

First Regular Session  
Seventy-fourth General Assembly  
STATE OF COLORADO

DRAFT  
12.30.22

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LLS NO. 23-0212.01 Nicole Myers x4326

HOUSE BILL

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**BILL TOPIC:** "Retain Excess State Revenues For Public Education"

**DEADLINES:** Finalize by: DEC 29, 2022 File by: JAN 4, 2023

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A BILL FOR AN ACT

101 CONCERNING PROVIDING ADDITIONAL FUNDING FOR PRESCHOOL  
102 THROUGH TWELFTH GRADE PUBLIC EDUCATION BY  
103 AUTHORIZING THE STATE TO RETAIN AND SPEND ALL STATE  
104 REVENUES ABOVE THE AMOUNT THE STATE IS CURRENTLY  
105 AUTHORIZED TO RETAIN AND SPEND, AND, IN CONNECTION  
106 THEREWITH, REQUIRING THE ADDITIONAL STATE REVENUES  
107 RETAINED, LESS THE AMOUNTS NEEDED TO REIMBURSE LOCAL  
108 GOVERNMENTS FOR THE SENIOR AND DISABLED VETERANS  
109 PROPERTY TAX EXEMPTIONS AND TO MAKE REQUIRED DEPOSITS  
110 TO THE STATE AFFORDABLE HOUSING FUND, TO BE DEPOSITED IN  
111 THE STATE EDUCATION FUND AND USED, IN ADDITION TO  
112 AMOUNTS CURRENTLY APPROPRIATED FOR PUBLIC EDUCATION,  
113 TO ATTRACT, RETAIN, AND COMPENSATE TEACHERS AND

*Capital letters or bold & italic numbers indicate new material to be added to existing statute.  
Dashes through the words indicate deletions from existing statute.*

**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 Taxpayers' Bill of Rights (TABOR) limits the amount of state revenues that the state is permitted to retain and spend or save for each fiscal year. TABOR requires that state revenues collected above the limit for a fiscal year be refunded to the taxpayers in the following fiscal year; except that, the state may retain such revenues to the extent authorized by the voters of the state. In 2005, the voters of the state authorized the retention of state revenues in excess of the TABOR limit on state fiscal year spending, up to a specified cap (excess state revenues cap). Currently, there are three TABOR refund mechanisms in state law to refund state revenues that are above the excess state revenues cap: a property tax exemption reimbursement, a temporary income tax rate reduction, and a six-tier sales tax refund.

The bill refers to the voters of the state a measure that:

- For any fiscal year beginning on or after July 1, 2023, authorizes the state to retain and spend all state revenues above the excess state revenues cap;
- Requires all state revenues retained above the excess state revenues cap, less the amounts needed to reimburse local governments for the senior and disabled veterans property tax exemptions and then to make required deposits to the state affordable housing fund, to be deposited in the state education fund and used, in addition to amounts currently appropriated for public education, to attract, retain, and compensate teachers and student support staff; and
- Requires the director of research of the legislative council to prepare a report regarding the state revenues that the state retained above the excess state revenues cap.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** 24-77-103.1 as  
3 follows:

1           **24-77-103.1. Retention of state revenues above the excess state**  
2           **revenue cap - state education fund - legislative declaration.**

3           (1) (a) THE GENERAL ASSEMBLY HEREBY FINDS AND DECLARES THAT:

4                 (I) A STRONG SYSTEM OF PUBLIC EDUCATION IS REQUIRED BY THE  
5           STATE CONSTITUTION AND CREATES THE FOUNDATION FOR INDIVIDUAL  
6           OPPORTUNITY, STRONG COMMUNITIES, A WELL-PREPARED WORKFORCE, A  
7           VIBRANT DEMOCRACY, AND A THRIVING, RESILIENT ECONOMY;

8                 (II) IN SCHOOL DISTRICTS ACROSS COLORADO, COMMUNITIES  
9           EXPRESS THEIR HOPES, DREAMS, PRIORITIES, AND ASPIRATIONS FOR THE  
10          FUTURE THROUGH THE PUBLIC SCHOOLS THEY SUPPORT, AND THOSE  
11          PUBLIC SCHOOLS ARE FOUNDATIONAL TO THE ECONOMIC AND CIVIC  
12          HEALTH OF THEIR COMMUNITIES;

13                (III) PARENTS AND COMMUNITY MEMBERS ACROSS COLORADO, IN  
14          RURAL, SUBURBAN, AND URBAN SCHOOL DISTRICTS ALIKE, CARE DEEPLY  
15          ABOUT THE QUALITY OF THEIR SCHOOLS AND UNDERSTAND THAT:

16                (A) THE KEY TO SCHOOLS' SUCCESS IS HAVING WELL-SUPPORTED  
17          TEAMS OF CARING, QUALIFIED, AND CAPABLE ADULTS, WHO TOGETHER  
18          CAN MEET THE ACADEMIC, EMOTIONAL, AND SOCIAL NEEDS OF ALL OF THE  
19          STATE'S DIVERSE LEARNERS;

20                (B) COLORADO'S SCHOOL FUNDING SYSTEM IS UNDERFUNDED AND  
21          NOT CURRENTLY UP TO THE TASK OF ATTRACTING, RETAINING, AND  
22          PROPERLY COMPENSATING THE TEACHERS, EDUCATORS, AND STUDENT  
23          SUPPORT STAFF THAT EACH AND EVERY PUBLIC SCHOOL NEEDS TO ENSURE  
24          THAT EVERY STUDENT CAN THRIVE. WHETHER TEACHER SALARIES ARE  
25          MEASURED IN COMPARISON TO THE COST OF LIVING OR IN COMPARISON TO  
26          THE SALARIES OF COMPARABLE PROFESSIONS, COLORADO RANKS AMONG  
27          THE BOTTOM FIVE STATES.

1           (C) COLORADO'S GROWING TEACHER AND SUPPORT STAFF  
2 SHORTAGE IS, IN PART, DUE TO THIRTEEN YEARS OF REQUIRED BUDGET  
3 CUTS, CUMULATIVELY RESULTING IN STATE FUNDING LEVELS THAT ARE  
4 TEN BILLION DOLLARS BELOW THE AMOUNT NECESSARY TO KEEP UP WITH  
5 INFLATION AND STUDENT GROWTH. THE GENERAL ASSEMBLY  
6 IMPLEMENTED THESE BUDGET CUTS THROUGH THE ENACTMENT OF THE  
7 BUDGET STABILIZATION FACTOR, FIRST APPLIED FOR THE 2010-11 FISCAL  
8 YEAR.

9           (D) BECAUSE OF THOSE BUDGET CUTS, SCHOOL DISTRICTS HAVE  
10 HAD TO MAKE DIFFICULT CHOICES THAT HAVE RESULTED IN LARGER CLASS  
11 SIZES, UNFILLED TEACHING AND SUPPORT POSITIONS, REDUCED PHYSICAL  
12 AND MENTAL HEALTH SUPPORT, LIMITED CURRICULAR OPTIONS,  
13 INCREASED FEES AND COSTS, DECLINING INDIVIDUAL ATTENTION,  
14 REDUCED CLASSROOM HOURS, AND LESS FUNDING FOR TEACHER SALARIES.  
15 AN INCREASING NUMBER OF TEACHERS ARE LEAVING THE PROFESSION  
16 BECAUSE MORE MONEY AND LESS STRESS CAN BE FOUND IN OTHER  
17 CAREERS; AND

18           (E) COLORADO HAS A UNIQUE OPPORTUNITY TO SUPPORT OUR  
19 STUDENTS AND TEACHERS WITHOUT RAISING TAXES BY COMMITTING  
20 CURRENT REVENUES THAT THE STATE IS NOT ALLOWED TO SPEND WITHOUT  
21 VOTER APPROVAL;

22           (IV) THE IMPLEMENTATION OF THE BUDGET STABILIZATION  
23 FACTOR HAS CREATED A DEBT OWED TO THE STUDENTS OF COLORADO,  
24 AND REPAYING THAT DEBT IS A CRITICAL PRIORITY OF THE GENERAL  
25 ASSEMBLY;

26           (V) IN THE 2020-21, 2021-22, AND 2022-23 STATE FISCAL YEARS,  
27 FUNDING FOR THE "PUBLIC SCHOOL FINANCE ACT OF 1994" WAS

1 SUPPLEMENTED WITH ONE-TIME APPROPRIATIONS OF FEDERAL STIMULUS  
2 DOLLARS RELATED TO THE COVID-19 PANDEMIC THAT THE GENERAL  
3 ASSEMBLY PLACED IN RESERVE IN THE STATE EDUCATION FUND.  
4 HOWEVER, SCHOOL FUNDING IN SUBSEQUENT FISCAL YEARS WILL BE  
5 IMPERILED WITHOUT AN ADDITIONAL REVENUE STREAM.

6 (VI) UNLESS THE GENERAL ASSEMBLY AND THE VOTERS OF THE  
7 STATE ACT WITHIN TWO YEARS, MAINTAINING EVEN THE CURRENT LEVEL  
8 OF SCHOOL FUNDING WILL BECOME IMPOSSIBLE WITHOUT SIGNIFICANT  
9 CUTS TO OTHER CRITICAL STATE SERVICES AND INVESTMENTS;

10 (VII) OVER THE COURSE OF TIME, EVEN WITH CYCLICAL ECONOMIC  
11 DOWNTURNS, THE REVENUES THAT THE STATE GENERATES UNDER  
12 CURRENT TAX AND FEE RATES WILL EXCEED BOTH THE CONSTITUTIONAL  
13 LIMIT ON WHAT THE STATE IS ALLOWED TO RETAIN WITHOUT VOTER  
14 APPROVAL AND THE AMOUNT OF STATE REVENUES ABOVE THAT LIMIT BUT  
15 BELOW THE EXCESS STATE REVENUES CAP THAT THE VOTERS OF THE STATE  
16 HAVE ALREADY AUTHORIZED THE STATE TO RETAIN; AND

17 (VIII) WITHOUT RAISING TAXES, THIS SOURCE OF ADDITIONAL  
18 ONGOING REVENUES WILL ALLOW SCHOOL DISTRICTS TO SUPPORT  
19 STUDENTS AND STAFF, REGAIN STABILITY WITHIN COMMUNITIES, AND  
20 BUILD PROGRAMS AND SUPPORTS FOR STUDENTS WHO HAVE SUFFERED  
21 FROM THE LONG-TERM DISRUPTIONS, HARDSHIPS, AND CHALLENGES  
22 RESULTING FROM THE COVID-19 PANDEMIC AND ITS AFTERMATH.

23 (b) THE GENERAL ASSEMBLY FURTHER FINDS AND DECLARES THAT:

24 (I) COLORADO VOTERS CARE ABOUT AND SUPPORT PUBLIC  
25 EDUCATION. AS SUCH, THEY SHOULD HAVE THE OPPORTUNITY TO ACT  
26 UPON THOSE VALUES. THIS REFERRED MEASURE GIVES VOTERS THE  
27 CHANCE THEY DESERVE TO DETERMINE THE FUTURE OF OUR STATE, OUR

1 COMMUNITIES, OUR STUDENTS, AND OUR PUBLIC SCHOOLS.

2 (II) PASSAGE OF THIS REFERRED MEASURE WILL BE A SHORT-TERM  
3 SOLUTION TO HELP REBUILD THE ERODING FOUNDATIONS OF STATE SCHOOL  
4 FUNDING BY MAKING ADDITIONAL FUNDING AVAILABLE TO HELP OUR  
5 STUDENTS AND SCHOOLS UNTIL A LONG-TERM SOLUTION CAN BE  
6 OBTAINED; AND

7 (III) IN CONNECTION WITH SUCH ADDITIONAL DEDICATION OF  
8 REVENUES, THE PEOPLE ARE ENTITLED TO FULL ACCOUNTABILITY FROM  
9 THE STATE REGARDING THE SPECIFIC USES AND APPLICATIONS TO WHICH  
10 SUCH ADDITIONAL REVENUES ARE APPLIED AND THE MANNER IN WHICH  
11 THE DOLLARS HAVE SUPPLEMENTED, RATHER THAN SUPPLANTED, EXISTING  
12 STATE SCHOOL FUNDING EXPENDITURES.

13 (2) NOTWITHSTANDING ANY PROVISION OF LAW TO THE  
14 CONTRARY, FOR EACH FISCAL YEAR BEGINNING ON OR AFTER JULY 1, 2023,  
15 THE STATE IS AUTHORIZED TO RETAIN AND SPEND ALL STATE REVENUES,  
16 AS DEFINED IN SECTION 24-77-103.6 (6)(c), ABOVE THE EXCESS STATE  
17 REVENUES CAP, AS DEFINED IN SECTION 24-77-103.6 (6)(b)(I), FOR THE  
18 GIVEN FISCAL YEAR. ALL OF THE STATE REVENUES RETAINED ABOVE THE  
19 EXCESS STATE REVENUES CAP PURSUANT TO THIS SECTION SHALL BE  
20 DEPOSITED IN THE STATE EDUCATION FUND, CREATED IN SECTION 17(4) OF  
21 ARTICLE IX OF THE STATE CONSTITUTION, AND USED FOR THE PURPOSES  
22 SPECIFIED IN SUBSECTION (4) OF THIS SECTION, LESS:

23 (a) THE AMOUNT REQUIRED FOR PROPERTY TAX EXEMPTION  
24 REIMBURSEMENT AS SPECIFIED IN SECTION 39-3-209 (2); AND

25 (b) THE AMOUNT REQUIRED TO BE DEPOSITED INTO THE STATE  
26 AFFORDABLE HOUSING FUND AS REQUIRED BY SECTION 29-32-102 (1).

27 (3) THE APPROVAL OF THIS SECTION BY THE REGISTERED ELECTORS

1 OF THE STATE VOTING ON THE ISSUE AT THE NOVEMBER 2023 STATEWIDE  
2 ELECTION CONSTITUTES A VOTER-APPROVED REVENUE CHANGE TO ALLOW  
3 THE RETENTION AND EXPENDITURE OF ALL STATE REVENUES ABOVE THE  
4 EXCESS STATE REVENUES CAP.

5 (4) (a) STATE REVENUES DEPOSITED IN AND APPROPRIATED FROM  
6 THE STATE EDUCATION FUND PURSUANT TO THIS SECTION SHALL BE USED  
7 TO SUPPLEMENT, AND NOT SUPPLANT, THE LEVEL OF GENERAL FUND AND  
8 STATE EDUCATION FUND APPROPRIATIONS FOR PRESCHOOL THROUGH  
9 TWELFTH GRADE PUBLIC EDUCATION EXISTING FOR THE 2023-24 STATE  
10 FISCAL YEAR, AND SHALL BE DEDICATED SPECIFICALLY TO EFFORTS TO  
11 ATTRACT, RETAIN, AND COMPENSATE TEACHERS AND STUDENT SUPPORT  
12 STAFF.

13 (b) AS USED IN THIS SECTION, "STUDENT SUPPORT STAFF" MEANS  
14 ANY EMPLOYEE WHO PROVIDES SERVICES OR SUPPORT TO STUDENTS IN  
15 COLORADO PUBLIC SCHOOLS.

16 (5) (a) FOR EACH FISCAL YEAR FOR WHICH THE STATE RETAINS AND  
17 SPENDS STATE REVENUES ABOVE THE EXCESS STATE REVENUES CAP  
18 PURSUANT TO THIS SECTION, THE DIRECTOR OF RESEARCH OF THE  
19 LEGISLATIVE COUNCIL SHALL PREPARE A REPORT THAT INCLUDES THE  
20 AMOUNT OF STATE REVENUES THAT THE STATE RETAINED PURSUANT TO  
21 THIS SECTION, THE AMOUNT OF STATE REVENUES DEPOSITED IN THE STATE  
22 EDUCATION FUND PURSUANT TO THIS SECTION, AND A DESCRIPTION OF THE  
23 PURPOSES FOR WHICH THE GENERAL ASSEMBLY EXPENDED THE MONEY  
24 DEPOSITED IN THE STATE EDUCATION FUND PURSUANT TO THIS SECTION.

25 (b) THE REPORT REQUIRED BY THIS SUBSECTION (5) SHALL BE  
26 COMPLETED BY OCTOBER 15 OF THE FISCAL YEAR FOLLOWING A FISCAL  
27 YEAR FOR WHICH THE STATE RETAINS AND SPENDS STATE REVENUES

1 ABOVE THE EXCESS STATE REVENUES CAP AND MAY BE AMENDED  
2 THEREAFTER AS NECESSARY. THE DIRECTOR OF RESEARCH SHALL PUBLISH  
3 AND LINK A COPY OF THE REPORT TO THE OFFICIAL WEBSITE OF THE  
4 GENERAL ASSEMBLY.

5 **SECTION 1.** In Colorado Revised Statutes, 22-55-102, **amend**  
6 (13) as follows:

7 **22-55-102. Definitions.** As used in this article 55, unless the  
8 context otherwise requires:

9 (13) "State education fund revenues" means revenues collected  
10 from a tax of one-third of one percent on federal taxable income, as  
11 modified by law, of every individual, estate, trust, and corporation, as  
12 defined in law, that are required to be transferred to the state education  
13 fund pursuant to section 17 (4)(a) of article IX of the state constitution.

14 "STATE EDUCATION FUND REVENUES" ALSO MEANS STATE REVENUES  
15 ABOVE THE EXCESS STATE REVENUES CAP, AS DEFINED IN SECTION  
16 24-77-103.6 (6)(b)(I), THAT THE STATE IS AUTHORIZED TO RETAIN AND  
17 SPEND AND THAT ARE REQUIRED TO BE DEPOSITED IN THE STATE  
18 EDUCATION FUND PURSUANT TO SECTION 24-77-103.41 (2).

19 **SECTION 2.** In Colorado Revised Statutes, **add** 39-22-2005 as  
20 follows:

21 **39-22-2005. Repeal.** THIS PART 20 IS REPEALED, EFFECTIVE JULY  
22 1, 2028.

23 **SECTION 3. Refer to people under referendum.** At the  
24 election held on November 7, 2023, the secretary of state shall submit this  
25 act by its ballot title to the registered electors of the state for their  
26 approval or rejection. Each elector voting at the election may cast a vote  
27 either "Yes/For" or "No/Against" on the following ballot title: "Without



1 raising taxes, shall there be a change to the Colorado Revised Statutes  
2 concerning providing additional funding for preschool through twelfth  
3 grade public education by authorizing the state to retain and spend all  
4 state revenues above the amount the state is currently authorized to retain  
5 and spend, \_\_\_\_\_ and, in connection therewith, requiring the additional  
6 state revenues retained, less the amounts needed to reimburse local  
7 governments for the senior and disabled veterans property tax exemptions  
8 and to make required deposits to the state affordable housing fund, to be  
9 deposited in the state education fund and used, in addition to amounts  
10 currently appropriated for public education, to attract, retain, and  
11 compensate teachers and student support staff?" Except as otherwise  
12 provided in section 1-40-123, Colorado Revised Statutes, if a majority of  
13 the electors voting on the ballot title vote "Yes/For", then the act will  
14 become part of the Colorado Revised Statutes.