

First Extraordinary Session  
Seventy-fifth General Assembly  
STATE OF COLORADO

INTRODUCED

LLS NO. 25B-0034.01 Conrad Imel x2313

HOUSE BILL 25B-1016

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HOUSE SPONSORSHIP

Taggart,

SENATE SPONSORSHIP

Kirkmeyer,

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House Committees  
Appropriations

Senate Committees

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A BILL FOR AN ACT

101      **CONCERNING PROCEDURES FOR THE GOVERNOR TO REDUCE SPENDING**  
102           **WHEN THERE IS A REDUCTION IN REVENUE TO THE STATE, AND,**  
103           **IN CONNECTION THEREWITH, REQUIRING THE GOVERNOR TO**  
104           **REDUCE SPENDING BASED ON INTERIM REVENUE ESTIMATES AND**  
105           **TO NOTIFY AND CONSULT WITH THE JOINT BUDGET COMMITTEE**  
106           **WHEN IMPLEMENTING A SPENDING REDUCTION PLAN, AND**  
107           **REQUIRING THE GOVERNOR AND THE LEGISLATIVE COUNCIL**  
108           **STAFF TO PRESENT ANY UPDATED REVENUE ESTIMATES TO THE**  
109           **JOINT BUDGET COMMITTEE.**

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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*

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.  
Capital letters or bold & italic numbers indicate new material to be added to existing law.  
Dashes through the words or numbers indicate deletions from existing law.

*applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)*

Under existing law, the governor is permitted to, by executive order, suspend or discontinue the functions or services of state government for 3 months when there are not sufficient revenues available to carry on the functions of the state government. The governor may extend the executive order every 3 months. The bill requires the governor to formulate a spending reduction plan (discretionary spending reduction plan) if the governor extends the initial executive order. The governor and the office of state planning and budgeting (OSPB) shall present the discretionary spending reduction plan to the joint budget committee (JBC) at a JBC meeting and consult with the JBC about the plan. The heads of departments included in the discretionary spending reduction plan shall be available at the JBC meeting to respond to questions from the JBC.

Under existing law, the governor is required to formulate and implement a plan to reduce general fund expenditures (required spending reduction plan) when the governor's regular quarterly revenue estimate indicates that appropriations from the general fund then in effect will result in either using more than one-half of the required amount of general fund reserve (reserve) or the balance of the reserve dropping to below \$1 billion. In addition to the regular quarterly revenue estimate trigger, the bill adds as a required spending reduction trigger for the governor that an interim revenue estimate prepared by the governor indicates the same. The bill requires the governor and OSPB to present a required spending reduction plan to the JBC at a JBC meeting and consult with the JBC about the required spending reduction plan before implementing the plan. The heads of departments included in the required spending reduction plan shall be available at the JBC meeting to respond to questions from the JBC.

The bill requires the director of OSPB and the chief economist of the legislative council staff to present to the JBC any interim revenue estimates made by their respective agencies.

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

2           **SECTION 1.** In Colorado Revised Statutes, 24-2-102, **amend** (4)  
3 as follows:

4           **24-2-102. Appointment of officers and employees.** (4) (a) If,  
5 during any fiscal ~~period~~ YEAR, THE GOVERNOR DETERMINES THAT there  
6 are not, OR WILL NOT BE, sufficient revenues available for expenditure

1 during ~~such period~~ THE FISCAL YEAR to carry on the functions of the state  
2 government and to support its agencies and institutions, ~~and such fact is~~  
3 ~~made to appear to the governor~~, THE GOVERNOR MAY, in the exercise of  
4 ~~his~~ THE GOVERNOR'S discretion, by executive order, ~~he may~~ suspend or  
5 discontinue, in whole or in part, the functions or services of any  
6 department, board, bureau, or agency of the state government; except that  
7 the authority of the governor to restrict the expenditure of ~~moneys~~ MONEY  
8 appropriated from the capital construction fund ~~shall~~ MUST be determined  
9 ~~by the provisions of~~ IN ACCORDANCE WITH THE REQUIREMENTS IN section  
10 24-75-201.5.

11 (b) ~~Such~~ A discontinuance or suspension ~~shall become~~ MADE  
12 PURSUANT TO THIS SUBSECTION (1) BECOMES effective upon the first day  
13 of the calendar month following the entry of ~~such~~ THE executive order  
14 and ~~shall~~ MAY continue for ~~such~~ A period of time, not to exceed three  
15 months, as ~~shall be determined by such~~ SET FORTH IN THE executive order.

16 (c) (I) If, ~~during any such period of time it again appears to~~ WHEN  
17 AN EXECUTIVE ORDER ISSUED BY THE GOVERNOR PURSUANT TO THIS  
18 SECTION IS IN EFFECT, the governor DETERMINES that ~~such~~ THE deficiency  
19 of revenues ~~still persists, from time to time, he~~ THE GOVERNOR may  
20 extend the operation of ~~such~~ THE executive order for a ~~like~~ period of time  
21 not to exceed three ~~months, but~~ MONTHS.

22 (II) IF THE GOVERNOR EXTENDS THE OPERATION OF AN EXECUTIVE  
23 ORDER PURSUANT TO SUBSECTION (4)(c)(I) OF THIS SECTION, THE  
24 GOVERNOR SHALL FORMULATE A PLAN FOR REDUCING GENERAL FUND  
25 EXPENDITURES. THE GOVERNOR SHALL PROMPTLY NOTIFY THE GENERAL  
26 ASSEMBLY OF THE PLAN. WITHIN TWENTY-EIGHT DAYS AFTER EXTENSION  
27 OF THE EXECUTIVE ORDER PURSUANT TO SUBSECTION (4)(c)(I) OF THIS

1 SECTION, THE JOINT BUDGET COMMITTEE SHALL HOLD A MEETING TO  
2 CONSULT WITH THE GOVERNOR ABOUT THE PLAN. THE GOVERNOR OR THE  
3 OFFICE OF STATE PLANNING AND BUDGETING, OR BOTH, SHALL ATTEND THE  
4 JOINT BUDGET COMMITTEE MEETING TO PRESENT THE PLAN AND CONSULT  
5 WITH THE COMMITTEE. THE HEAD OF ANY DEPARTMENT INCLUDED IN THE  
6 GOVERNOR'S PLAN, OR THE DEPARTMENT HEAD'S DESIGNEE, SHALL BE  
7 AVAILABLE AT THE MEETING, INCLUDING BEING AVAILABLE REMOTELY IF  
8 NECESSARY, TO RESPOND TO QUESTIONS FROM THE JOINT BUDGET  
9 COMMITTEE.

10 (d) The state ~~shall not be~~ IS NOT liable for the payment of any  
11 claim for salaries or expenses SUBJECT TO A SUSPENSION OR  
12 DISCONTINUATION PURSUANT TO THIS SUBSECTION (1) purporting to have  
13 accrued against any ~~such~~ department, board, bureau, or agency during any  
14 ~~such~~ period of THE suspension OR DISCONTINUATION, and the controller  
15 shall not issue ~~nor may~~ AND the state treasurer SHALL NOT honor any  
16 warrant therefor.

17 (e) Elective officers shall not be subject to the provisions of this  
18 ~~article~~ ARTICLE 2, parts 2 and 11 of article 30, and articles 31, 35, 36, and  
19 101 to 111 of this ~~title~~ TITLE 24.

20 **SECTION 2.** In Colorado Revised Statutes, 24-75-201.5, **amend**  
21 (1) as follows:

22 **24-75-201.5. Revenue shortfalls - required actions by the**  
23 **governor with respect to the reserve - definition.** (1) (a) Whenever the  
24 revenue estimate for the current fiscal year, prepared BY THE GOVERNOR  
25 in accordance with section 24-75-201.3 (2), OR AN INTERIM REVENUE  
26 ESTIMATE PREPARED BY THE GOVERNOR, indicates that general fund  
27 expenditures for ~~such~~ THAT fiscal year based on appropriations then in

1 effect will result in the use of one-half or more of the reserve required by  
2 section 24-75-201.1 (1)(d), the governor shall formulate a plan for  
3 reducing ~~such~~ general fund expenditures so that ~~said~~ THE reserve, as of  
4 the close of the fiscal year, will be at least one-half of the amount  
5 required by ~~said~~ section 24-75-201.1 (1)(d). The governor shall promptly  
6 notify the general assembly of the plan. AS SOON AS PRACTICABLE AFTER  
7 RECEIVING THE NOTIFICATION, THE JOINT BUDGET COMMITTEE SHALL  
8 HOLD A MEETING TO CONSULT WITH THE GOVERNOR ABOUT THE PLAN. THE  
9 GOVERNOR OR THE OFFICE OF STATE PLANNING AND BUDGETING, OR BOTH,  
10 SHALL ATTEND THE JOINT BUDGET COMMITTEE MEETING TO PRESENT THE  
11 PLAN AND CONSULT WITH THE COMMITTEE. THE HEAD OF ANY  
12 DEPARTMENT INCLUDED IN THE GOVERNOR'S PLAN, OR THE DEPARTMENT  
13 HEAD'S DESIGNEE, SHALL BE AVAILABLE AT THE MEETING, INCLUDING  
14 BEING AVAILABLE REMOTELY IF NECESSARY, TO RESPOND TO QUESTIONS  
15 FROM THE JOINT BUDGET COMMITTEE. AFTER THE JOINT BUDGET  
16 COMMITTEE MEETING, the ~~plan shall be promptly implemented by the~~  
17 governor SHALL PROMPTLY IMPLEMENT THE PLAN using the procedures set  
18 forth in section 24-2-102 (4) or 24-50-109.5 or any other lawful means.

19 ~~(b) to (g) Repealed.~~

20 ~~(h)~~ (b) Whenever the revenue estimate for the current fiscal year,  
21 prepared BY THE GOVERNOR in accordance with section 24-75-201.3 (2),  
22 OR AN INTERIM REVENUE ESTIMATE PREPARED BY THE GOVERNOR,  
23 indicates that general fund expenditures for that fiscal year based on  
24 appropriations then in effect will result in the use of an amount of the  
25 reserve required by section 24-75-201.1 (1)(d) that would result in that  
26 reserve equaling less than one billion dollars, the governor shall formulate  
27 a plan for reducing ~~such~~ general fund expenditures so that ~~said~~ THE

1 reserve, as of the close of the fiscal year, will be at least one billion  
2 dollars. The governor shall promptly notify the general assembly of the  
3 plan. ~~and~~ AS SOON AS PRACTICABLE AFTER RECEIVING THE NOTIFICATION,  
4 THE JOINT BUDGET COMMITTEE SHALL HOLD A MEETING TO CONSULT WITH  
5 THE GOVERNOR ABOUT THE PLAN. THE GOVERNOR AND THE OFFICE OF  
6 STATE PLANNING AND BUDGETING SHALL ATTEND THE JOINT BUDGET  
7 COMMITTEE MEETING TO PRESENT THE PLAN AND CONSULT WITH THE  
8 COMMITTEE. AFTER THE JOINT BUDGET COMMITTEE MEETING, THE  
9 GOVERNOR SHALL promptly implement the plan in accordance with  
10 section 24-2-102 (4) or 24-50-109.5 or any other lawful means.

11 (c) AS USED IN THIS SUBSECTION (1), "INTERIM REVENUE ESTIMATE  
12 PREPARED BY THE GOVERNOR" MEANS AN UPDATED REVENUE ESTIMATE  
13 IN THE TIME BETWEEN TWO ESTIMATES MADE BY THE GOVERNOR  
14 PURSUANT TO SECTION 24-75-201.3 (2), WHICH INTERIM ESTIMATE IS  
15 PREPARED BY THE GOVERNOR, DESIGNATED BY THE GOVERNOR AS AN  
16 INTERIM REVENUE ESTIMATE THAT IS AN UPDATE TO THE MOST RECENT  
17 PRIOR REVENUE ESTIMATE, TRANSMITTED TO THE GENERAL ASSEMBLY,  
18 AND PRESENTED AT A MEETING OF THE JOINT BUDGET COMMITTEE AS AN  
19 INTERIM REVENUE ESTIMATE THAT IS AN UPDATE TO THE MOST RECENT  
20 PRIOR REVENUE ESTIMATE.

21 **SECTION 3.** In Colorado Revised Statutes, 24-75-201.3, **add** (3)  
22 as follows:

23 **24-75-201.3. Procedures relating to revenue estimates.** (3) IF  
24 THE GOVERNOR ISSUES AN INTERIM REVENUE ESTIMATE IN THE TIME  
25 BETWEEN TWO ESTIMATES MADE PURSUANT TO SUBSECTION (2) OF THIS  
26 SECTION OR THE LEGISLATIVE COUNCIL STAFF ISSUES AN INTERIM REVENUE  
27 ESTIMATE BETWEEN ITS REGULARLY ISSUED QUARTERLY REVENUE

1 ESTIMATES, THE JOINT BUDGET COMMITTEE SHALL HOLD A MEETING AS  
2 SOON AS PRACTICABLE AFTER THE ISSUANCE OF THE INTERIM REVENUE  
3 ESTIMATE TO HEAR A PRESENTATION OF THE INTERIM REVENUE ESTIMATE.  
4 IF THE GOVERNOR ISSUED AN INTERIM REVENUE ESTIMATE, THE DIRECTOR  
5 OF THE OFFICE OF STATE PLANNING AND BUDGETING SHALL PRESENT THE  
6 INTERIM ESTIMATE TO THE JOINT BUDGET COMMITTEE. IF THE LEGISLATIVE  
7 COUNCIL STAFF ISSUED AN INTERIM REVENUE ESTIMATE, THE CHIEF  
8 ECONOMIST OF THE LEGISLATIVE COUNCIL STAFF SHALL PRESENT THE  
9 INTERIM ESTIMATE TO THE JOINT BUDGET COMMITTEE. IF BOTH THE  
10 GOVERNOR AND THE LEGISLATIVE COUNCIL STAFF ISSUED INTERIM  
11 REVENUE ESTIMATES, THE JOINT BUDGET COMMITTEE MAY HEAR  
12 PRESENTATIONS ABOUT EACH ESTIMATE AT THE SAME MEETING.

13 **SECTION 4. Applicability.** This act applies to executive orders  
14 issued, plans formulated, and revenue estimates and interim revenue  
15 estimates made on or after the effective date of this act.

16 **SECTION 5. Safety clause.** The general assembly finds,  
17 determines, and declares that this act is necessary for the immediate  
18 preservation of the public peace, health, or safety or for appropriations for  
19 the support and maintenance of the departments of the state and state  
20 institutions.