

**First Regular Session
Seventy-fourth General Assembly
STATE OF COLORADO**

REREVISED

*This Version Includes All Amendments
Adopted in the Second House*

LLS NO. 23-0484.01 Alison Killen x4350

HOUSE BILL 23-1087

HOUSE SPONSORSHIP

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SENATE SPONSORSHIP

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A BILL FOR AN ACT

101 **CONCERNING A REQUIREMENT THAT THE STATE CONTROLLER**
102 **PROMULGATE FISCAL RULES GOVERNING ADVANCE PAYMENT**
103 **FOR THE PURCHASE OF STATE AGRICULTURAL PRODUCTS BY A**
104 **CHARITABLE FOOD ORGANIZATION USING STATE GRANT MONEY.**

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 state's fiscal rules (rules) generally prohibit payment prior to the receipt and acceptance of goods or the completion and acceptance of services (advance payment). However, the rules contain exceptions

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.

SENATE
3rd Reading Unamended
March 10, 2023

SENATE
2nd Reading Unamended
March 9, 2023

HOUSE
3rd Reading Unamended
February 14, 2023

HOUSE
Amended 2nd Reading
February 13, 2023

allowing advance payment for certain goods and services including but not limited to advertising services and related goods, construction permits, catering for events at both state and non-state facilities, formula-based federal grants for which the state acts as a fiscal agent managing the pass-through of the money, information technology service agreements, and purchases made with state commercial cards.

The bill creates an additional exception to the prohibition on advance payment by directing the controller to promulgate rules providing for advance payment for the purchase of state agricultural products by a charitable food organization using state grant money.

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

2 **SECTION 1.** In Colorado Revised Statutes, 24-30-202, **add** (28)
3 as follows:

4 **24-30-202. Procedures - vouchers, warrants, and checks -**
5 **rules - penalties - definitions.** (28) (a) AS USED IN THIS SUBSECTION
6 (28):

7 (I) (A) "CHARITABLE FOOD ORGANIZATION" MEANS A CHARITABLE
8 ORGANIZATION, INCLUDING A FAITH-BASED ORGANIZATION, EXEMPT FROM
9 FEDERAL TAXATION UNDER THE PROVISIONS OF THE FEDERAL "INTERNAL
10 REVENUE CODE OF 1986", AS AMENDED, THAT DISTRIBUTES FOOD
11 DIRECTLY OR INDIRECTLY FOR HUNGER RELIEF IN THE COMMUNITY.

12 (B) "CHARITABLE FOOD ORGANIZATION" INCLUDES A SCHOOL
13 FOOD AUTHORITY AS DEFINED IN SECTION 22-32-120 (8).

14 (II) "STATE AGRICULTURAL PRODUCTS" MEANS AGRICULTURAL
15 PRODUCTS PRODUCED IN THE STATE IN ACCORDANCE WITH SECTION
16 24-103-907 (3)(a).

17 (b) THE CONTROLLER SHALL PROMULGATE FISCAL RULES TO
18 CLARIFY THAT STATE AGENCIES MAY, UNDER REVIEW OF THE STATE
19 CONTROLLER, PROVIDE FOR ADVANCE PAYMENT FOR THE PURCHASE OF
20 STATE AGRICULTURAL PRODUCTS BY A CHARITABLE FOOD ORGANIZATION

1 USING STATE GRANT MONEY, AND MAY INCLUDE, AS THE CONTROLLER
2 DEEMS NECESSARY, RULES FOR THE IMPLEMENTATION OF THE ADVANCE
3 PAYMENT POLICY INCLUDING PROPER ACCOUNTING, COMPLIANCE WITH
4 INDUSTRY STANDARDS, AND DETERMINATION THAT THE ADVANCE
5 PAYMENT PROVIDES A BENEFIT TO THE STATE AT LEAST EQUAL TO THE
6 COST AND RISK OF THE ADVANCE PAYMENT.

7 **SECTION 2. Act subject to petition - effective date.** This act
8 takes effect at 12:01 a.m. on the day following the expiration of the
9 ninety-day period after final adjournment of the general assembly; except
10 that, if a referendum petition is filed pursuant to section 1 (3) of article V
11 of the state constitution against this act or an item, section, or part of this
12 act within such period, then the act, item, section, or part will not take
13 effect unless approved by the people at the general election to be held in
14 November 2024 and, in such case, will take effect on the date of the
15 official declaration of the vote thereon by the governor.