

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

**ENGROSSED**

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

LLS NO. 25-0856.01 Jed Franklin x5484

**SENATE BILL 25-306**

---

**SENATE SPONSORSHIP**

**Rodriguez and Kirkmeyer**, Amabile, Bridges, Bright, Frizell, Liston, Pelton B., Pelton R., Simpson, Snyder

**HOUSE SPONSORSHIP**

**Lindstedt and Taggart**, Armagost, Bird, Boesenecker, Brooks, Camacho, Clifford, Gonzalez R., Hartsook, Keltie, Soper, Winter T.

---

**Senate Committees**  
Finance

**House Committees**

---

**A BILL FOR AN ACT**

101      **CONCERNING REQUIRED PERFORMANCE AUDITS OF CERTAIN STATE**  
102                    **AGENCIES, AND, IN CONNECTION THEREWITH, REQUIRING THE**  
103                    **STATE AUDITOR TO CONDUCT OR CAUSE TO BE CONDUCTED**  
104                    **PERFORMANCE AUDITS OF THE AIR POLLUTION CONTROL**  
105                    **DIVISION AND THE DIVISION OF UNEMPLOYMENT INSURANCE.**

---

**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 bill requires the state auditor to conduct or cause to be conducted performance audits (audits) of the air pollution control division

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  
Amended 2nd Reading  
April 30, 2025

in the department of public health and environment and the division of labor standards and statistics in the department of labor and employment (divisions). The audits will determine whether each of the divisions effectively and efficiently performs and fulfills its statutory obligations. The initial audit of the air pollution control division must begin in calendar year 2026, with an additional audit occurring in calendar year 2031, and more frequently in the state auditor's discretion. The initial audit of the division of labor standards and statistics must begin in calendar year 2027, with an additional audit occurring in calendar year 2032, and more frequently in the state auditor's discretion. The state auditor, in their discretion, may conduct additional audits of the divisions after the first 2 audits have been completed. Upon completion of an audit, the state auditor is required to submit a written report about the audit to the legislative audit committee.

---

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

**SECTION 1.** In Colorado Revised Statutes, **add** 2-3-131 and 2-3-132 as follows:

**2-3-131. Performance audit - air pollution control division - report.** (1) DURING THE 2026 AND 2031 CALENDAR YEARS,               THE STATE AUDITOR SHALL CONDUCT OR CAUSE TO BE CONDUCTED A PERFORMANCE AUDIT OF THE AIR POLLUTION CONTROL DIVISION IN THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT TO DETERMINE WHETHER THE AIR POLLUTION CONTROL DIVISION IS EFFECTIVELY AND EFFICIENTLY PERFORMING AND FULFILLING THE DIVISION'S STATUTORY OBLIGATIONS. THEREAFTER, THE STATE AUDITOR, IN THEIR DISCRETION, MAY CONDUCT OR CAUSE TO BE CONDUCTED ADDITIONAL PERFORMANCE AUDITS OF THE AIR POLLUTION CONTROL DIVISION PURSUANT TO THIS SECTION. UPON COMPLETION OF A PERFORMANCE AUDIT, THE STATE AUDITOR SHALL SUBMIT A WRITTEN REPORT ABOUT THE PERFORMANCE AUDIT TO THE LEGISLATIVE AUDIT COMMITTEE.

(2) IN CONDUCTING THE PERFORMANCE AUDIT REQUIRED BY

- 1 SUBSECTION (1) OF THIS SECTION, THE STATE AUDITOR SHALL:
- 2 (a) DETERMINE WHETHER THE AIR POLLUTION CONTROL DIVISION
- 3 COMPLIES WITH STATUTE AND ITS STATUTORY PURPOSE;
- 4 (b) ASSESS THE IMPACT OF THE AIR POLLUTION CONTROL
- 5 DIVISION'S PROCESSES ON THE ABILITY OF STAKEHOLDERS TO ACCESS
- 6 PROGRAM BENEFITS AND IDENTIFY ANY DIVISION PROCESSES THAT MAY BE
- 7 UNNECESSARY, UNREASONABLE, OR CAUSE DELAYS;
- 8 (c) DETERMINE WHETHER THE AIR POLLUTION CONTROL DIVISION'S
- 9 FUNDING AND STAFFING LEVELS ARE SUFFICIENT FOR IT TO EFFICIENTLY
- 10 AND EFFECTIVELY FULFILL ITS STATUTORY DUTIES AND RESPONSIBILITIES
- 11 RELATED TO PROGRAM ADMINISTRATION AND ENFORCEMENT, INCLUDING
- 12 ASSESSING HOW FUNDING OR STAFFING CHANGES MADE AT THE STATE
- 13 LEVEL MIGHT IMPACT LOCAL GOVERNMENTS;
- 14 (d) DETERMINE WHETHER THE AIR POLLUTION CONTROL DIVISION
- 15 REQUESTED AND WAS APPROPRIATED ADDITIONAL RESOURCES FROM THE
- 16 GENERAL ASSEMBLY AND WHETHER THAT DECISION IMPACTED PROGRAM
- 17 IMPLEMENTATION AND THE TIMING OF IMPLEMENTATION; AND
- 18 (e) NOT INCLUDE A REVIEW OF A RULE NOT YET FINALIZED BUT
- 19 MAY CONSIDER CHANGES BEING PROPOSED TO A CURRENT RULE.

20 **2-3-132. Performance audit - division of unemployment**

21 **insurance.** (1) DURING THE 2027 AND 2032 CALENDAR YEARS, THE STATE

22 AUDITOR SHALL CONDUCT OR CAUSE TO BE CONDUCTED A PERFORMANCE

23 AUDIT OF THE DIVISION OF UNEMPLOYMENT INSURANCE CREATED IN

24 SECTION 8-71-101 TO DETERMINE WHETHER THE DIVISION OF

25 UNEMPLOYMENT INSURANCE IS EFFECTIVELY AND EFFICIENTLY

26 PERFORMING AND FULFILLING THE DIVISION'S STATUTORY OBLIGATIONS.

27 UPON COMPLETION OF A PERFORMANCE AUDIT, THE STATE AUDITOR SHALL

1     SUBMIT A WRITTEN REPORT ABOUT THE PERFORMANCE AUDIT TO THE  
2     LEGISLATIVE AUDIT COMMITTEE.

3             (2) IN CONDUCTING THE PERFORMANCE AUDIT REQUIRED BY  
4     SUBSECTION (1) OF THIS SECTION, THE STATE AUDITOR SHALL:

5             (a) DETERMINE WHETHER THE DIVISION OF UNEMPLOYMENT  
6     INSURANCE COMPLIES WITH STATUTE AND ITS STATUTORY PURPOSE;

7             (b) ASSESS THE IMPACT OF THE DIVISION OF UNEMPLOYMENT  
8     INSURANCE PROCESSES ON THE ABILITY OF STAKEHOLDERS TO ACCESS  
9     PROGRAM BENEFITS AND IDENTIFY ANY DIVISION PROCESSES THAT MAY BE  
10    UNNECESSARY, UNREASONABLE, OR CAUSE DELAYS;

11            (c) DETERMINE WHETHER THE DIVISION OF UNEMPLOYMENT  
12    INSURANCE FUNDING AND STAFFING LEVELS ARE SUFFICIENT FOR IT TO  
13    EFFICIENTLY AND EFFECTIVELY FULFILL ITS STATUTORY DUTIES AND  
14    RESPONSIBILITIES RELATED TO PROGRAM ADMINISTRATION AND  
15    ENFORCEMENT;

16            (d) DETERMINE WHETHER THE DIVISION OF UNEMPLOYMENT  
17    INSURANCE REQUESTED AND WAS APPROPRIATED ADDITIONAL RESOURCES  
18    FROM THE GENERAL ASSEMBLY AND WHETHER THAT DECISION IMPACTED  
19    PROGRAM IMPLEMENTATION AND THE TIMING OF IMPLEMENTATION; AND

20            (e) NOT INCLUDE A REVIEW OF A RULE NOT YET FINALIZED BUT  
21    MAY CONSIDER CHANGES BEING PROPOSED TO A CURRENT RULE.

22            **SECTION 2. Act subject to petition - effective date.** This act  
23    takes effect at 12:01 a.m. on the day following the expiration of the  
24    ninety-day period after final adjournment of the general assembly; except  
25    that, if a referendum petition is filed pursuant to section 1 (3) of article V  
26    of the state constitution against this act or an item, section, or part of this  
27    act within such period, then the act, item, section, or part will not take

1 effect unless approved by the people at the general election to be held in  
2 November 2026 and, in such case, will take effect on the date of the  
3 official declaration of the vote thereon by the governor.