

# House Finance Committee Information and Procedures

## Overview

The House Finance Committee considers matters related to a broad range of public finance proposals including legislation that affects the state's revenue and tax structure. The committee also has legislative oversight responsibility for the Department of Revenue, Department of Treasury, and Public Employees' Retirement Agency (PERA). The committee also works with the Governor's Office of State Planning and Budgeting and the Joint Budget Committee.

## Legislative Staff

The following legislative staff are assigned to research issues and draft bills that may appear before the House and Senate Finance Committees.

- *Legislative Council Staff*
  - Katie Ruedebusch, House Finance Committee, [katie.ruedebusch@state.co.us](mailto:katie.ruedebusch@state.co.us), 303-866-3001
  - Kori Donaldson, Senate Finance Committee, [kori.donaldson@state.co.us](mailto:kori.donaldson@state.co.us), 303-866-4976
  - Natalie Mullis, Chief Economist, [natalie.mullis@state.co.us](mailto:natalie.mullis@state.co.us), 303-866-4778
- *Legislative Legal Services*
  - Jason Gelender, Managing Senior Attorney, [jason.gelender@state.co.us](mailto:jason.gelender@state.co.us), 303-866-4330
  - Ed DeCecco, Senior Attorney, [ed.dececco@state.co.us](mailto:ed.dececco@state.co.us), 303-866-4216
  - Esther van Mourik, Senior Attorney, [esther.vanmourik@state.co.us](mailto:esther.vanmourik@state.co.us), 303-866-4215
- *Joint Budget Committee*
  - Alfredo Kemm, Senior Legislative Analyst, [alfredo.kemm@state.co.us](mailto:alfredo.kemm@state.co.us), 303-866-4549 (PERA)
  - Kevin Neimond, Principal Legislative Analyst, [kevin.neimond@state.co.us](mailto:kevin.neimond@state.co.us), 303-866-4958 (Governor's Office)
  - Robin Smart, Legislative Analyst, [robin.smart@state.co.us](mailto:robin.smart@state.co.us), 303-866-4955 (Treasury)
  - Scott Thompson, Legislative Analyst, [scott.thompson@state.co.us](mailto:scott.thompson@state.co.us), 303-866-4957 (Revenue)

## Meeting Times and Locations

The House Finance Committee meets Wednesday afternoons beginning at 1:30 p.m. and Thursday morning upon adjournment. The committee's designated meeting room is LSB-A in the Legislative Services Building. Changes to the committee's regular schedule are announced on the House floor prior to adjournment. Schedule changes will also be posted on Twitter by the committee staff. If you wish to receive Twitter updates, go to <http://twitter.com/cofinancecomm> and follow the committees.

## Joint Finance Committee Meetings

The joint rules of the House and Senate require the House and Senate Finance committees to stay advised of the activities, functions, and budgets of the Department of the Treasury, the Department of Revenue, and PERA. The House Finance Committee meets jointly with the Senate Finance Committee to receive briefings from these departments, the Governor's Office of State

Planning and Budget, and the Joint Budget Committee. The committees will also meet jointly to hear issues related to finance and economic issues in the state. Joint meetings of the House and Senate Finance committees will be held on Thursday mornings upon adjournment of both chambers in LSB-A in the Legislative Services Building.

The SMART Government Act requires the House and Senate Finance committees to hold annual hearings with the Department of Revenue, Department of Treasury, and PERA. At the hearings, the departments must present their annual performance plan, regulatory agenda, and requested budget. The hearing was held December 15, 2014.

## Stakeholders

The following entities are stakeholders that regularly appear before the General Assembly regarding fiscal policy and finance issues:

- *Department of Revenue.* The Department of Revenue collects state taxes, administers the Department of Motor Vehicles, runs the state lottery, and enforces the laws regarding gambling, liquor, tobacco, marijuana, and auto dealers.
- *Department of Treasury.* The Department of the Treasury manages public funds and assets through banking, investment, and accounting services from the time monies are received until distribution. The department's four major functions include public finance, investment, accounts and cash management, and unclaimed property.
- *Public Employees' Retirement Agency (PERA).* PERA is an instrumentality of the state established in 1931 as the retirement plan for public employees. Currently over 500 government agencies and public entities within the State of Colorado, including all Colorado school districts, state judicial systems, and many municipal and local governments, participate in PERA. PERA is governed by a 16-member Board of Trustees, 12 of whom are elected by the membership.
- *Governor's Office of State Planning and Budgeting.* The Governor's Office of State Planning and Budgeting provides information and recommendations to the Governor regarding the state's budget. Generally, the office closely follows the budget during all stages throughout the fiscal year along with developing revenue forecasts.
- *Colorado Municipal League (CML).* CML is a nonprofit, nonpartisan organization providing services and resources to municipal officials in Colorado. The group strives to empower municipal governments to sustain and serve vibrant cities and towns in Colorado. The CML offers advocacy, training, and research services to its members.

## Glossary of Frequently Used Terms

**Cash Fund:** Cash funds are specific funds set up to receive earmarked revenues, such as fees and fines. These funds typically pay for the programs for which the revenues are collected.

**General Fund:** The fund into which general tax revenues, such as state income and sales taxes, are deposited. The General Fund is used to pay, in whole or in part, for state programs that benefit the majority of state citizens and that are not earmarked for a dedicated purpose.

**Home Rule:** Under the Colorado Constitution, Colorado municipalities and counties have home rule powers. Citizens have the right to decide the structure, powers, and functions of the municipality under municipal home rule. For counties under home rule, citizens can decide the administrative form of their county government.

**Income Tax:** A tax imposed on the net taxable income of individuals and businesses, along with estates and trusts. The state's income tax rate is 4.63 percent and is the same for all income levels for both individuals and businesses. The individual income tax is the largest source of General Fund revenue in Colorado.

**Municipality:** A city or town in Colorado incorporated before or after July 3, 1877, whether reorganized or not. Also, any city, town, or city and county which has chosen to adopt a home rule charter.

**Property Tax:** A tax on the value of all property unless declared exempt by the Colorado Constitution. The state property tax system provides revenue exclusively for local government services. The largest share of property tax goes to Colorado public schools with the remainder going to county governments, special districts, municipal governments, and junior colleges.

**Sales Tax:** A tax paid to the state for the sales of goods and services. The state sales tax is equal to 2.9 percent of the sale price of tangible personal property. The tax is usually collected at the point of purchase unless there is a specific exemption.

**Severance Tax:** A tax imposed upon nonrenewable natural resources that are removed from the earth in Colorado. The tax is calculated on the gross income from oil and gas and carbon dioxide production.

**State Revenue:** The state receives its revenue from the federal government, state taxes, and state fees.

**TABOR:** The Taxpayer's Bill of Rights (TABOR) is an amendment to the Colorado Constitution. The amendment restricts state and local governments' ability to increase revenue without voter approval. TABOR restricts state revenues to prior-year revenue increased by state population growth plus inflation.

**Tax Expenditure:** A tax provision that gives individuals and businesses tax credits, deductions, exclusions, exemptions, and/or preferential rates that results in reduced tax revenue for the state. Considered another form of spending, tax expenditures promote the policy goals of the General Assembly by providing favorable tax conditions for certain activities.

**Use Tax:** A tax on all non-exempt tangible personal property that is used, stored, or consumed in the state if the purchaser has not paid state sales tax. The state use tax is 2.9 percent.

### Sources

- *Colorado Revised Statutes*
- *Colorado Joint Budget Committee*
- *Department of Revenue*
- *Department of Local Affairs, Division of Local Government*
- *Department of Local Affairs, Division of Property Taxation*