM THE FUND TO THE DISASTER
5 EMERGENCY FUND, CREATED IN SECTION 24-33.5-706 (2)(a), OR ANY
6 OTHER FUND, OR IF THE EXPENDITURE IS OF MONEY IN THE FUND THAT WAS
7 PREVIOUSLY REIMBURSED BEFORE BEING SPENT AGAIN.

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