

Second Regular Session  
Sixty-eighth General Assembly  
STATE OF COLORADO

INTRODUCED

LLS NO. 12-0562.01 Bob Lackner x4350

SENATE BILL 12-140

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SENATE SPONSORSHIP

**Grantham**, Cadman, Scheffel, Harvey, King S., Lundberg, Neville, Renfroe, Roberts

HOUSE SPONSORSHIP

(None),

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Senate Committees  
Finance

House Committees

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A BILL FOR AN ACT

101 CONCERNING THE ADOPTION OF GENERALLY ACCEPTED ACCOUNTING  
102 PRINCIPLES BY THE GOVERNMENT OF THE STATE.

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**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://www.leg.state.co.us/billssummaries>.)*

The bill requires the state controller, not later than January 1, 2014, to devise and maintain for all of the executive departments and agencies of state government a comprehensive budgeting, accounting, and reporting system in conformity with generally accepted accounting principles applicable to state governments. To guide the executive

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.*

departments and state agencies in their use of this system, contemporaneously with the implementation of the system, the bill requires the controller to publish the components of such system and any applicable standards in an accounting procedures manual.

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

2 **SECTION 1.** In Colorado Revised Statutes, 24-30-201, **add** (3)  
3 as follows:

4 **24-30-201. Accounts and control - controller - declaration.**

5 (3) (a) THE GENERAL ASSEMBLY HEREBY FINDS, DETERMINES, AND  
6 DECLARES THAT:

7 (I) BECAUSE TRADITIONAL FORMS OF ACCOUNTING USED IN STATE  
8 GOVERNMENT GENERALLY DO NOT PROVIDE USEFUL COST INFORMATION  
9 TO GOVERNMENT MANAGERS, SUCH GOVERNMENTS ARE INHIBITED IN  
10 THEIR MISSION TO PROVIDE THE BEST SERVICE TO THE PUBLIC AT THE  
11 LOWEST COST;

12 (II) TRADITIONAL FORMS OF GOVERNMENT ACCOUNTING SHOULD  
13 BE REPLACED WITH A SYSTEM OF ACCOUNTING BASED UPON GENERALLY  
14 ACCEPTED ACCOUNTING PRINCIPLES THAT ARE GENERALLY USED IN THE  
15 PRIVATE SECTOR; AND

16 (III) ARMED WITH THE BETTER COST INFORMATION PROVIDED BY  
17 THE USE OF GENERALLY ACCEPTED ACCOUNTING PRINCIPLES, DEDICATED  
18 GOVERNMENT MANAGERS WILL NOT ONLY BE EMPOWERED TO BECOME  
19 BETTER MANAGERS BUT WILL ALSO FIND AND IMPLEMENT ALTERNATIVE  
20 SERVICE DELIVERY METHODS THAT WILL BRING PREVIOUSLY UNIMAGINED  
21 EFFICIENCIES TO THE DELIVERY OF PUBLIC SERVICES.

22 (b) NOT LATER THAN JANUARY 1, 2014, THE CONTROLLER SHALL  
23 DEVISE AND MAINTAIN FOR ALL OF THE EXECUTIVE DEPARTMENTS AND

1 AGENCIES OF STATE GOVERNMENT A COMPREHENSIVE BUDGETING,  
2 ACCOUNTING, AND REPORTING SYSTEM IN CONFORMITY WITH GENERALLY  
3 ACCEPTED ACCOUNTING PRINCIPLES APPLICABLE TO STATE GOVERNMENTS.  
4 TO GUIDE THE EXECUTIVE DEPARTMENTS AND STATE AGENCIES OF THE  
5 STATE IN THEIR USE OF THIS SYSTEM, CONTEMPORANEOUSLY WITH THE  
6 IMPLEMENTATION OF THE SYSTEM, THE CONTROLLER SHALL PUBLISH THE  
7 COMPONENTS OF SUCH SYSTEM AND ANY APPLICABLE STANDARDS IN AN  
8 ACCOUNTING PROCEDURES MANUAL.

9           **SECTION 2. Act subject to petition - effective date.** This act  
10 takes effect at 12:01 a.m. on the day following the expiration of the  
11 ninety-day period after final adjournment of the general assembly (August  
12 8, 2012, if adjournment sine die is on May 9, 2012); except that, if a  
13 referendum petition is filed pursuant to section 1 (3) of article V of the  
14 state constitution against this act or an item, section, or part of this act  
15 within such period, then the act, item, section, or part will not take effect  
16 unless approved by the people at the general election to be held in  
17 November 2012 and, in such case, will take effect on the date of the  
18 official declaration of the vote thereon by the governor.