

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

INTRODUCED

LLS NO. 19-1012.02 Ed Decoke x4216

HOUSE BILL 19-1258

HOUSE SPONSORSHIP

Becker and McCluskie, Bird, Buckner, Buentello, Caraveo, Cutter, Esgar, Exum, Gonzales-Gutierrez, Hansen, Hooton, Jackson, Jaquez Lewis, Kennedy, Kipp, Lontine, McLachlan, Melton, Michaelson Jenet, Mullica, Roberts, Singer, Sirota, Snyder, Sullivan, Tipper, Valdez A., Weissman, Galindo

SENATE SPONSORSHIP

Court and Priola, Fenberg, Gonzales, Moreno, Rodriguez, Story, Todd, Williams A., Winter

House Committees
Finance

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING THE ALLOCATION OF MONEY THAT THE STATE KEEPS**
102 **AND SPENDS AS A RESULT OF A VOTER-APPROVED REVENUE**
103 **CHANGE AT THE 2019 STATEWIDE ELECTION.**

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 bill is contingent on voters approving a related referred measure to annually retain and spend state revenues in excess of the constitutional spending limit. If the measure passes, in years when the state retains and spends revenue under the authority of the measure there will be additional revenue in the general fund exempt account (account).

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.

Section 1 of the bill requires 1/3 of this money in the account to be allocated to each of the purposes approved by voters, which are:

- ! Public schools;
- ! Higher education; and
- ! Roads, bridges, and transit.

The general assembly is required to appropriate the money for public schools and higher education for the state fiscal year after the state retains the revenue under the authority of the voter-approved revenue change, with an exception for the state fiscal year 2018-19. The money appropriated for public schools must be distributed on a per pupil basis and used by public schools only for nonrecurring expenses for the purpose of improving classrooms, and it may not be used as part of a district reserve.

The state treasurer is required to transfer the remaining 1/3 of the money to the highway users tax fund (HUTF) after the state treasurer receives a report certifying the state's TABOR revenues (report). **Section 3** clarifies that the report must include the money that the state keeps and spends as a result of the 2019 measure, and that this amount must be reported separately from the referendum C money in the account.

Under **section 4** the money the state treasurer transfers to the HUTF is allocated 60% to the state highway fund, 22% to counties, and 18% to cities and incorporated towns. Under **section 5** no more than 90% of the money allocated to the state highway fund may be expended for highway purposes or highway-related capital improvements and at least 10% must be expended for transit purposes or for transit-related capital improvements.

Section 2 includes a conforming amendment to ensure that the allocation for the referendum C money does not apply to any new revenue in the account as a result of the 2019 voter approval.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** 24-77-104.7 as
3 follows:

4 **24-77-104.7. General fund exempt account - proposition CC**
5 **revenue - allocation - definition.** (1) MONEY IN THE GENERAL FUND
6 EXEMPT ACCOUNT THAT CORRESPONDS TO THE REVENUE THAT THE STATE
7 RETAINS AND SPENDS IN ACCORDANCE WITH THE VOTERS' APPROVAL OF
8 SECTION 24-77-103.6 (1)(c) IS ALLOCATED IN ONE-THIRD SHARES TO

1 PROVIDE FUNDING FOR EACH OF THE FOLLOWING:

- 2 (a) PUBLIC SCHOOLS;
- 3 (b) HIGHER EDUCATION; AND
- 4 (c) ROADS, BRIDGES, AND TRANSIT.

5 (2) FOR ANY STATE FISCAL YEAR IN WHICH THERE IS MONEY
6 SUBJECT TO THE ALLOCATION IN SUBSECTION (1) OF THIS SECTION:

7 (a) THE STATE TREASURER SHALL TRANSFER ONE-THIRD OF THIS
8 MONEY IN THE GENERAL FUND EXEMPT ACCOUNT FROM THE PRIOR FISCAL
9 YEAR TO THE HIGHWAY USERS TAX FUND CREATED IN SECTION 43-4-201
10 TO BE ALLOCATED IN ACCORDANCE WITH SECTIONS 43-4-205 TO 43-4-208;

11 (b) THE GENERAL ASSEMBLY SHALL APPROPRIATE ONE-THIRD OF
12 THIS MONEY IN THE GENERAL FUND EXEMPT ACCOUNT FOR HIGHER
13 EDUCATION; AND

14 (c) THE GENERAL ASSEMBLY SHALL APPROPRIATE ONE-THIRD OF
15 THIS MONEY IN THE GENERAL FUND EXEMPT ACCOUNT FOR PUBLIC
16 SCHOOLS TO BE DISTRIBUTED ON A PER PUPIL BASIS AND USED ONLY FOR
17 NONRECURRING EXPENSES FOR THE PURPOSE OF IMPROVING CLASSROOMS,
18 SUCH AS INITIATIVES THAT HELP ATTRACT AND RETAIN EDUCATORS,
19 INITIATIVES TO IMPROVE TEACHER TRAINING, AND BOOKS AND
20 TECHNOLOGY FOR STUDENT LEARNING. A DISTRICT SHALL NOT USE MONEY
21 APPROPRIATED UNDER THIS SECTION AS PART OF A DISTRICT RESERVE.

22 (3) (a) EXCEPT AS SET FORTH IN SUBSECTION (3)(b) OF THIS
23 SECTION, THE GENERAL ASSEMBLY SHALL APPROPRIATE MONEY AS
24 REQUIRED BY SUBSECTION (2) OF THIS SECTION FOR THE STATE FISCAL
25 YEAR FOLLOWING THE STATE FISCAL YEAR FOR WHICH THE STATE RETAINS
26 AND SPENDS REVENUE IN ACCORDANCE WITH SECTION 24-77-103.6 (1)(c),
27 AND THE STATE TREASURER SHALL TRANSFER MONEY AS REQUIRED BY

1 SUBSECTION (2)(a) OF THIS SECTION WITHIN THREE BUSINESS DAYS AFTER
2 RECEIVING THE CERTIFICATION FROM THE STATE AUDITOR IN ACCORDANCE
3 WITH SECTION 24-77-106.5 (2) FOR THAT STATE FISCAL YEAR.

4 (b) ON OR BEFORE JANUARY 1, 2020, ANY MONEY IN THE GENERAL
5 FUND THAT WAS RESTRICTED FOR THE PURPOSE OF REFUNDING EXCESS
6 STATE REVENUES FOR THE 2018-19 STATE FISCAL YEAR IS INCLUDED IN
7 THE GENERAL FUND EXEMPT ACCOUNT. THE GENERAL ASSEMBLY MAY
8 APPROPRIATE THE PORTION OF THIS MONEY REQUIRED BY SUBSECTION (2)
9 OF THIS SECTION FOR THE 2019-20 OR 2020-21 STATE FISCAL YEAR. THE
10 STATE TREASURER SHALL TRANSFER THE PORTION OF THIS MONEY
11 REQUIRED BY SUBSECTION (2)(a) OF THIS SECTION ON OR BEFORE JANUARY
12 15, 2020.

13 (4) AS USED IN THIS SECTION, "GENERAL FUND EXEMPT ACCOUNT"
14 MEANS THE GENERAL FUND EXEMPT ACCOUNT CREATED IN SECTION
15 24-77-103.6 (2).

16 **SECTION 2.** In Colorado Revised Statutes, 24-77-104.5, **amend**
17 (1) introductory portion and (1)(b) introductory portion as follows:

18 **24-77-104.5. General fund exempt account - referendum C**
19 **money - specification of uses for health care and education -**
20 **definitions.** (1) The ~~moneys~~ MONEY in the general fund exempt account
21 ~~created in section 24-77-103.6 (2)~~ AS A RESULT OF SECTION 24-77-103.6
22 (1)(b) shall be appropriated or transferred in the following manner:

23 (b) If there ~~are~~ IS any ~~moneys~~ MONEY in the account AS A RESULT
24 OF SECTION 24-77-103.6 (1)(b) after the appropriations or transfers
25 required by ~~paragraph (a) of this subsection (1)~~ SUBSECTION (1)(a) OF THIS
26 SECTION are made, then all ~~moneys~~ MONEY remaining in the account AS
27 A RESULT OF SECTION 24-77-103.6 (1)(c) shall be split equally for the

1 following three purposes:

2 **SECTION 3.** In Colorado Revised Statutes, 24-77-106.5, **amend**
3 (1)(b) and (2); and **add** (4) as follows:

4 **24-77-106.5. Annual financial report - certification of excess**
5 **state revenues.** (1) (b) Notwithstanding section 24-1-136 (11)(a)(I),
6 based upon the financial report prepared in accordance with subsection
7 (1)(a) of this section for any given fiscal year, the controller shall certify
8 to the governor, the general assembly, THE STATE TREASURER, and the
9 executive director of the department of revenue no later than September
10 1 following the end of a fiscal year the amount of state revenues in excess
11 of the limitation on state fiscal year spending imposed by section 20 (7)(a)
12 of article X of the state constitution, if any, for such fiscal year and the
13 state revenues in excess of such limitation that the state is authorized to
14 retain and spend pursuant to voter approval of section 24-77-103.6.

15 (2) Any financial report prepared and certification of state excess
16 revenues made pursuant to subsection (1) of this section shall be audited
17 by the state auditor. No later than September 15 following the
18 certification made by the state controller for any given fiscal year, the
19 state auditor shall report and transmit to the governor, the joint budget
20 committee, the finance committees of the house of representatives and the
21 senate, THE STATE TREASURER, and the executive director of the
22 department of revenue the results of any audit conducted in accordance
23 with this subsection (2).

24 (4) THE STATE REVENUES IN EXCESS OF THE LIMITATION ON STATE
25 FISCAL YEAR SPENDING IMPOSED BY SECTION 20 (7)(a) OF ARTICLE X OF
26 THE STATE CONSTITUTION THAT THE STATE IS AUTHORIZED TO RETAIN AND
27 SPEND PURSUANT TO VOTER APPROVAL OF SECTION 24-77-103.6 INCLUDE

1 THE AMOUNTS THAT THE VOTERS APPROVED AT THE NOVEMBER 2005
2 STATEWIDE ELECTION AND THE NOVEMBER 2019 STATEWIDE ELECTION,
3 WHICH AMOUNTS MUST BE REPORTED SEPARATELY.

4 **SECTION 4.** In Colorado Revised Statutes, 43-4-205, **add** (6.2)
5 as follows:

6 **43-4-205. Allocation of fund.** (6.2) MONEY TRANSFERRED TO
7 THE HIGHWAY USERS TAX FUND IN ACCORDANCE WITH SECTION
8 24-77-104.5 (2)(a) IS ALLOCATED AND MUST BE EXPENDED IN
9 ACCORDANCE WITH THE FORMULA SPECIFIED IN SUBSECTION (6)(b) OF THIS
10 SECTION.

11 **SECTION 5.** In Colorado Revised Statutes, 43-4-206, **amend**
12 (2)(a) introductory portion as follows:

13 **43-4-206. State allocation.** (2) (a) Revenue accrued to and
14 transferred to the highway users tax fund pursuant to section 39-26-123
15 (4)(a) or appropriated to the highway users tax fund pursuant to House
16 Bill 02-1389, enacted at the second regular session of the sixty-third
17 general assembly, and credited to the state highway fund pursuant to
18 ~~section 43-4-205 (6.5)~~ SECTION 43-4-205 (6.2) AND (6.5) shall be
19 expended by the department of transportation for the implementation of
20 the strategic transportation project investment program:

21 **SECTION 6. Effective date.** This act takes effect only if House
22 Bill 19-____ is approved by the voters at the 2019 statewide election and
23 becomes law.

24 **SECTION 7. Safety clause.** The general assembly hereby finds,
25 determines, and declares that this act is necessary for the immediate
26 preservation of the public peace, health, and safety.