

CHAPTER 133

GOVERNMENT - STATE

HOUSE BILL 02-1445

BY REPRESENTATIVE(S) Berry, Young, and Saliman;
also SENATOR(S) Tate, Reeves, and Owen.

AN ACT

**CONCERNING THE FISCAL POLICY OF THE STATE FOR THE 2001-02 AND 2002-03 STATE FISCAL YEARS
IN RELATION TO THE STATUTORILY REQUIRED GENERAL FUND RESERVE IN THE EVENT OF A
REVENUE SHORTFALL.**

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

SECTION 1. 24-75-201.1 (1) (d) (III), Colorado Revised Statutes, is amended, and the said 24-75-201.1 (1) (d) is further amended BY THE ADDITION OF A NEW SUBPARAGRAPH, to read:

24-75-201.1. Restriction on state appropriations - legislative declaration - definitions. (1) (d) For each fiscal year, unrestricted general fund year-end balances shall be retained as a reserve in the following amounts:

(III) For the fiscal year 1988-89 and each fiscal year thereafter, except for the fiscal years 1990-91, 1991-92, ~~and~~ 1992-93, AND 2001-02, as provided in subparagraphs (IV), ~~and~~ (V), AND (VI) of this paragraph (d), four percent of the amount appropriated for expenditure from the general fund for that fiscal year;

(VI) FOR THE FISCAL YEAR 2001-02, ONE PERCENT OF THE AMOUNT APPROPRIATED FOR EXPENDITURE FROM THE GENERAL FUND FOR THAT FISCAL YEAR. THE ADDITIONAL AMOUNT OF GENERAL FUND MONEYS MADE AVAILABLE FOR APPROPRIATION BY THE REDUCTION IN THE REQUIRED RESERVE FROM FOUR PERCENT TO ONE PERCENT FOR THE FISCAL YEAR 2001-02, AS PROVIDED IN THIS SUBPARAGRAPH (VI), MAY BE APPROPRIATED FOR ANY LAWFUL PURPOSE.

SECTION 2. 24-75-201.5 (1) (a), Colorado Revised Statutes, is amended, and the said 24-75-201.5 (1) is further amended BY THE ADDITION OF THE FOLLOWING NEW PARAGRAPHS, to read:

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

24-75-201.5. Revenue shortfalls - required actions by the governor with respect to the reserve. (1) (a) EXCEPT AS PROVIDED IN PARAGRAPHS (c) AND (d) OF THIS SUBSECTION (1), whenever the revenue estimate for the current fiscal year, prepared in accordance with section 24-75-201.3 (2), indicates that general fund expenditures for such fiscal year based on appropriations then in effect will result in the use of one-half or more of the reserve required by section 24-75-201.1 (1) (d), the governor shall formulate a plan for reducing such general fund expenditures so that said reserve, as of the close of the fiscal year, will be at least one-half of the amount required by said section 24-75-201.1 (1) (d). The governor shall promptly notify the general assembly of such plan. Such plan shall be promptly implemented by the governor, using the procedures set forth in section 24-2-102 (4) or 24-50-109.5 or any other lawful means.

(c) (I) NOTWITHSTANDING AND IN LIEU OF THE PROVISIONS OF PARAGRAPH (a) OF THIS SUBSECTION (1), FOR THE FISCAL YEAR 2001-02 ONLY, IF THE REVENUE ESTIMATE PREPARED IN ACCORDANCE WITH SECTION 24-75-201.3 (2), IN JUNE OF 2002, INDICATES THAT GENERAL FUND EXPENDITURES FOR SUCH FISCAL YEAR BASED ON APPROPRIATIONS THEN IN EFFECT WILL RESULT IN THE USE OF ANY OF THE RESERVE REQUIRED BY SECTION 24-75-201.1 (1) (d) (VI), THE STATE TREASURER AND THE CONTROLLER, UPON THE WRITTEN ORDER OF THE GOVERNOR, SHALL TRANSFER TO THE GENERAL FUND, FROM TIME TO TIME DURING THE PERIOD BEGINNING ON JUNE 20, 2002, AND ENDING ON JUNE 30, 2002, FROM THE TOBACCO LITIGATION SETTLEMENT TRUST FUND CREATED IN SECTION 24-22-115.5 (2); OR THE UNCLAIMED PROPERTY TRUST FUND CREATED IN SECTION 38-13-116.5, C.R.S., OR BOTH, SUCH AMOUNTS AS ARE REQUIRED TO PERMIT PROMPT DISBURSEMENT FROM THE GENERAL FUND OF ANY APPROPRIATION MADE THEREFROM FOR ANY LAWFUL PURPOSE AND TO ENSURE THAT SAID RESERVE, AS OF THE CLOSE OF THE FISCAL YEAR 2001-02, WILL BE AT LEAST THE AMOUNT REQUIRED BY SECTION 24-75-201.1 (1) (d) (VI).

(II) EFFECTIVE JULY 1, 2002, THE STATE TREASURER AND THE CONTROLLER SHALL TRANSFER MONEYS FROM THE GENERAL FUND TO THE TOBACCO LITIGATION SETTLEMENT TRUST FUND IN ORDER TO RESTORE TO SAID FUND ANY AMOUNT TRANSFERRED THEREFROM PURSUANT TO SUBPARAGRAPH (I) OF THIS PARAGRAPH (c).

(d) (I) FOR THE FISCAL YEAR 2002-03 ONLY, IF THE REVENUE ESTIMATE PREPARED IN ACCORDANCE WITH SECTION 24-75-201.3 (2), IN JUNE, SEPTEMBER, OR DECEMBER OF 2002 INDICATES THAT GENERAL FUND EXPENDITURES FOR SUCH FISCAL YEAR BASED ON APPROPRIATIONS THEN IN EFFECT WILL RESULT IN THE USE OF ONE-HALF OR MORE OF THE RESERVE REQUIRED BY SECTION 24-75-201.1 (1) (d), THE GOVERNOR SHALL EITHER:

(A) FORMULATE AND IMPLEMENT A PLAN PURSUANT TO PARAGRAPH (a) OF THIS SUBSECTION (1);

(B) UPON WRITTEN ORDER, DIRECT THE STATE TREASURER AND CONTROLLER TO TRANSFER, AND SAID STATE TREASURER AND CONTROLLER SHALL TRANSFER, TO THE GENERAL FUND, FROM TIME TO TIME DURING THE PERIOD BEGINNING ON JULY 1, 2002, AND ENDING JANUARY 1, 2003, FROM ANY OR ALL OF THE FUNDS DESCRIBED IN SUBPARAGRAPH (II) OF THIS PARAGRAPH (d), SUCH AMOUNTS AS ARE REQUIRED TO PERMIT PROMPT DISBURSEMENT FROM THE GENERAL FUND OF ANY APPROPRIATION

MADE THEREFROM FOR ANY LAWFUL PURPOSE AND TO ENSURE THAT SAID RESERVE DURING SAID PERIOD WILL BE AT LEAST ONE-HALF OF THE AMOUNT REQUIRED BY SECTION 24-75-201.1 (1) (d); OR

(C) BOTH FORMULATE AND IMPLEMENT A PLAN PURSUANT TO PARAGRAPH (a) OF THIS SUBSECTION (1) AND ISSUE A WRITTEN ORDER PURSUANT TO SUB-SUBPARAGRAPH (B) OF THIS SUBPARAGRAPH (I) TO ENSURE THAT SAID RESERVE DURING SAID PERIOD WILL BE AT LEAST ONE-HALF OF THE AMOUNT REQUIRED BY SECTION 24-75-201.1 (1) (d).

(II) THE TRANSFER OR TRANSFERS DESCRIBED IN SUBPARAGRAPH (I) OF THIS PARAGRAPH (d) SHALL BE MADE FROM ONE OR MORE OF THE FOLLOWING FUNDS:

(A) THE EMPLOYMENT SUPPORT FUND CREATED IN SECTION 8-77-109 (1), C.R.S.;

(B) THE TOBACCO LITIGATION SETTLEMENT TRUST FUND CREATED IN SECTION 24-22-115.5 (2);

(C) THE UNCLAIMED PROPERTY TRUST FUND CREATED IN SECTION 38-13-116.5, C.R.S.

SECTION 3. 39-26-123 (2) (a) (I) (A), Colorado Revised Statutes, is amended, and the said 39-26-123 (2) is further amended BY THE ADDITION OF A NEW PARAGRAPH, to read:

39-26-123. Receipts - disposition. (2) (a) (I) (A) Eighty-five percent of all receipts collected under the provisions of this article shall be credited to the old age pension fund. For the fiscal year commencing July 1, 1997, and for each fiscal year thereafter, except for the fiscal year commencing July 1, 2000, the remaining fifteen percent shall be allocated between and credited to the general fund and the highway users tax fund, as a portion of the sales and use taxes attributable to sales or use of vehicles and related items, as follows: Except as otherwise provided in sub-subparagraphs (A.8) and (A.9) of this subparagraph (I) AND PARAGRAPH (a.5) OF THIS SUBSECTION (2), ten percent of net revenue from sales and use tax to the highway users tax fund and five percent thereof to the general fund; except that, for the state fiscal year 2001-2002, the amount of the net revenue allocated to the highway users tax fund shall be increased and the amount allocated to the general fund shall be decreased by the amount of sixty-seven thousand dollars.

(a.5) FOR THE 2002-03 FISCAL YEAR, IN THE EVENT OF ANY TRANSFER OF MONEYS TO THE GENERAL FUND PURSUANT TO SECTION 24-75-201.5 (1) (d), C.R.S., EIGHTY-FIVE PERCENT OF ALL RECEIPTS COLLECTED UNDER THE PROVISIONS OF THIS ARTICLE SHALL BE CREDITED TO THE OLD AGE PENSION FUND, AND THE REMAINING FIFTEEN PERCENT SHALL BE ALLOCATED TO THE GENERAL FUND FOR SAID FISCAL YEAR, UNLESS ON OR AFTER JANUARY 1, 2003, SUFFICIENT GENERAL FUND REVENUES ARE RECEIVED BY THE STATE TO:

(I) MAKE REQUIRED EXPENDITURES, AS DEFINED IN SUBPARAGRAPH (I) OF PARAGRAPH (b) OF THIS SUBSECTION (2);

(II) FULLY FUND GENERAL FUND EXPENDITURES FOR SUCH FISCAL YEAR BASED ON

APPROPRIATIONS THEN IN EFFECT;

(III) MAKE TRANSFERS FROM THE GENERAL FUND TO THE EMPLOYMENT SUPPORT FUND, THE TOBACCO LITIGATION SETTLEMENT TRUST FUND, AND THE UNCLAIMED PROPERTY TRUST FUND ON OR BEFORE JUNE 30, 2003, IN ORDER TO RESTORE TO SAID FUNDS ANY AMOUNTS TRANSFERRED PURSUANT TO SECTION 24-75-201.5 (1) (d) (II), C.R.S.; AND

(IV) MAINTAIN THE RESERVE REQUIRED BY SECTION 24-75-201.1 (1) (d), C.R.S.

SECTION 4. 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: April 30, 2002