

**Second Regular Session
Sixty-seventh General Assembly
STATE OF COLORADO**

INTRODUCED

LLS NO. 10-0331.01 Jason Gelender

HOUSE BILL 10-1072

HOUSE SPONSORSHIP

Court, Ferrandino

SENATE SPONSORSHIP

Heath, Morse

House Committees
Finance

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING THE CONVERSION OF THE GENERAL FUND RESERVE INTO**
102 **A STATE BUDGET STABILIZATION RESERVE FUND, AND, IN**
103 **CONNECTION THEREWITH, INCREASING THE AMOUNT OF THE**
104 **RESERVE FUND IN CERTAIN FUTURE FISCAL YEARS ABOVE THE**
105 **AMOUNT OF THE GENERAL FUND RESERVE CURRENTLY**
106 **REQUIRED FOR SUCH YEARS, REQUIRING RESERVE FUND**
107 **INTEREST AND INCOME TO BE CREDITED TO THE RESERVE FUND,**
108 **AND REDUCING THE PERCENTAGE OF ESTIMATED RESERVE FUND**
109 **DEPLETION THAT WILL REQUIRE THE GOVERNOR TO**
110 **FORMULATE A PLAN FOR REDUCING GENERAL FUND**
111 **EXPENDITURES FROM THE PERCENTAGE OF ESTIMATED**
112 **GENERAL FUND RESERVE DEPLETION THAT CURRENTLY**

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

Bill Summary

(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments that may be subsequently adopted.)

Long-term Fiscal Stability Commission. Section 1 of the bill makes legislative findings and declarations that:

- ! The state should save substantial amounts of money during periods of significant economic growth in order to prevent drastic cuts in core state services during economic downturns;
- ! By enacting Senate Bill 09-228, which will, if significant economic growth occurs, increase the amount of the required general fund reserve for future fiscal years, as a first step towards ensuring that the state saves more money in the future, the general assembly has recognized that the state has not saved enough money during past periods of significant economic growth;
- ! Based on the experience of the state during recent economic downturns, the increased general fund reserve required by Senate Bill 09-228 is likely to prove inadequate to fully stabilize the state budget and prevent drastic cuts in state services during future economic downturns; and
- ! It is necessary, appropriate, and in the best interest of the state to:
 - ! Convert the general fund reserve to a state budget stabilization reserve fund;
 - ! Further increase the amount of general fund revenues that the state is required to save; and
 - ! Promote fiscal discipline in state government and protect against rapid depletion of the reserve fund by reducing the percentage of estimated reserve fund depletion that will require the governor to formulate a plan for reducing general fund expenditures from the percentage of estimated general fund reserve depletion that currently triggers that requirement.

Section 2 of the bill creates the state budget stabilization reserve fund (fund) and requires fund investment earnings to be credited to the fund. Beginning in FY 2009-10, section 2 also requires increasing amounts of general fund moneys, measured as a percentage of annual general fund appropriations, to be credited to the fund at the end of each

fiscal year until the fund balance can be maintained at 15% of general fund appropriations.

Section 3 of the bill reduces the percentage of estimated general fund reserve depletion for a fiscal year that triggers a requirement that the governor formulate a plan for reducing general fund expenditures from 50% of the amount of the existing general fund reserve to the greater of 2% of the amount appropriated for expenditure from the general fund for the fiscal year or one-third the amount of the fund that is replacing the general fund reserve. Section 3 also makes a conforming amendment regarding the trigger for transferring general fund moneys previously credited to the capital construction fund back into the general fund.

Sections 4 through 12 of the bill make conforming amendments necessitated by the conversion of the general fund reserve to the fund.

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

2 **SECTION 1. Legislative declaration.** (1) The general assembly
3 hereby finds and declares that:

4 (a) (I) Economic conditions in the state constantly change, and
5 periods of significant economic growth are regularly interrupted by
6 economic downturns;

7 (II) During economic downturns, the amount of state general fund
8 revenues generated by the state income tax and state sales and use taxes,
9 which together account for the vast majority of state general fund
10 revenues, either grow very slowly or decline;

11 (III) Because economic downturns adversely affect not only state
12 government revenues, but also the economic status of individuals and
13 businesses in the state, the demand for core state services funded with
14 state general fund revenues, including, but not limited to, education,
15 health care, human services, and the justice system, does not decline and
16 instead often increases during such downturns.

17 (b) The state therefore should save substantial amounts of money
18 during periods of significant economic growth in order to prevent drastic

1 cuts in core state services during economic downturns.

2 (2) The general assembly further finds and declares that:

3 (a) By acting during the current economic downturn to enact
4 Senate Bill 09-228, which will, if significant economic growth occurs,
5 increase the amount of general fund moneys that the state must retain as
6 a reserve for each fiscal year, the general assembly has recognized that
7 the state has not saved sufficient amounts of money during past periods
8 of significant economic growth to avoid drastic cuts in core state services
9 during economic downturns and has taken a first step towards ensuring
10 that the state saves more money in the future.

11 (b) Based on the experience of the state during recent economic
12 downturns, even the increased general fund reserve required by Senate
13 Bill 09-228 is likely to prove inadequate to fully stabilize the state budget
14 and prevent drastic cuts in state services during future economic
15 downturns.

16 (c) Accordingly, it is necessary, appropriate, and in the best
17 interest of the state to:

18 (I) Convert the general fund reserve into a state budget
19 stabilization reserve fund;

20 (II) Further increase the amount of general fund revenues that the
21 state is required to save; and

22 (III) As the amount of general fund revenues increases, promote
23 fiscal discipline in state government and protect against rapid depletion
24 of the reserve fund by reducing the percentage of estimated reserve fund
25 depletion that will require the governor to formulate a plan for reducing
26 general fund expenditures from the percentage of estimated general fund
27 reserve depletion that currently triggers that requirement.

1 **SECTION 2.** 24-75-201.2 (1) (a) and (2), Colorado Revised
2 Statutes, are amended, and the said 24-75-201.2 is further amended BY
3 THE ADDITION OF THE FOLLOWING NEW SUBSECTIONS, to
4 read:

5 **24-75-201.2. Restriction on state spending - state budget**
6 **stabilization reserve fund - creation - funding requirements.**

7 (1) (a) For purposes of determining ~~unrestricted general fund year-end~~
8 ~~balances as required in section 24-75-201.1~~ THE AMOUNT OF GENERAL
9 FUND MONEYS REQUIRED TO BE CREDITED TO THE STATE BUDGET
10 STABILIZATION RESERVE FUND CREATED IN SUBSECTION (3) OF THIS
11 SECTION at the end of any fiscal year, moneys budgeted or allocated for
12 possible state liability, pending the determination of a legal action, shall
13 not be included.

14 (2) For purposes of determining ~~the unrestricted general fund~~
15 ~~year-end balances as required in section 24-75-201.1~~ THE AMOUNT OF
16 GENERAL FUND MONEYS REQUIRED TO BE CREDITED TO THE STATE BUDGET
17 STABILIZATION RESERVE FUND CREATED IN SUBSECTION (3) OF THIS
18 SECTION AT THE END OF ANY FISCAL YEAR, the year-end balance of the
19 federal revenue sharing trust fund and all moneys received from the
20 general and special revenue programs of the federal government shall be
21 included in said balances.

22 (3) (a) THE STATE BUDGET STABILIZATION RESERVE FUND IS
23 HEREBY CREATED IN THE STATE TREASURY. ALL INTEREST AND INCOME
24 DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEYS IN THE FUND
25 SHALL BE CREDITED TO AND REMAIN IN THE FUND. ALL MONEYS IN THE
26 FUND SHALL BE SUBJECT TO ANNUAL APPROPRIATION BY THE GENERAL
27 ASSEMBLY FOR THE PURPOSE OF BUDGET STABILIZATION DURING

1 ECONOMIC DOWNTURNS.

2 (b) (I) EXCEPT AS OTHERWISE PROVIDED IN SUBPARAGRAPH (II) OF
3 THIS PARAGRAPH (b), BEGINNING WITH THE FISCAL YEAR 2009-10,
4 GENERAL FUND MONEYS SHALL BE CREDITED TO THE STATE BUDGET
5 STABILIZATION RESERVE FUND IN AT LEAST THE FOLLOWING AMOUNTS:

6 (A) FOR THE FISCAL YEAR 2009-10, TWO PERCENT OF THE AMOUNT
7 APPROPRIATED FOR EXPENDITURE FROM THE GENERAL FUND FOR THAT
8 FISCAL YEAR;

9 (B) FOR THE FISCAL YEARS 2010-11 AND 2011-12, THE AMOUNT
10 NEEDED TO BRING THE BALANCE OF THE FUND TO AN AMOUNT EQUAL TO
11 FOUR PERCENT OF THE AMOUNT APPROPRIATED FOR EXPENDITURE FROM
12 THE GENERAL FUND FOR THE APPLICABLE FISCAL YEAR;

13 (C) FOR THE FISCAL YEAR 2012-13, THE AMOUNT NEEDED TO
14 BRING THE BALANCE OF THE FUND TO AN AMOUNT EQUAL TO FOUR AND
15 ONE-HALF PERCENT OF THE AMOUNT APPROPRIATED FOR EXPENDITURE
16 FROM THE GENERAL FUND FOR THAT FISCAL YEAR;

17 (D) FOR THE FISCAL YEAR 2013-14, THE AMOUNT NEEDED TO
18 BRING THE BALANCE OF THE FUND TO AN AMOUNT EQUAL TO FIVE PERCENT
19 OF THE AMOUNT APPROPRIATED FOR EXPENDITURE FROM THE GENERAL
20 FUND FOR THAT FISCAL YEAR;

21 (E) FOR THE FISCAL YEAR 2014-15, THE AMOUNT NEEDED TO
22 BRING THE BALANCE OF THE FUND TO AN AMOUNT EQUAL TO FIVE AND
23 ONE-HALF PERCENT OF THE AMOUNT APPROPRIATED FOR EXPENDITURE
24 FROM THE GENERAL FUND FOR THAT FISCAL YEAR;

25 (F) FOR THE FISCAL YEAR 2015-16, THE AMOUNT NEEDED TO
26 BRING THE BALANCE OF THE FUND TO AN AMOUNT EQUAL TO SIX PERCENT
27 OF THE AMOUNT APPROPRIATED FOR EXPENDITURE FROM THE GENERAL

1 FUND FOR THAT FISCAL YEAR;

2 (G) FOR THE FISCAL YEAR 2016-17, THE AMOUNT NEEDED TO
3 BRING THE BALANCE OF THE FUND TO AN AMOUNT EQUAL TO SIX AND
4 ONE-HALF PERCENT OF THE AMOUNT APPROPRIATED FOR EXPENDITURE
5 FROM THE GENERAL FUND FOR THAT FISCAL YEAR;

6 (H) FOR THE FISCAL YEAR 2017-18 AND FOR EACH SUCCEEDING
7 FISCAL YEAR, THE AMOUNT NEEDED TO BRING THE BALANCE OF THE FUND
8 TO AN AMOUNT EQUAL TO THE LESSER OF FIFTEEN PERCENT OF THE
9 AMOUNT APPROPRIATED FOR EXPENDITURE FROM THE GENERAL FUND FOR
10 THE FISCAL YEAR OR A PERCENTAGE OF THE AMOUNT APPROPRIATED FOR
11 EXPENDITURE FROM THE GENERAL FUND FOR THE FISCAL YEAR THAT IS AT
12 LEAST EQUAL TO THE PERCENTAGE OF THE AMOUNT APPROPRIATED FOR
13 EXPENDITURE FROM THE GENERAL FUND FOR THE PRIOR FISCAL YEAR AT
14 WHICH THE BALANCE OF THE FUND WAS REQUIRED TO BE MAINTAINED FOR
15 THE PRIOR FISCAL YEAR PLUS ONE PERCENTAGE POINT.

16 (II) (A) NOTWITHSTANDING SUB-SUBPARAGRAPH (C) OF
17 SUBPARAGRAPH (I) OF THIS PARAGRAPH (b), IF COLORADO PERSONAL
18 INCOME INCREASES BY LESS THAN FIVE PERCENT FROM THE CALENDAR
19 YEAR 2011 THROUGH THE CALENDAR YEAR 2012, THE AMOUNT REQUIRED
20 TO BE CREDITED TO THE STATE BUDGET STABILIZATION RESERVE FUND FOR
21 FISCAL YEAR 2012-13 AND FOR EACH SUCCEEDING FISCAL YEAR UNTIL THE
22 NEXT FISCAL YEAR DURING WHICH COLORADO PERSONAL INCOME
23 INCREASES BY AT LEAST FIVE PERCENT SHALL BE THE AMOUNT NEEDED TO
24 BRING THE BALANCE OF THE FUND TO AN AMOUNT EQUAL TO FOUR
25 PERCENT OF THE AMOUNT APPROPRIATED FOR EXPENDITURE FROM THE
26 GENERAL FUND FOR THE APPLICABLE FISCAL YEAR. FOR THE NEXT FISCAL
27 YEAR DURING WHICH COLORADO PERSONAL INCOME INCREASES BY AT

1 LEAST FIVE PERCENT, THE AMOUNT REQUIRED TO BE CREDITED TO THE
2 STATE BUDGET STABILIZATION RESERVE FUND SHALL BE FOUR AND
3 ONE-HALF PERCENT OF THE AMOUNT APPROPRIATED FOR EXPENDITURE
4 FROM THE GENERAL FUND FOR THE FISCAL YEAR. FOR PURPOSES OF THIS
5 SUBPARAGRAPH (II), COLORADO PERSONAL INCOME SHALL BE
6 CONSIDERED TO INCREASE BY AT LEAST FIVE PERCENT DURING A FISCAL
7 YEAR IF, FROM THE CALENDAR YEAR THAT COMMENCES EIGHTEEN MONTHS
8 PRIOR TO THE FIRST DAY OF THE FISCAL YEAR, AND TO THE NEXT
9 CALENDAR YEAR, COLORADO PERSONAL INCOME INCREASES BY AT LEAST
10 FIVE PERCENT.

11 (B) THE STATE BUDGET STABILIZATION RESERVE FUND FUNDING
12 REQUIREMENTS SET FORTH IN SUB-SUBPARAGRAPHS (D) TO (H) OF
13 SUBPARAGRAPH (I) OF THIS PARAGRAPH (b) SHALL BE DELAYED BY THE
14 NUMBER OF FISCAL YEARS FOR WHICH THE AMOUNT REQUIRED TO BE
15 CREDITED TO THE STATE BUDGET STABILIZATION RESERVE FUND REMAINS
16 THE AMOUNT NEEDED TO BRING THE BALANCE OF THE FUND TO AN
17 AMOUNT EQUAL TO FOUR PERCENT OF THE AMOUNT APPROPRIATED FOR
18 EXPENDITURE FROM THE GENERAL FUND PURSUANT TO
19 SUB-SUBPARAGRAPH (A) OF THIS SUBPARAGRAPH (II).

20 (C) AS USED IN THIS SUBPARAGRAPH (II), "COLORADO PERSONAL
21 INCOME" MEANS THE TOTAL PERSONAL INCOME FOR COLORADO, AS
22 DEFINED AND OFFICIALLY REPORTED BY THE BUREAU OF ECONOMIC
23 ANALYSIS IN THE UNITED STATES DEPARTMENT OF COMMERCE.

24 (4) FOR THE 2009-10 FISCAL YEAR AND FOR EACH FISCAL YEAR
25 THEREAFTER, THE BASIS FOR THE CALCULATION OF THE AMOUNT
26 REQUIRED TO BE CREDITED TO THE STATE BUDGET STABILIZATION
27 RESERVE FUND PURSUANT TO PARAGRAPH (b) OF SUBSECTION (3) OF THIS

1 SECTION SHALL INCLUDE ALL APPROPRIATIONS FOR EXPENDITURE FROM
2 THE GENERAL FUND FOR SUCH FISCAL YEAR, EXCEPT FOR ANY
3 APPROPRIATIONS FOR EXPENDITURE FROM THE GENERAL FUND DUE TO A
4 STATE FISCAL EMERGENCY AS PROVIDED FOR IN SECTION 24-75-201.1 (1)
5 (a) (IV).

6 **SECTION 3.** 24-75-201.5 (1) and (4), Colorado Revised Statutes,
7 are amended to read:

8 **24-75-201.5. Revenue shortfalls - required actions by the**
9 **governor with respect to the state budget stabilization reserve fund.**

10 ~~(1) (a) Except as provided in paragraphs (c) and (d) of this subsection~~
11 ~~(1);~~ Whenever the revenue estimate for the current fiscal year, prepared
12 in accordance with section 24-75-201.3 (2), indicates that THE AMOUNT
13 OF GENERAL FUND REVENUES AVAILABLE IN THE GENERAL FUND WILL BE
14 INSUFFICIENT TO FUND ALL general fund expenditures for ~~such~~ THE fiscal
15 year based on appropriations then in effect AND THAT FUNDING ALL SUCH
16 EXPENDITURES will result in the use of ~~one-half~~ MONEYS IN THE STATE
17 BUDGET STABILIZATION RESERVE FUND CREATED IN SECTION 24-75-201.2
18 (3) IN AN AMOUNT EQUAL TO AT LEAST THE GREATER OF TWO PERCENT OF
19 THE AMOUNT APPROPRIATED FOR EXPENDITURE FROM THE GENERAL FUND
20 FOR THE FISCAL YEAR OR ONE-THIRD or more of the ~~reserve required by~~
21 ~~section 24-75-201.1 (1) (d)~~ BALANCE OF THE STATE BUDGET
22 STABILIZATION RESERVE FUND, the governor shall formulate a plan for
23 reducing ~~such~~ THE general fund expenditures so that ~~said reserve~~ THE
24 BALANCE OF THE STATE BUDGET STABILIZATION RESERVE FUND, as of the
25 close of the fiscal year, will be at least ~~one-half~~ THE LESSER of the amount
26 required by ~~said section 24-75-201.1 (1) (d)~~ SECTION 24-75-201.2 (3) LESS
27 TWO PERCENT OF THE AMOUNT APPROPRIATED FOR EXPENDITURE FROM

1 THE GENERAL FUND FOR THE FISCAL YEAR OR TWO-THIRDS OF THE
2 AMOUNT REQUIRED BY SECTION 24-75-201.2 (3). The governor shall
3 promptly notify the general assembly of ~~such~~ THE plan. ~~Such~~ THE plan
4 shall be promptly implemented by the governor, using the procedures set
5 forth in section 24-2-102 (4) or 24-50-109.5 or any other lawful means.

6 (b) ~~Repealed.~~

7 (c) ~~(I) Notwithstanding and in lieu of the provisions of paragraph~~
8 ~~(a) of this subsection (1), for the fiscal year 2001-02 only, if the revenue~~
9 ~~estimate prepared in accordance with section 24-75-201.3 (2), in June of~~
10 ~~2002, indicates that general fund expenditures for such fiscal year based~~
11 ~~on appropriations then in effect will exceed the amount of general fund~~
12 ~~revenues available for expenditure for such fiscal year, the state treasurer~~
13 ~~and the controller, upon the written order of the governor, shall transfer~~
14 ~~to the general fund, from time to time during the period beginning on~~
15 ~~June 20, 2002, and ending on June 30, 2002, from the tobacco litigation~~
16 ~~settlement trust fund created in section 24-22-115.5 (2), the unclaimed~~
17 ~~property trust fund created in section 38-13-116.5, C.R.S., or the major~~
18 ~~medical insurance fund created in section 8-46-202 (1) (a), C.R.S., or~~
19 ~~from all of such funds, such amounts as are required to permit prompt~~
20 ~~disbursement from the general fund of any appropriation made therefrom~~
21 ~~for any lawful purpose.~~

22 (H) ~~Effective July 1, 2002, the state treasurer and the controller~~
23 ~~shall transfer moneys from the general fund to the tobacco litigation~~
24 ~~settlement trust fund and the major medical insurance fund in order to~~
25 ~~restore to said funds any amount transferred therefrom pursuant to~~
26 ~~subparagraph (I) of this paragraph (c).~~

27 (d) ~~(I) For the fiscal year 2002-03 only, if the revenue estimate~~

1 prepared in accordance with section 24-75-201.3 (2), in June, September,
2 or December of 2002 indicates that general fund expenditures for such
3 fiscal year based on appropriations then in effect will result in the use of
4 one-half or more of the reserve required by section 24-75-201.1 (1) (d);
5 the governor shall either:

6 (A) Formulate and implement a plan pursuant to paragraph (a) of
7 this subsection (1);

8 (B) Upon written order, direct the state treasurer and controller to
9 transfer, and said state treasurer and controller shall transfer, to the
10 general fund, from time to time during the period beginning on July 1,
11 2002, and ending January 1, 2003, from any or all of the funds described
12 in subparagraph (H) of this paragraph (d), such amounts as are required
13 to permit prompt disbursement from the general fund of any appropriation
14 made therefrom for any lawful purpose and to ensure that said reserve
15 during said period will be at least one-half of the amount required by
16 section 24-75-201.1 (1) (d); or

17 (C) Both formulate and implement a plan pursuant to paragraph
18 (a) of this subsection (1) and issue a written order pursuant to
19 sub-subparagraph (B) of this subparagraph (I) to ensure that said reserve
20 during said period will be at least one-half of the amount required by
21 section 24-75-201.1 (1) (d).

22 (H) The transfer or transfers described in subparagraph (I) of this
23 paragraph (d) shall be made from one or more of the following funds:

24 (A) The employment support fund created in section 8-77-109 (1),
25 C.R.S.;

26 (B) The tobacco litigation settlement trust fund created in section
27 24-22-115.5 (2);

1 ~~(C) The unclaimed property trust fund created in section~~
2 ~~38-13-116.5, C.R.S.;~~

3 ~~(D) The major medical insurance fund created in section 8-46-202~~
4 ~~(1) (a), C.R.S., not to exceed seventy-five million dollars.~~

5 ~~(H) For the fiscal year 2002-03 only, if the revenue estimate~~
6 ~~prepared in accordance with section 24-75-201.3 (2) in June of 2003~~
7 ~~indicates that general fund expenditures for such fiscal year based on~~
8 ~~appropriations then in effect will exceed the amount of general fund~~
9 ~~revenues available, excluding the reserve required by section 24-75-101.1~~
10 ~~(1) (d), the governor shall, from time to time during the period beginning~~
11 ~~on June 20, 2003, and ending on June 30, 2003:~~

12 ~~(A) Upon written order, direct the treasurer to disburse an amount~~
13 ~~of general fund moneys otherwise comprising such reserve as is necessary~~
14 ~~to cover any appropriations then in effect made from the general fund for~~
15 ~~which general fund revenues would not otherwise be available, not to~~
16 ~~exceed one hundred thirty-two million dollars; and~~

17 ~~(B) In the event that the disbursements made pursuant to~~
18 ~~sub-subparagraph (A) of this subparagraph (H) are insufficient to cover~~
19 ~~any such appropriations, upon written order, direct the state treasurer and~~
20 ~~controller to transfer, and said state treasurer and controller shall transfer,~~
21 ~~to the general fund, from the local government severance tax fund created~~
22 ~~in section 39-29-110 (1) (a) (I), C.R.S., or the local government mineral~~
23 ~~impact fund created in section 34-63-102 (5) (a) (I), C.R.S., or both, such~~
24 ~~amounts as are required to permit prompt disbursement from the general~~
25 ~~fund of any appropriation made therefrom; except that the amount~~
26 ~~transferred from the local government severance tax fund pursuant to this~~
27 ~~sub-subparagraph (B) shall not exceed eighteen million dollars and the~~

1 ~~amount transferred from the local government mineral impact fund~~
2 ~~pursuant to this sub-subparagraph (B) shall not exceed nine million~~
3 ~~dollars.~~

4 ~~(e) For the fiscal year 2003-04 only, if the revenue estimate~~
5 ~~prepared in accordance with section 24-75-201.3 (2) in June of 2004~~
6 ~~indicates that general fund expenditures for such fiscal year based on~~
7 ~~appropriations then in effect will exceed the amount of general fund~~
8 ~~revenues available, excluding the reserve required by section 24-75-201.1~~
9 ~~(1) (d), the governor shall, from time to time during the period beginning~~
10 ~~on June 20, 2004, and ending on June 30, 2004, upon written order, direct~~
11 ~~the state treasurer to disburse an amount of general fund moneys~~
12 ~~otherwise comprising such reserve as is necessary to cover any~~
13 ~~appropriations then in effect made from the general fund for which~~
14 ~~general fund revenues would not otherwise be available, not to exceed~~
15 ~~forty-eight million dollars.~~

16 ~~(f) For the fiscal year 2005-06 only, if the revenue estimate~~
17 ~~prepared in accordance with section 24-75-201.3 (2) in June, September,~~
18 ~~or December of 2005 indicates that general fund expenditures for such~~
19 ~~fiscal year based on appropriations then in effect will result in the use of~~
20 ~~one-half or more of the reserve required by section 24-75-201.1 (1) (d),~~
21 ~~the governor shall either:~~

22 ~~(I) Formulate and implement a plan pursuant to paragraph (a) of~~
23 ~~this subsection (1); or~~

24 ~~(II) Upon written order, direct the executive director of the~~
25 ~~department of personnel to attempt to sell a legal interest in one or more~~
26 ~~eligible state facilities pursuant to section 24-82-1102, in order that the~~
27 ~~net proceeds from such sale may be deposited in the general fund to be~~

1 ~~used for general fund expenditures and retained as part of the reserve~~
2 ~~required by section 24-75-201.1 (1) (d). The executive director may sell~~
3 ~~a legal interest in as many eligible state facilities as is necessary to ensure~~
4 ~~that the appropriations then in effect will result in the use of less than~~
5 ~~one-half of the reserve required by section 24-75-201.1 (1) (d), but in no~~
6 ~~case shall the executive director sell a legal interest in an eligible state~~
7 ~~facility if, based on the appropriations then in effect, the net proceeds~~
8 ~~from such sale would cause the statutory reserve to exceed the amount~~
9 ~~required by section 24-75-201.1 (1) (d).~~

10 ~~(g) (i) For the fiscal year 2008-09 only, if the revenue estimate~~
11 ~~prepared in accordance with section 24-75-201.3 (2) in June 2009~~
12 ~~indicates that general fund expenditures for such fiscal year based on~~
13 ~~appropriations then in effect will exceed the amount of general fund~~
14 ~~revenues available for expenditure for such fiscal year, the state treasurer~~
15 ~~and the controller, upon the written order of the governor, shall transfer~~
16 ~~to the general fund on June 30, 2009, from any or all of such funds~~
17 ~~described in subparagraph (H) of this paragraph (g), such amounts as are~~
18 ~~required to permit prompt disbursement from the general fund of any~~
19 ~~appropriation made therefrom for any lawful purpose.~~

20 ~~(H) The transfer or transfers described in subparagraph (I) of this~~
21 ~~paragraph (g) shall be made from one or more of the following funds:~~

22 ~~(A) The employment support fund created in section 8-77-109 (1),~~
23 ~~C.R.S., not to exceed twenty-five million dollars;~~

24 ~~(B) The tobacco litigation settlement cash fund created in section~~
25 ~~24-22-115 (1) (a), not to exceed eighty-four million six hundred thousand~~
26 ~~dollars;~~

27 ~~(C) The local government mineral impact fund created in section~~

1 ~~34-63-102 (5) (a) (I), C.R.S., not to exceed seventy-two million dollars;~~

2 ~~(D) The Colorado water conservation board construction fund~~
3 ~~created in section 37-60-121 (1) (a), C.R.S., not to exceed sixty million~~
4 ~~dollars;~~

5 ~~(E) The unclaimed property trust fund created in section~~
6 ~~38-13-116.5 (1) (a), C.R.S., not to exceed one hundred million dollars;~~

7 ~~(F) The perpetual base account of the severance tax trust fund~~
8 ~~created in section 39-29-109 (2) (a), C.R.S., not to exceed seventy-five~~
9 ~~million dollars;~~

10 ~~(G) The operational account of the severance tax trust fund~~
11 ~~created in section 39-29-109 (2) (b), C.R.S., not to exceed twenty-one~~
12 ~~million three hundred thousand dollars;~~

13 ~~(H) The local government severance tax fund created in section~~
14 ~~39-29-110 (1) (a) (I), C.R.S., not to exceed one hundred twenty-eight~~
15 ~~million dollars.~~

16 ~~(HH) Effective July 1, 2009, the state treasurer and the controller~~
17 ~~shall transfer moneys from the general fund to any or all funds described~~
18 ~~in subparagraph (H) of this paragraph (g) in order to restore to said funds~~
19 ~~any amount transferred therefrom pursuant to subparagraph (I) of this~~
20 ~~paragraph (g).~~

21 (4) Whenever the governor has formulated and implemented a
22 plan to reduce general fund expenditures in accordance with subsection
23 (1) of this section, and ~~such~~ THE plan reduces general fund expenditures
24 in an amount equal to or greater than THE GREATER OF one percent of all
25 general fund appropriations for the fiscal year OR ONE-SIXTH OF THE
26 AMOUNT OF THE STATE BUDGET STABILIZATION RESERVE FUND REQUIRED
27 BY SECTION 24-75-201.2 (3), the governor, after consultation with the

1 capital development committee and the joint budget committee, may
2 transfer general fund moneys from the capital construction fund into the
3 general fund. Pursuant to this subsection (4), the governor ~~will~~ SHALL
4 restrict the capital construction projects in the reverse order of the
5 priorities as established by the capital development committee unless
6 ANOTHER ORDER OF RESTRICTION IS approved by the capital development
7 committee and the joint budget committee.

8 **SECTION 4. Repeal.** 24-75-201.1 (1) (c) (V), (1) (d), (1) (e),
9 and (2), Colorado Revised Statutes, are repealed as follows:

10 **24-75-201.1. Restriction on state appropriations.**

11 ~~(1) (c) (V) For the fiscal year 1989-90 and each fiscal year thereafter~~
12 ~~ending with the fiscal year 1990-91, fifty percent of general fund~~
13 ~~revenues in excess of general fund appropriations, after retention of the~~
14 ~~reserve as required by paragraph (d) of this subsection (1), shall be~~
15 ~~transferred to the capital construction fund as of the last day of the fiscal~~
16 ~~year. The general assembly may appropriate such funds for capital~~
17 ~~construction purposes during the regular legislative session next~~
18 ~~following the actual transfer of moneys thereto; except that, for the fiscal~~
19 ~~year 1989-90 only, the general assembly may appropriate such funds~~
20 ~~during the regular legislative session held in 1990 for the purpose of~~
21 ~~alleviating prison overcrowding for the fiscal year 1989-90 or for any~~
22 ~~future fiscal year and may appropriate such funds for any other capital~~
23 ~~construction purposes during the regular legislative session next~~
24 ~~following the actual transfer of moneys to the capital construction fund.~~
25 ~~General fund revenues in excess of general fund appropriations and the~~
26 ~~required reserve which are not transferred to the capital construction fund~~
27 ~~as specified in this subparagraph (V) shall be available for appropriation~~

1 for the fiscal year in which the excess is realized or for any future fiscal
2 year, subject to the limitation on general fund appropriations set forth in
3 paragraph (a) of this subsection (1). For the purposes of applying this
4 subparagraph (V) to the fiscal years 1990-91 and 1991-92, the required
5 reserve shall be considered four percent of the amount appropriated for
6 expenditure from the general fund, notwithstanding the actual percentage
7 reserve requirement specified in subparagraph (IV) of paragraph (d) of
8 this subsection (1).

9 (d) Except as otherwise provided in paragraph (e) of this
10 subsection (1), for each fiscal year, unrestricted general fund year-end
11 balances shall be retained as a reserve in the following amounts:

12 (I) For fiscal years 1985-86 and 1986-87, five percent of the
13 amount appropriated for expenditure from the general fund for the fiscal
14 year;

15 (II) For the fiscal year 1987-88, six percent of the amount
16 appropriated for expenditure from the general fund for that fiscal year;

17 (III) For the fiscal year 1988-89 and each fiscal year thereafter
18 ending with the fiscal year 2011-12, except for the fiscal years 1990-91,
19 1991-92, 1992-93, 2001-02, 2002-03, 2003-04, 2006-07, 2008-09, and
20 2009-10, as provided in subparagraphs (IV), (V), (VI), (VII), (VIII), (IX),
21 (X), and (XI) of this paragraph (d), four percent of the amount
22 appropriated for expenditure from the general fund for that fiscal year;

23 (IV) For the fiscal years 1990-91 and 1991-92, three percent of
24 the amount appropriated for expenditure from the general fund for that
25 fiscal year. The additional amount of general fund moneys made
26 available for appropriation by the reduction in the required reserve from
27 four percent to three percent for the fiscal year 1990-91, as provided in

1 ~~this subparagraph (IV), may be appropriated only for the purpose of~~
2 ~~alleviating prison overcrowding, and any such appropriation shall not be~~
3 ~~subject to the limitation on general fund appropriations set forth in~~
4 ~~paragraph (a) of this subsection (1). The additional amount of general~~
5 ~~fund moneys made available for appropriation by the reduction in the~~
6 ~~required reserve from four percent to three percent for the fiscal year~~
7 ~~1991-92, as provided in this subparagraph (IV), may be appropriated for~~
8 ~~any lawful purpose.~~

9 ~~(V) For the fiscal year 1992-93, three percent of the amount~~
10 ~~appropriated for expenditure from the general fund for that fiscal year~~
11 ~~reduced by fourteen million dollars. The additional amount of general~~
12 ~~fund moneys made available for appropriation by the reduction in the~~
13 ~~required reserve from four percent to the amount provided in this~~
14 ~~subparagraph (V) may be appropriated during the fiscal year 1992-93 for~~
15 ~~any lawful purpose.~~

16 ~~(VI) For the fiscal year 2001-02, no percentage of the amount~~
17 ~~appropriated for expenditure from the general fund for that fiscal year, as~~
18 ~~no reserve shall be required for said fiscal year. The additional amount~~
19 ~~of general fund moneys made available for appropriation by the~~
20 ~~elimination of the required reserve from four percent for the fiscal year~~
21 ~~2001-02, as provided in this subparagraph (VI), may be appropriated for~~
22 ~~any lawful purpose.~~

23 ~~(VII) For the fiscal year 2002-03, three percent of the amount~~
24 ~~appropriated for expenditure from the general fund for that fiscal year~~
25 ~~reduced by thirty-one million one hundred seventy-five thousand dollars~~
26 ~~and as further reduced by the amount of general fund moneys comprising~~
27 ~~such reserve that are disbursed pursuant to section 24-75-201.5 (1) (d)~~

1 ~~(HH) (A). The additional amount of general fund moneys made available~~
2 ~~for appropriation by the reduction in the required reserve from four~~
3 ~~percent to three percent reduced by thirty-one million one hundred~~
4 ~~seventy-five thousand dollars may be appropriated during the fiscal year~~
5 ~~2002-03 for any lawful purpose.~~

6 ~~(VIII) For the fiscal year 2003-04, four percent of the amount~~
7 ~~appropriated for expenditure from the general fund for that fiscal year~~
8 ~~reduced by the amount of general fund moneys comprising such reserve~~
9 ~~that are disbursed pursuant to section 24-75-201.5 (1) (e).~~

10 ~~(IX) For the fiscal year 2006-07, if the resources of the general~~
11 ~~fund are inadequate to meet the reserve required by subparagraph (HH) of~~
12 ~~this paragraph (d), the state controller shall accrue a transfer from the~~
13 ~~capital construction fund to the general fund in the amount necessary to~~
14 ~~meet the reserve requirement of subparagraph (HH) of this paragraph (d)~~
15 ~~up to thirty million dollars. The requirements of this subparagraph (IX)~~
16 ~~shall be applied before the requirements of section 39-26-123 (4) (a) (VI)~~
17 ~~(B), C.R.S.~~

18 ~~(X) For the fiscal year 2008-09:~~

19 ~~(A) Except as otherwise provided in sub-subparagraph (B) of this~~
20 ~~subparagraph (X), two percent of the amount appropriated for~~
21 ~~expenditure from the general fund for that fiscal year. The additional~~
22 ~~amount of general fund moneys made available for appropriation by the~~
23 ~~reduction in the required reserve from four percent to two percent may be~~
24 ~~appropriated during the fiscal year 2008-09 for any lawful purpose.~~

25 ~~(B) If the revenue estimate prepared for the fiscal year 2008-09 in~~
26 ~~accordance with section 24-75-201.3 (2) in June of 2009 indicates that~~
27 ~~general fund expenditures for that fiscal year based on appropriations then~~

1 in effect will exceed the amount of general fund revenues available;
2 excluding the reserve required by sub-subparagraph (A) of this
3 subparagraph (X), upon written order, the governor may further reduce
4 the required reserve from two percent to either a lower percentage or to
5 a zero percentage as is necessary to cover to the greatest extent possible
6 any appropriations then in effect made from the general fund for which
7 general fund moneys would not otherwise be available comprising such
8 reserve.

9 (XI) For the fiscal year 2009-10, two percent of the amount
10 appropriated for expenditure from the general fund for that fiscal year.
11 The additional amount of general fund moneys made available for
12 appropriation by the reduction in the required reserve from four percent
13 to two percent may be appropriated during the fiscal year 2009-10 for any
14 lawful purpose.

15 (XII) For the fiscal year 2012-13, four and one-half percent of the
16 amount appropriated for expenditure from the general fund for that fiscal
17 year;

18 (XIII) For the fiscal year 2013-14, five percent of the amount
19 appropriated for expenditure from the general fund for that fiscal year;

20 (XIV) For the fiscal year 2014-15, five and one-half percent of the
21 amount appropriated for expenditure from the general fund for that fiscal
22 year;

23 (XV) For the fiscal year 2015-16, six percent of the amount
24 appropriated for expenditure from the general fund for that fiscal year;

25 (XVI) For the fiscal year 2016-17 and each fiscal year thereafter,
26 at least six and one-half percent of the amount appropriated for
27 expenditure from the general fund for that fiscal year.

1 (e) ~~(I) Subparagraph (XII) of paragraph (d) of this subsection (1)~~
2 ~~shall not apply in the fiscal year 2012-13 if Colorado personal income~~
3 ~~increases by less than five percent from the calendar year 2011 to the~~
4 ~~calendar year 2012. In such case, the unrestricted general fund year-end~~
5 ~~balance for fiscal year 2012-13 shall be four percent of the amount~~
6 ~~appropriated for expenditure from the general fund for that fiscal year,~~
7 ~~and the annual reserve required for each succeeding fiscal year shall~~
8 ~~remain the same until the next fiscal year during which Colorado personal~~
9 ~~income increases by at least five percent. For such fiscal year during~~
10 ~~which Colorado personal income increases by at least five percent, the~~
11 ~~unrestricted general fund year-end balance retained as a reserve shall be~~
12 ~~four and one-half percent. For purposes of this subparagraph (I),~~
13 ~~Colorado personal income shall be considered to increase by at least five~~
14 ~~percent during a given fiscal year if, from the calendar year that~~
15 ~~commences eighteen months prior to the first day of the fiscal year, and~~
16 ~~to the next calendar year, Colorado personal income increases by at least~~
17 ~~five percent.~~

18 ~~(II) The reserve requirements set forth in subparagraphs (XIII),~~
19 ~~(XIV), (XV), and (XVI) of paragraph (d) of this subsection (1) shall be~~
20 ~~delayed by the number of fiscal years that the reserve is four percent~~
21 ~~pursuant to subparagraph (I) of this paragraph (e).~~

22 ~~(III) As used in this paragraph (e), "Colorado personal income"~~
23 ~~means the total personal income for Colorado, as defined and officially~~
24 ~~reported by the bureau of economic analysis in the United States~~
25 ~~department of commerce.~~

26 ~~(2) For each fiscal year ending with the 1985-86 fiscal year, the~~
27 ~~basis for the calculation of the percentage for the reserve as specified in~~

1 ~~subsection (1) of this section shall include all appropriations for~~
2 ~~expenditures and disbursements authorized by law from the general fund,~~
3 ~~including tax relief appropriations and other expenditures made in~~
4 ~~accordance with the provisions of subsection (1) of this section. For the~~
5 ~~1986-87 fiscal year and each fiscal year thereafter ending with the fiscal~~
6 ~~year 1990-91, the basis for the calculation of the reserve as specified in~~
7 ~~paragraph (d) of subsection (1) of this section shall include all~~
8 ~~appropriations for expenditure from the general fund for such fiscal year~~
9 ~~but shall not include the fifty percent of excess revenues transferred from~~
10 ~~the general fund to the capital construction fund pursuant to paragraph (c)~~
11 ~~of subsection (1) of this section. For the 1991-92 fiscal year and each~~
12 ~~fiscal year thereafter, the basis for the calculation of the reserve as~~
13 ~~specified in paragraph (d) of subsection (1) of this section shall include~~
14 ~~all appropriations for expenditure from the general fund for such fiscal~~
15 ~~year, except for any appropriations for expenditure from the general fund~~
16 ~~due to a state fiscal emergency as provided for in subparagraph (IV) of~~
17 ~~paragraph (a) of subsection (1) of this section.~~

18 **SECTION 5.** 12-47.1-701 (4.5) (b), Colorado Revised Statutes,
19 is amended to read:

20 **12-47.1-701. Limited gaming fund.** (4.5) (b) If, based on the
21 revenue forecast prepared by the staff of the legislative council in June of
22 any fiscal year, the state treasurer determines that the amount of general
23 fund revenues for the fiscal year will be insufficient to allow the
24 maximum amount of general fund appropriations permitted by section
25 24-75-201.1 (1) (a), C.R.S., to be made AND THE FULL AMOUNT OF
26 GENERAL FUND MONEYS REQUIRED TO BE CREDITED TO THE STATE BUDGET
27 STABILIZATION RESERVE FUND CREATED IN SECTION 24-75-201.2 (3),

1 C.R.S., PURSUANT TO SAID SECTION TO BE SO CREDITED for the fiscal year,
2 the state treasurer, at the end of the fiscal year, shall transfer to the
3 general fund from the moneys that would otherwise be transferred to the
4 innovative higher education research fund pursuant to paragraph (a) of
5 this subsection (4.5) an amount equal to the lesser of the full amount that
6 would otherwise be transferred to the innovative higher education
7 research fund or the amount necessary to allow the maximum amount of
8 general fund appropriations to be made for the fiscal year.

9 **SECTION 6.** 23-19.9-102 (2) (b) (II), Colorado Revised Statutes,
10 is amended to read:

11 **23-19.9-102. Higher education federal mineral lease revenues**
12 **fund - higher education maintenance and reserve fund - creation -**
13 **sources of revenues - use.** (2) (b) (II) If, at any time during a fiscal year,
14 the most recent available quarterly revenue estimate prepared by the staff
15 of the legislative council indicates that the amount of total general fund
16 revenues for the fiscal year will not be sufficient to allow the state to
17 ~~maintain the four percent or higher reserve required by section~~
18 ~~24-75-201.1 (1), C.R.S.~~ CREDIT TO THE STATE BUDGET STABILIZATION
19 RESERVE FUND CREATED IN SECTION 24-75-201.2 (3), C.R.S., THE FULL
20 AMOUNT OF GENERAL FUND MONEYS REQUIRED TO BE CREDITED TO THE
21 FUND PURSUANT TO SAID SECTION, the general assembly may make
22 supplemental appropriations of principal of the maintenance and reserve
23 fund or the state controller may allow overexpenditures to be made from
24 principal of the maintenance and reserve fund pursuant to and in
25 accordance with the requirements of section 24-75-111, C.R.S., in order
26 to offset any reduction in the amount of one or more general fund
27 appropriations for the fiscal year for operating expenses of

1 state-supported institutions of higher education that resulted from the
2 insufficiency in the amount of total general fund revenues.

3 **SECTION 7.** 24-36-113 (7), Colorado Revised Statutes, is
4 amended to read:

5 **24-36-113. Investment of state moneys - limitations.**
6 (7) Notwithstanding any restrictions on the investment of state moneys
7 set forth in this section or in any other provision of law, the state treasurer
8 may invest moneys transferred on July 5, 2002, from the tobacco
9 litigation settlement trust fund to the general fund pursuant to section
10 24-75-201.5 (1) (d), AS SAID SECTION EXISTED PRIOR TO ITS REPEAL IN
11 2010, in any manner in which the trust fund moneys may be invested
12 pursuant to section 24-22-115.5 (3) (a).

13 **SECTION 8.** 24-75-109 (5), Colorado Revised Statutes, is
14 amended to read:

15 **24-75-109. Controller may allow expenditures in excess of**
16 **appropriations - limitations - appropriations for subsequent fiscal**
17 **year restricted - repeal.** (5) The limitation on general fund
18 appropriations and the requirement for a general fund reserve contained
19 ~~in section 24-75-201.1~~ THE FUNDING OF THE STATE BUDGET
20 STABILIZATION RESERVE FUND CREATED IN SECTION 24-75-201.2 (3) shall
21 not apply to overexpenditures from the general fund for medicaid
22 programs allowed pursuant to paragraph (a) of subsection (1) of this
23 section or to supplemental general fund appropriations for medicaid
24 programs enacted pursuant to subsection (4) of this section.
25 Overexpenditures for all other purposes allowed pursuant to subsection
26 (1) of this section and supplemental general fund appropriations for all
27 other purposes enacted pursuant to subsection (4) of this section shall be

1 considered appropriations for the fiscal year in which the overexpenditure
2 was allowed and shall accordingly be subject to the limitations and
3 requirements of ~~section 24-75-201.1~~ SECTIONS 24-75-201.1 AND
4 24-75-201.2.

5 **SECTION 9.** 24-75-111 (6), Colorado Revised Statutes, is
6 amended to read:

7 **24-75-111. Additional authority for controller to allow**
8 **expenditures in excess of appropriations - limitations -**
9 **appropriations for subsequent fiscal year restricted.**

10 (6) Overexpenditures allowed pursuant to the provisions of subsection
11 (1) of this section and supplemental general fund appropriations enacted
12 pursuant to subsection (5) of this section shall be considered
13 appropriations for the fiscal year in which the overexpenditure was
14 allowed and shall accordingly be subject to the limitations and
15 requirements of ~~section 24-75-201.1~~ SECTIONS 24-75-201.1 AND
16 24-75-201.2.

17 **SECTION 10.** The introductory portion to 24-75-302 (2),
18 Colorado Revised Statutes, is amended to read:

19 **24-75-302. Capital construction fund - capital assessment fees**
20 **- calculation.** (2) As of July 1, 1988, and July 1 of each year thereafter
21 through July 1, 2012, a sum as specified in this subsection (2) shall accrue
22 to the capital construction fund. The state treasurer and the controller
23 shall transfer ~~such~~ THE sum out of the general fund and into the capital
24 construction fund as moneys become available in the general fund during
25 the fiscal year beginning on said July 1. Transfers between funds
26 pursuant to this subsection (2) shall not be deemed to be appropriations
27 subject to the limitations AND REQUIREMENTS of ~~section 24-75-201.1~~

1 SECTIONS 24-75-201.1 AND 24-75-201.2. The amount that shall accrue
2 pursuant to this subsection (2) shall be as follows:

3 **SECTION 11.** The introductory portions to 39-26-123 (4) (a) (IV)
4 and (4) (a) (V) and 39-26-123 (4) (a) (VI) (B), Colorado Revised Statutes,
5 are amended to read:

6 **39-26-123. Receipts - disposition - transfers of general fund**
7 **surplus - sales and use tax holding fund - creation - definitions -**
8 **repeal.** (4) (a) Except as otherwise provided in sub-subparagraph (B) of
9 subparagraph (VI) of this paragraph (a) and subsection (4.5) of this
10 section, all moneys in the sales and use tax holding fund shall be
11 transferred to the highway users tax fund, as follows:

12 (IV) If the revenue estimate prepared by the staff of the legislative
13 council in December of state fiscal year 2017-18 or in December of any
14 succeeding state fiscal year indicates that the amount of total general fund
15 revenues for the state fiscal year will be sufficient to ~~maintain the four~~
16 ~~percent or higher reserve required by section 24-75-201.1 (1), C.R.S.~~
17 ALLOW THE FULL AMOUNT OF GENERAL FUND MONEYS REQUIRED TO BE
18 CREDITED TO THE STATE BUDGET STABILIZATION RESERVE FUND CREATED
19 IN SECTION 24-75-201.2 (3), C.R.S., FOR THE FISCAL YEAR PURSUANT TO
20 SAID SECTION TO BE SO CREDITED, on February 1 of the fiscal year the
21 state treasurer shall transfer from the sales and use tax holding fund to the
22 highway users tax fund an amount equal to the lesser of:

23 (V) If the revenue estimate prepared by the staff of the legislative
24 council in March of state fiscal year 2017-18 or in March of any
25 succeeding state fiscal year indicates that the amount of total general fund
26 revenues for the state fiscal year will be sufficient to ~~maintain the four~~
27 ~~percent or higher reserve required by section 24-75-201.1 (1), C.R.S.~~

1 ALLOW THE FULL AMOUNT OF GENERAL FUND MONEYS REQUIRED TO BE
2 CREDITED TO THE STATE BUDGET STABILIZATION RESERVE FUND CREATED
3 IN SECTION 24-75-201.2 (3), C.R.S., FOR THE FISCAL YEAR PURSUANT TO
4 SAID SECTION TO BE SO CREDITED, on April 15 of the fiscal year the state
5 treasurer shall transfer from the sales and use tax holding fund to the
6 highway users tax fund the lesser of:

7 (VI) (B) Notwithstanding the provisions of sub-subparagraph (A)
8 of this subparagraph (VI), the state controller shall reduce the amount
9 accrued to the highway users tax fund pursuant to said sub-subparagraph
10 and accrue moneys in the sales and use tax holding fund to the general
11 fund to the extent necessary to ensure that the amount of general fund
12 revenues for the state fiscal year is sufficient to ~~maintain the four percent~~
13 ~~reserve required by section 24-75-201.1 (1), C.R.S.~~ ALLOW THE FULL
14 AMOUNT OF GENERAL FUND MONEYS REQUIRED TO BE CREDITED TO THE
15 STATE BUDGET STABILIZATION RESERVE FUND CREATED IN SECTION
16 24-75-201.2 (3), C.R.S., FOR THE FISCAL YEAR PURSUANT TO SAID SECTION
17 TO BE SO CREDITED.

18 **SECTION 12.** 40-9.7-108 (3) (b) (I), Colorado Revised Statutes,
19 is amended to read:

20 **40-9.7-108. Colorado clean energy development authority**
21 **fund - creation - authorization of projects.** (3) (b) (I) Notwithstanding
22 the provisions of subsection (4) of this section, and subject to the
23 limitations set forth in paragraphs (e) and (f) of this subsection (3), the
24 authority, with prior approval by enacted legislation of the general
25 assembly in accordance with paragraph (c) of this subsection (3), may
26 agree in any resolution or trust indenture authorizing the issuance of
27 bonds that, if the balance in the fund pledged as a reserve for the payment

1 of all or any portion of bonds or obligations of the authority under any
2 bond, financing agreement, contract, agreement, or other obligation of the
3 authority authorized by this article falls below the debt service reserve
4 fund requirement established in such resolution or trust indenture, the
5 board shall, on or before January 1 of each year, make and deliver to the
6 governor a certificate stating the sum, if any, required to restore the debt
7 service reserve fund to the reserve fund requirement and, if the project is
8 located partly or wholly outside the state, the percentage of the total value
9 of the project that is located within the state. If the governor determines
10 that the sum of the amount of anticipated general fund revenues for the
11 fiscal year in which the board delivers a certificate to the governor and
12 the amount of available moneys in or to be credited to state funds other
13 than the general fund for the fiscal year are sufficient to allow the general
14 assembly to make general fund appropriations, ~~maintain the four percent~~
15 ~~or higher reserve required by section 24-75-201.1(1)(d), C.R.S. ALLOW~~
16 ~~THE FULL AMOUNT OF GENERAL FUND MONEYS REQUIRED TO BE CREDITED~~
17 ~~TO THE STATE BUDGET STABILIZATION RESERVE FUND CREATED IN~~
18 ~~SECTION 24-75-201.2(3), C.R.S., FOR THE FISCAL YEAR PURSUANT TO SAID~~
19 ~~SECTION TO BE SO CREDITED, and restore the debt service reserve fund to~~
20 ~~the reserve fund requirement, the governor shall transmit to the general~~
21 ~~assembly a request for the amount, if any, required to restore the debt~~
22 ~~service reserve fund to the debt service reserve fund requirement; except~~
23 ~~that, if the project is located partly or wholly outside the state, the~~
24 ~~governor shall transmit to the general assembly only a request for an~~
25 ~~amount equal to the product of the amount, if any, required to restore the~~
26 ~~debt service reserve fund to the debt service reserve fund requirement and~~
27 ~~the percentage of the total value of the project located within the state.~~

1 The general assembly may, but shall not be required to, make any
2 appropriations so requested. All sums appropriated and paid by the
3 general assembly for the restoration shall be deposited by the authority in
4 the debt service reserve fund. Nothing in this section shall create or
5 constitute a debt or liability of the state.

6 **SECTION 13. Effective date.** This act shall take effect June 30,
7 2010.

8 **SECTION 14. 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, and safety.