

An Act

SENATE BILL 25-173

BY SENATOR(S) Weissman, Ball, Cutter, Exum, Gonzales J., Hinrichsen, Jodeh, Kipp, Kolker, Marchman, Michaelson Jenet, Sullivan, Wallace, Winter F., Coleman;
also REPRESENTATIVE(S) Garcia and Zokaie, Bacon, Boesenecker, Brown, Camacho, Jackson, Joseph, Lindsay, McCormick, Sirota, Story, Woodrow, McCluskie.

CONCERNING THE CLASSIFICATION OF CERTAIN STATE REVENUE FOR PURPOSES OF CALCULATING STATE FISCAL YEAR SPENDING PURSUANT TO SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION, AND, IN CONNECTION THEREWITH, CLARIFYING THE STATUTORY DEFINITIONS OF DAMAGE AWARDS AND PROPERTY SALE FOR PURPOSES OF CALCULATING STATE FISCAL YEAR SPENDING.

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

SECTION 1. Legislative declaration. (1) The general assembly finds and declares that:

(a) Section 20 (2)(e) of article X of the state constitution exempts "damage awards" and "property sales" from "fiscal year spending", as defined in section 20 (2)(e) of article X of the state constitution;

Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.

(b) Under the existing statutory definition of "damage award", some money that the state collects as fines or penalties for violations of certain legal requirements is treated as state fiscal year spending when determining whether the state has exceeded the state's fiscal year spending limit despite the constitutional exemption for such collections;

(c) It is inconsistent with section 20 of article X of the state constitution to treat money that the state collects as fines or penalties for violations of certain legal requirements as state revenue in light of the specific exemption for "damage awards";

(d) Under the existing statutory definition of "property sales", some money that the state collects from sales of tangible or intangible assets is treated as state fiscal year spending when determining whether the state has exceeded the state's fiscal year spending limit despite the constitutional exemption for such collections;

(e) It is inconsistent with section 20 of article X of the state constitution to treat money that the state collects from sales of tangible or intangible assets as state fiscal year spending in light of the specific exemption for "property sales"; and

(f) Nothing in this act operates to exclude any money that has been included as "damage awards" or "property sales" under the preexisting definitions of those terms from the clarified definitions of those terms in this act - that money continues to be included in these clarified definitions.

SECTION 2. In Colorado Revised Statutes, 24-77-102, **amend** (2) and (11) as follows:

24-77-102. Definitions. As used in this article 77, unless the context otherwise requires:

(2) "Damage award" means any pecuniary compensation received by the state as a result of:

(a) Any judgment or allowance in favor of the state; AND

(b) FOR STATE FISCAL YEARS COMMENCING ON OR AFTER JULY 1,

2024:

(I) A CIVIL MONETARY PENALTY ASSESSED BY THE DEPARTMENT OF HEALTH CARE POLICY AND FINANCING PURSUANT TO SECTION 25.5-6-205;

(II) A CIVIL MONETARY PENALTY IMPOSED BY THE DIVISION OF ADMINISTRATION OF THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT PURSUANT TO SECTION 25-8-608;

(III) A MONETARY PENALTY IMPOSED BY THE ENERGY AND CARBON MANAGEMENT COMMISSION PURSUANT TO SECTION 34-60-121 (1);

(IV) A MONETARY FINE OR PENALTY COLLECTED BY THE DIVISION OF ADMINISTRATION OF THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT PURSUANT TO SECTION 25-7-115, 25-7-122, OR 25-7-123 AND DEPOSITED IN THE COMMUNITY IMPACT CASH FUND CREATED IN SECTION 25-7-129; AND

(V) A MONETARY PENALTY COLLECTED BY THE DIVISION OF LABOR STANDARDS AND STATISTICS OF THE DEPARTMENT OF LABOR AND PURSUANT TO SECTION 8-1-114.

(11) "Property sale" means:

(a) ~~Any transfer of the ownership of an estate in tangible assets or intangible rights, excluding leasehold interests, in which or to which the state has rights protected by law from the state to any party for consideration; or~~

(b) Any contract resulting in the payment of pecuniary compensation to the state for permitting another to exploit, use, or market nonrenewable natural resources which are located on real property owned by the state and which are subject to depletion with use; OR

(c) FOR STATE FISCAL YEARS COMMENCING ON OR AFTER JULY 1, 2024, A TRANSFER OF RIGHTS IN TANGIBLE OR INTANGIBLE PROPERTY, EXCLUDING LEASEHOLD INTERESTS, IN WHICH OR TO WHICH THE STATE HAS RIGHTS PROTECTED BY LAW FROM THE STATE TO ANY PARTY FOR CONSIDERATION. SUCH A TRANSFER OF RIGHTS INCLUDES:

- (I) MERCHANDISE SALES AT THE HISTORY COLORADO CENTER;
- (II) MERCHANDISE SALES AT STATE HISTORICAL SOCIETY MUSEUMS OTHER THAN THE HISTORY COLORADO CENTER;
- (III) SALES OF SUPPLIES RELATED TO AGRICULTURAL INSPECTIONS;
- (IV) SALES OF SUPPLIES RELATED TO WILDFIRE EQUIPMENT REPAIR;
- (V) SALES OF SUPPLIES RELATED TO PESTICIDE INSPECTIONS;
- (VI) SALES RELATED TO THE CORRECTIONAL EDUCATION PROGRAM ESTABLISHED IN SECTION 17-32-105;
- (VII) SALES RELATED TO THE BUSINESS ENTERPRISE PROGRAM CREATED IN PART 2 OF ARTICLE 84 OF TITLE 8;
- (VIII) NON-CONCESSION SALES AT THE COLORADO STATE FAIR; AND
- (IX) THE SALE OF WINE FOR PROMOTIONAL PURPOSES BY THE COLORADO WINE INDUSTRY DEVELOPMENT BOARD, CREATED IN ARTICLE 29.5 OF TITLE 35.

SECTION 3. Safety clause. The general assembly finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, or safety or for appropriations for

the support and maintenance of the departments of the state and state institutions.

James Rashad Coleman, Sr.
PRESIDENT OF
THE SENATE

Julie McCluskie
SPEAKER OF THE HOUSE
OF REPRESENTATIVES

Esther van Mourik
SECRETARY OF
THE SENATE

Vanessa Reilly
CHIEF CLERK OF THE HOUSE
OF REPRESENTATIVES

APPROVED _____
(Date and Time)

Jared S. Polis
GOVERNOR OF THE STATE OF COLORADO