

First Regular Session
Sixty-ninth General Assembly
STATE OF COLORADO

DRAFT
9.7.12

BILL 2

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LLS NO. 13-0067.02 Jason Gelender x4330

INTERIM COMMITTEE BILL

Transportation Legislation Review Committee

SHORT TITLE: "Allocation Of Sales & Use Tax Revenues To HUTF"

A BILL FOR AN ACT

101 **CONCERNING THE ALLOCATION OF A PORTION OF FUTURE GROWTH IN**
102 **STATE SALES AND USE TAX REVENUES TO THE HIGHWAY USERS**
103 **TAX 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://www.leg.state.co.us/billsummaries>.)

Transportation Legislation Review Committee. Under current law most net revenue from state sales and use taxes is eventually credited to the general fund. But 2% of total general fund revenues is required to be transferred to the highway users tax fund (HUTF) for 5 consecutive

*Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.*

fiscal years beginning after Colorado personal income increases by 5% or more for a calendar year (Senate Bill 09-228 transfers).

The bill allocates a portion of future state sales and use tax net revenue growth that occurs during fiscal years before the first fiscal year in which Senate Bill 09-228 transfers begin for improvements to state highways, county roads, and municipal streets by requiring the state treasurer to transfer \$10 million per year from the general fund to the HUTF in every such fiscal year following a fiscal year in which state sales and use tax net revenue grew by 1.5% or more. Permanent transfers of \$10 million per year begin, not once, but cumulatively after each such fiscal year in which state sales and use tax net revenue growth of 1.5% or more occurs. The moneys transferred to the HUTF are allocated in accordance with an existing allocation formula as follows: 60% to the state highway fund; 22% to counties; and 18% to municipalities. If sales and use tax net revenue growth decreases by 5% or more in any fiscal year, the total amount of transfers to be made for the next fiscal year and for each fiscal year thereafter is reduced by 5%.

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

2 **SECTION 1.** In Colorado Revised Statutes, 24-75-219, **add** (5)
3 and (6) as follows:

4 **24-75-219. Transfers - transportation - capital construction -**
5 **definitions.** (5) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (6) OF
6 THIS SECTION, FROM THE 2012-13 FISCAL YEAR THROUGH THE FISCAL
7 YEAR IMMEDIATELY PRECEDING THE FIRST FISCAL YEAR FOR WHICH THE
8 STATE TREASURER MAKES TRANSFERS UNDER SUBSECTION (2) OF THIS
9 SECTION, IF THE AMOUNT OF NET REVENUE, AS DEFINED IN SECTION
10 39-26-123 (1)(a), C.R.S., FOR ANY FISCAL YEAR EXCEEDS THE AMOUNT OF
11 NET REVENUE FOR THE PRIOR FISCAL YEAR BY ONE AND ONE-HALF
12 PERCENT OR MORE, IN THE NEXT FISCAL YEAR AND IN EACH SUCCEEDING
13 FISCAL YEAR THE STATE TREASURER SHALL TRANSFER TEN MILLION
14 DOLLARS FROM THE GENERAL FUND TO THE HIGHWAY USERS TAX FUND
15 FOR ALLOCATION TO THE STATE HIGHWAY FUND, COUNTIES, AND
16 MUNICIPALITIES AS SPECIFIED IN SECTION 43-4-205 (6.3), C.R.S. FOR EACH

1 FISCAL YEAR FOR WHICH THE AMOUNT OF NET REVENUE GROWTH
2 REQUIRES THE STATE TREASURER TO MAKE TRANSFERS UNDER THIS
3 SUBSECTION (5), THE STATE TREASURER SHALL MAKE THE FIRST REQUIRED
4 TRANSFER ON THE DATE THE STATE CONTROLLER DISTRIBUTES THE
5 COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE STATE FOR THE
6 FISCAL YEAR. THE STATE TREASURER SHALL MAKE SUBSEQUENT REQUIRED
7 TRANSFERS ON JULY 1 OF EACH SUCCEEDING FISCAL YEAR; EXCEPT THAT
8 THE STATE TREASURER MAY DELAY ANY SUBSEQUENT REQUIRED
9 TRANSFER UNTIL THE DATE THE STATE CONTROLLER DISTRIBUTES THE
10 COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE STATE FOR THE PRIOR
11 FISCAL YEAR IF THE STATE TREASURER IS UNCERTAIN WHETHER OR NOT
12 SUBSECTION (6) OF THIS SECTION WILL REQUIRE A REDUCTION IN THE
13 AMOUNT OF THE TRANSFER.

14 (6) IF THE AMOUNT OF NET REVENUE, AS DEFINED IN SECTION
15 39-26-123 (1) (a), C.R.S., FOR ANY FISCAL YEAR DECLINES BY FIVE
16 PERCENT OR MORE FROM THE PRIOR FISCAL YEAR, THE TOTAL AMOUNT OF
17 TRANSFERS TO BE MADE FOR THE NEXT FISCAL YEAR AND FOR EACH FISCAL
18 YEAR THEREAFTER PURSUANT TO SUBSECTION (5) OF THIS SECTION IS
19 REDUCED BY FIVE PERCENT.

20 **SECTION 2.** In Colorado Revised Statutes, 43-4-205, **amend**
21 (6.3) as follows:

22 **43-4-205. Allocation of fund.** (6.3) Revenues from the
23 surcharges, fees, and fines credited to the highway users tax fund
24 pursuant to ~~section 43-4-804 (1)~~ SECTIONS 24-75-219 (5) AND 43-4-804
25 (1), C.R.S., shall be allocated and expended in accordance with the
26 formula specified in paragraph (b) of subsection (6) of this section.

27 **SECTION 3. Act subject to petition - effective date.** This act

1 takes effect at 12:01 a.m. on the day following the expiration of the
2 ninety-day period after final adjournment of the general assembly; except
3 that, if a referendum petition is filed pursuant to section 1 (3) of article V
4 of the state constitution against this act or an item, section, or part of this
5 act within such period, then the act, item, section, or part will not take
6 effect unless approved by the people at the general election to be held in
7 November 2014 and, in such case, will take effect on the date of the
8 official declaration of the vote thereon by the governor.