

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

REVISED

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

LLS NO. 25-0786.02 Pierce Lively x2059

SENATE BILL 25-173

SENATE SPONSORSHIP

Weissman, Ball, Coleman, Cutter, Exum, Gonzales J., Hinrichsen, Jodeh, Kipp, Kolker,
Marchman, Michaelson Jenet, Sullivan, Winter F.

HOUSE SPONSORSHIP

Garcia and Zokaie,

Senate Committees

Finance
Appropriations

House Committees

Finance
Appropriations

A BILL FOR AN ACT

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

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>.)

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.

HOUSE
Amended 2nd Reading
April 25, 2025

SENATE
3rd Reading Unamended
March 19, 2025

SENATE
Amended 2nd Reading
March 18, 2025

Section 20 of article X of the state constitution (TABOR) defines "fiscal year spending" as not including either "damage awards" or "property sales". Although TABOR does not define either "damage award" or "property sale", the TABOR implementing statutes do. The bill clarifies both of these definitions for state fiscal years commencing on or after July 1, 2024.

The bill clarifies that "damage award", as used for the purpose of determining whether specific money received by the state is subject to the TABOR limitation on state fiscal year spending, includes certain civil penalties imposed by the state.

The bill also clarifies that "property sale", as used for the purpose of determining whether specific money received by the state is subject to the TABOR limitation on state fiscal year spending, includes certain specified sales by the state.

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

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

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

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

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

16 (d) Under the existing statutory definition of "property sales",
17 some money that the state collects from sales of tangible or intangible

1 assets is treated as state fiscal year spending when determining whether
2 the state has exceeded the state's fiscal year spending limit despite the
3 constitutional exemption for such collections;

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

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

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

15 **24-77-102. Definitions.** As used in this article 77, unless the
16 context otherwise requires:

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

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

20 (b) FOR STATE FISCAL YEARS COMMENCING ON OR AFTER JULY 1,
21 2024:

22 (I) A CIVIL MONETARY PENALTY ASSESSED BY THE DEPARTMENT
23 OF HEALTH CARE POLICY AND FINANCING PURSUANT TO SECTION
24 25.5-6-205;

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

1 (III) A MONETARY PENALTY IMPOSED BY THE ENERGY AND
2 CARBON MANAGEMENT COMMISSION PURSUANT TO SECTION 34-60-121
3 (1);

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

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

12 (11) "Property sale" means:

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

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

21 (c) FOR STATE FISCAL YEARS COMMENCING ON OR AFTER JULY 1,
22 2024, A TRANSFER OF RIGHTS IN TANGIBLE OR INTANGIBLE PROPERTY,
23 EXCLUDING LEASEHOLD INTERESTS, IN WHICH OR TO WHICH THE STATE
24 HAS RIGHTS PROTECTED BY LAW FROM THE STATE TO ANY PARTY FOR
25 CONSIDERATION. SUCH A TRANSFER OF RIGHTS INCLUDES:

26 (I) MERCHANDISE SALES AT THE HISTORY COLORADO CENTER;

27 (II) MERCHANDISE SALES AT STATE HISTORICAL SOCIETY

1 MUSEUMS OTHER THAN THE HISTORY COLORADO CENTER;
2 (III) SALES OF SUPPLIES RELATED TO AGRICULTURAL INSPECTIONS;
3 (IV) SALES OF SUPPLIES RELATED TO WILDFIRE EQUIPMENT REPAIR;
4 (V) SALES OF SUPPLIES RELATED TO PESTICIDE INSPECTIONS;
5 (VI) SALES RELATED TO THE CORRECTIONAL EDUCATION PROGRAM
6 ESTABLISHED IN SECTION 17-32-105;
7 (VII) SALES RELATED TO THE BUSINESS ENTERPRISE PROGRAM
8 CREATED IN PART 2 OF ARTICLE 84 OF TITLE 8;
9 (VIII) NON-CONCESSION SALES AT THE COLORADO STATE FAIR;
10 AND
11 (IX) THE SALE OF WINE FOR PROMOTIONAL PURPOSES BY THE
12 COLORADO WINE INDUSTRY DEVELOPMENT BOARD, CREATED IN ARTICLE
13 29.5 OF TITLE 35.

14 **SECTION 3. Safety clause.** The general assembly finds,
15 determines, and declares that this act is necessary for the immediate
16 preservation of the public peace, health, or safety or for appropriations for
17 the support and maintenance of the departments of the state and state
18 institutions.