

2018 COLORADO LAWS ENACTED AFFECTING MUNICIPAL GOVERNMENTS



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FOREWORD

During the 2018 session of the Colorado General Assembly, CML tracked 263 of the 729 bills and resolutions introduced. Of the 43 bills that CML supported, more than 72 percent passed. Of the 29 bills that CML opposed, 100 percent were defeated or were amended such that the League dropped its opposition.

Each year, CML analyzes the laws passed by the General Assembly that affect cities and towns. *2018 Colorado Laws Enacted Affecting Municipal Governments* focuses on selected acts that have a particular significance for municipal operations, services, and powers — it is not a comprehensive listing of all new legislation enacted into law affecting municipal government. For information or assistance on any legislative questions, contact CML at 303-831-6411 or 866-578-0936.

CML is continuing its commitment to its members by providing the information they need as inexpensively and easily as possible. *2018 Colorado Laws Enacted Affecting Municipalities* will be available to all for free — along with several past years' editions — online at www.cml.org under Information > Publications.

Kevin Bommer
CML deputy director
June 2018

CML Advocacy Team



Deputy Director: Kevin Bommer

Kevin is responsible for managing the legislative program, advocating municipal interests before the state legislature, and overseeing CML's strategic plan. His advocacy issues include beer and liquor; marijuana; employment and labor; telecommunications and broadband; and other issues of municipal interest. He also assists in training and answering inquiries for other municipal officials on various topics. In addition, Kevin authors the "CML Legislative Matters" blog. Kevin joined the League in 1999.



Legislative Counsel: Dianne Criswell

Dianne is responsible for advocating municipal interests before the state legislature, oversees the League's legal advocacy activities, and supports CML members. Her legislative advocacy issues include elections; municipal finance; open meetings and open records; governmental immunity; tax and fiscal policy, and retirement and pensions. She also assists in training and answering inquiries for municipal officials on various topics. Dianne joined the League in 2015.



Legislative & Policy Advocate: Morgan Cullen

Morgan is responsible for advocating municipal interests before the state legislature. His issues include economic development; environment and sustainability; natural resources; severance taxes and energy impacts; transportation and transit; and utilities. He also assists in training and answering inquiries for other municipal officials on various topics. He joined the League in 2016.



Legislative & Policy Advocate: Meghan Dollar

Meghan is responsible for advocating municipal interests before the state legislature. Her issues include affordable housing, criminal justice and courts; immigration; public safety; land use; lottery and gaming; historic preservation, and special districts. She also assists in training and answering inquiries for other municipal officials on various topics. Meghan joined the League in 2011.

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SB 18-007**AFFORDABLE HOUSING****Low Income Housing Tax Credit**

The act continues the Colorado Low-Income Housing Tax Credit, which is scheduled to expire after 2019, for an additional five years. Effective: May 22, 2018. Lobbyist: Meghan Dollar, mdollar@cml.org.

HB 18-1096**BEER & LIQUOR****Special Event Permits**

The act codifies existing liquor rules. It adds to the list of organizations authorized to obtain a special event permit any organization that is incorporated under Colorado law for educational purposes. It removes the requirement that a special event permit be issued to a municipality only if the municipality owns an art facility and instead allows a special event permit to be issued to any municipality, county, or special district. Effective: Aug. 8, 2018. Lobbyist: Kevin Bommer, kbommer@cml.org.

SB 18-067**BEER & LIQUOR****Auction of Alcohol in Sealed Containers**

SB 18-067 provides exceptions to prohibitions precluding an organization holding a special event at a premises licensed to sell alcohol beverages for consumption on the licensed premises from bringing alcohol beverages in sealed containers onto the premises in order to auction the alcohol beverages for fundraising purposes. The act specifically allows certain organizations to bring onto and remove from the premises where the event will be held, whether licensed or unlicensed, alcohol beverages in sealed containers that were donated to or otherwise lawfully obtained by the organization and will be used for an auction for fundraising purposes. The alcohol beverages must remain in sealed containers at all times, and the licensee cannot realize any financial gain related to the alcohol beverage auction. The act specifies eligibility for the exceptions created and exempts the value of donated alcohol beverages from a retail liquor store, liquor-licensed drugstore, or fermented malt beverage retailer from the calculation of the \$2,000 limit on the purchase of alcohol beverages from those retailers by persons licensed to sell alcohol beverages for on-premises consumption. SB 18-067 clarifies the liability for unlawful acts committed where the event is held, and contains other provisions related to the types of organizations that can hold such an event. Effective: March 1, 2018. Lobbyist: Kevin Bommer, kbommer@cml.org. *Reprinted.*

SB 18-138**BEER & LIQUOR****Transfer of Alcohol from Surrendered License**

The act allows persons with a beer and wine, hotel and restaurant, tavern, retail gaming tavern, brew pub, club, arts nonprofit, racetrack, vintner's restaurant, distillery pub, or lodging and entertainment facility license to purchase alcohol beverages from another retail licensee when there is common ownership between the licensees and the seller has surrendered its license, had the license revoked, or lost legal possession of the premises within the past 60 days. The seller must return all alcohol beverages bought

on credit, allow wholesalers 30 days to purchase back inventory, have paid all wholesale bills, and sell to only one licensed premises. Contains other provisions. Effective: Aug. 8, 2018. Lobbyist: Kevin Bommer, kbommer@cml.org.

SB 18-173**BEER & LIQUOR****Removal of Partially Consumed Vinous Liquor**

The act adds certain liquor licensees that may allow a customer to reseal and remove from the licensed premises one opened container of partially consumed vinous liquor if the licensee has meals or sandwiches and light snacks available for consumption on the licensed premises. Effective: Aug. 8, 2018. Lobbyist: Kevin Bommer, kbommer@cml.org.

SB 18-243**BEER & LIQUOR****Retail Alcohol Beverage Sales**

SB 18-243 makes substantive changes to laws governing the sale of fermented malt beverages, which become identical in law to malt liquor beginning on Jan. 1, 2019. Upon enactment, new or relocating fermented malt beverage licensees will be subject to specified distance restrictions from educational institutions and other establishments licensed for off-premise consumption, with certain exceptions. With certain exceptions, fermented malt beverage retail stores will be subject to food sale requirements. The act modifies requirements pertaining to delivery of alcohol beverages by certain licensees, and updates provisions related to alcohol beverage tastings in retail liquor stores and liquor licensed drug stores. The act clarifies local control over public consumption of alcohol beverages in public places, with certain restrictions and also changes the maximum number of licenses a retail liquor store and liquor licensed drugstore licensee may have. Contains numerous other provisions. Effective: Most sections effective June 4, 2018; other sections effective July 1, 2018, or Jan. 1, 2019. Lobbyist: Kevin Bommer, kbommer@cml.org. *Reprinted.*

HB 18-1041**CRIMINAL JUSTICE****Crime of Cruelty Police Working Horse**

The act adds working police horses to cruelty to the statute defining cruelty to a service animal or certified police working dogs. Contains other provisions. Effective: March 7, 2018. Lobbyist: Meghan Dollar, mdollar@cml.org.

HB 18-1287**CRIMINAL JUSTICE****Commission on Criminal and Juvenile Justice**

The act continues the commission on criminal and juvenile justice for 10 more years. It also makes changes to the membership of the commission. The commission now includes a municipal representative. Effective: May 30, 2018. Lobbyist: Meghan Dollar, mdollar@cml.org.

HB 18-1314**CRIMINAL JUSTICE****Drone Interference with Public Safety**

Under this act, it is a class 2 misdemeanor offense to obstruct a peace officer, firefighter, emergency medical service provider, rescue specialist, or volunteer with an

unmanned aircraft system, commonly referred to as a drone. The act further defines obstructs as acting in a manner that obstructs, impairs, or hinders emergency public safety operations. Effective: Aug. 8, 2018. Lobbyist: Meghan Dollar, mdollar@cml.org.

SB 18-026

CRIMINAL JUSTICE

Sex Offender Registration

The act changes requirements for the state's sex offender registry. It removes the requirement that a sex offender register in Colorado when the person's duty to register in the state or jurisdiction of conviction has been lawfully discontinued. The bill also establishes new local sex offender registration procedures. After the initial registration, the bill allows a local law enforcement agency to waive the requirement that registration be conducted in person when the registrant has medical records that document a chronic physical or intellectual disability that creates a severe hardship for registering in person. The local law enforcement agency must reregister the offender after it verifies the registrant's address and provides written verification of the waiver to the Colorado Bureau of Investigation and other law enforcement agencies with which the registrant is required to register. Any agency that issues a waiver must determine that the registrant still meets the waiver requirements and reauthorize the waiver every three years. If the law enforcement agency issues or reauthorizes such as a waiver, it must also notify the victim of the offense if he or she has requested notice and provided contact information. The act also clarifies that the court is required to grant a petition if the registrant has successfully completed his or her sentence, has not been convicted of a subsequent sex offense, and the required waiting period has expired, unless the victim or district attorney objects and the district attorney provides credible evidence that the registrant is likely to commit a subsequent offense of unlawful sexual behavior. Effective: Aug. 8, 2018. Lobbyist: Meghan Dollar, mdollar@cml.org.

SB 18-068

CRIMINAL JUSTICE

False Reporting of an Emergency

The act makes false reporting of an imminent threat to public safety by use of a deadly weapon a misdemeanor. It further defines that the crime is a felony if the emergency response to the false report results in serious bodily harm or death. Effective: June 6, 2018. Lobbyist: Meghan Dollar, mdollar@cml.org.

SB 18-169

CRIMINAL JUSTICE

Offenses Against Civil and Administrative Witnesses

The act clarifies that the prohibition against intimidating or retaliating against a witness or victim also applies to civil cases and administrative proceedings. Effective: April 25, 2018. Lobbyist: Meghan Dollar, mdollar@cml.org.

HB 18-1047

ELECTIONS

Fair Campaign Practices Act

HB 18-1047 makes technical modifications to the Fair Campaign Practices Act to facilitate its administration by excluding certain legal fees from definitions of "contribution" and "expenditure;" eliminating double reporting of certain campaign contribution; removing certain paper-filing provisions that are obsolete; clarifying procedures for failure to file and investigations; and otherwise cleaning-up and correcting errors. Effective April 23, 2018. Lobbyist: Dianne Criswell, dcriswell@cml.org.

HB 18-1138

ELECTIONS

Uniform Oaths of Office

This act establishes a single uniform text for swearing or affirming an oath of office and the requirements regarding how and when an oath or affirmation of office must be taken, subscribed, administered, and filed. The amendments require municipalities to use a standardized oath of office, as now set forth in Sec. 24-12-101, C.R.S., which potentially applies to home rule municipalities unless superseded by charter or ordinance passed pursuant to such charters. Effective Aug. 8, 2018. Lobbyist: Dianne Criswell, dcriswell@cml.org.

HB 18-1140

ELECTIONS

Personal Surety Bonds

This act removes personal surety bond requirements for certain municipal officials. Effective Aug. 8, 2018. Lobbyist: Dianne Criswell, dcriswell@cml.org.

SB 18-107

ELECTIONS

Vacancies on Nomination Petitions

SB 18-107 removes three unused subsections in the Municipal Election Code of 1965 (Title 31, Article 10) relating to the nominating committee process for dealing with vacancies on petitions (not vacancies in office). Effective: Aug. 8, 2018. Lobbyist: Dianne Criswell, dcriswell@cml.org.

SB 18-233

ELECTIONS

Title 1 Updates

This bill makes changes to Title 1 of Colorado Revised Statutes to update elections laws, of which four provisions apply to deadlines in coordinated elections. It requires comments pertaining to a ballot issue (including TABOR elections) to be filed by noon on the Friday prior to the 45th day of the election (moved up from the close of business that day); sets the filing deadline for petitioners' statements in favor of a ballot measure no later than 44 days prior to the date of the election; changes the deadline by which the designated election official must file the contents of the municipal ballot issue notice with the county clerk no later than 43 days prior to the date of the election; and authorizes the county clerk to complete a mandatory recount 35 days after the date of the election; also allows the municipality which referred an item to the ballot to waive the mandatory recount in writing no later than 23 days after the election. A municipality that has adopted the specific statutory dates

for coordinated elections by charter or ordinance will need to consider amendments to harmonize with these changes to state law. Effective: May 29, 2018. Lobbyist: Dianne Criswell, dcriswell@cml.org.

SB 18-242

ELECTIONS

Oath of Office

This act requires those swearing oath of office for public office or position to do so by “swearing by the everliving God” and to do so with uplifted hand. Effective Aug. 8, 2018. Lobbyist: Dianne Criswell, dcriswell@cml.org.

HB 18-1418

EMPLOYMENT

Use of Criminal Convictions in Employment

This act amends existing law directing a state or local agency, when deciding whether to issue a license or permit, to consider an individual's criminal record in determining whether the individual is of good moral character. It changes the determination to consider whether only the individual is qualified and allows additional specific considerations. The act prohibits a state or local agency from taking adverse action concerning a license or permit or not extending an offer of employment if an individual has been arrested but not charged, or has been convicted but pardoned, had the conviction record sealed, or had a collateral order entered concerning the conviction. Contains additional provisions related to state licensure. Effective: May 30, 2018. Lobbyist: Kevin Bommer, kbommer@cml.org.

SB 18-247

EMPLOYMENT

Survivors’ Medical Benefits for Line-of-Duty Deaths

SB 18-247 creates a Law Enforcement Officers’ and Firefighters’ Continuation of Benefits Board in the Department of the Treasury to provide the continuation for 12 months of medical and dental benefits for dependents of an employee who died in a work-related death when an employer has an agreement with the board to make contributions to the Law Enforcement Officers’ and Firefighters’ Continuation of Benefits Fund. Effective: May 30, 2018. Lobbyist: Dianne Criswell, dcriswell@cml.org.

SB 18-003

ENERGY

Colorado Energy Office

This act restores funding for the Colorado Energy Office for four years and makes a number of reforms to the mission of the office to take “an all of the above” approach to promoting both alternative and conventional sources of energy in Colorado. SB 18-003 repeals a number of expired or obsolete programs. Effective: June 1, 2018. Lobbyist: Morgan Cullen, mcullen@cml.org.

HB 18-1057

FISCAL POLICY

Collection of Debts

The act establishes new requirements concerning the collection of debts for the state and its political subdivisions.

Specifically, it limits the amount of fees and costs of collection, exclusive of accrual of interest and court costs, to 18 percent, except if additional reasonable attorney fees are awarded by a court. This applies to any debt collected by a private agency or attorney collecting debt due to the state or a political subdivision, or debt collected by the State Controller. This provision does not apply if the state or political subdivision has sold the debt to a third party. Beginning Jan. 1, 2023, and each January 1 five years thereafter, the state auditor is required to review the percentage rate and aggregate fees and report them to the finance committees of the General Assembly. This report may include recommendations to modify these terms. Effective: July 1, 2019. Lobbyist: Meghan Dollar, mdollar@cml.org.

HB 18-1190

HISTORIC PRESERVATION

Historic Preservation Tax Credit

HB 18-1190 extends the Historic Preservation Tax Credit, set to expire in 2019, for 10 more years and expands the program with additional incentives in rural areas and small projects. Effective: May 30, 2018. Lobbyist: Meghan Dollar, mdollar@cml.org.

HB 18-1234

LIMITED GAMING

Clarification of Gambling

HB 18-1234 amends the definitions of key terms used in the criminal statutes governing simulated gambling devices, including the definition of “simulated gambling device” to include devices that combine the elements of chance and skill, in accordance with the state constitution. The bill also provides a safe harbor to businesses that ceased activities before July 1, 2018. Effective: June 6, 2018. Lobbyists: Meghan Dollar, mdollar@cml.org; Dianne Criswell, dcriswell@cml.org. *Reprinted.*

SB 18-191

LIMITED GAMING

Local Government Limited Gaming Impact Fund

This bill modifies the distribution of the state share of the gaming tax by changing the distribution from \$5 million annually to the Local Government Limited Gaming Impact Fund to \$5 million plus an annual increase equal to the growth of the state share of gaming tax revenue. Requires the Department of Local Affairs to study the fund to identify if grants are going to strictly gaming impacted entities. Directs the Department of Human Services to improve the current gambling addiction treatment program. Effective: May 29, 2018. Lobbyist: Meghan Dollar, mdollar@cml.org.

SB 18-066

LOTTERY

Division of Lottery

SB 18-066 reauthorizes the Division of Lottery until July 1, 2049. Effective: Aug. 8, 2018. Lobbyist: Meghan Dollar, mdollar@cml.org.

HB 18-1259**MARIJUANA****Licensee Manager Sampling**

Permits medical marijuana optional premises cultivation licensee, medical marijuana-infused products manufacturing licensee, retail marijuana cultivation facility licensee, and retail marijuana products manufacturing licensee to provide samples to no more than five managers for quality control and product development purposes. Requires manager and sample to be tracked in seed-to-sale tracking system. Specifies limits on amount that can be provided as sample per batch and places limits on amount of samples a manager can receive on a monthly basis. Prohibits managers from providing or reselling samples to other licensed employees, individuals, or customers. Prohibits licensee from allowing manager to consume sample on site or use sample as means of compensation. Effective: Aug. 8, 2018. Lobbyist: Kevin Bommer, kbommer@cml.org. *Reprinted.*

HB 18-1280**MARIJUANA****Marijuana Business Court Appointees**

To address a lack of provisions that address what happens to a regulated marijuana business when a representative is appointed for the business, HB 18-1280 requires a potential appointee to certify to the court prior to the appointment that he or she is suitable to hold a marijuana business license. After the appointment, the appointee shall apply to the state licensing authority for a finding of suitability. The state licensing authority must provide the appointee with a temporary appointee registration after receiving notification of the initial appointment. The bill gives the state licensing authority rule-making authority regarding temporary appointee registrations. Effective: May 15, 2018. Lobbyist: Kevin Bommer, kbommer@cml.org.

HB 18-1336**MARIJUANA****Local Government Impact Grants**

The act repeals the local government retail marijuana impact grant program administered by the Department of Local Affairs for documented marijuana impacts. It contains provisions to distributed any existing money encumbered under the existing program and repeals a reporting requirement regarding the effectiveness of the grant program. Effective: July 1, 2018. Lobbyist: Kevin Bommer, kbommer@cml.org.

HB 18-1381**MARIJUANA****Permissive Medical Marijuana Vertical Integration**

The act eliminates the requirement that a medical marijuana center source 70 percent of the medical marijuana it sells from its associated optional premises cultivation facility and that requires an optional premises cultivation facility to have 70 percent of the medical marijuana it cultivates sold through its associated medical marijuana center. The act allows medical marijuana centers to source medical marijuana from any optional premises cultivation facility. HB 18-1381 contains numerous provisions related to transitioning from the limited sourcing model, as well as other provisions. Effective: Some sections effective July 1, 2018. Remaining sections effective July 1, 2019. Lobbyist: Kevin Bommer, kbommer@cml.org.

HB 18-1389**MARIJUANA****Centralized Marijuana Distribution Permit**

HB 18-1389 creates a centralized distribution permit to an optional premises cultivation facility or retail marijuana cultivation facility authorizing temporary storage on its licensed premises of marijuana concentrate or marijuana products for the sole purpose of transfer to the permit holder's respective commonly owned medical marijuana centers or retail marijuana stores. The act requires an applicant send a copy of its application to the local jurisdiction and for the state licensing authority to notify the local jurisdiction of its determination. Effective: May 24, 2018. Lobbyist: Kevin Bommer, kbommer@cml.org. *Reprinted.*

HB 18-1422**MARIJUANA****Testing Facilities Standards**

HB 18-1422 requires medical and retail marijuana testing facilities to be accredited pursuant to the International Organization for Standardization/International Electrotechnical Commission 17025:2005 standard by a body that is itself recognized by the International Laboratory Accreditation Cooperation by Jan. 1, 2019. The state licensing authority can adopt rules providing for an extension of time to comply with the standard. Effective: Aug. 8, 2018. Lobbyist: Kevin Bommer, kbommer@cml.org.

SB 18-259**MARIJUANA****Local Government Marijuana Taxes**

SB 18-259 requires a county or municipality that levies excise tax on the first sale or transfer of unprocessed retail marijuana by a retail marijuana cultivation facility (retail marijuana excise tax) to levy the tax at a rate of up to 5 percent of the average market rate (the only basis for calculation allowed under current law) of the unprocessed retail marijuana if the transaction is between affiliated retail marijuana business licensees and at a rate of up to 5 percent of the contract price of the unprocessed retail marijuana if the transaction is between unaffiliated retail marijuana business licensees. The act creates a temporary exception to allow the continued collection of excise tax through the end of 2020 for counties or municipalities that received prior voter approval to levy only an excise tax calculated based on the average market rate of the unprocessed retail marijuana. Contains other provisions. Effective: Jan. 1, 2019. Lobbyist: Kevin Bommer, kbommer@cml.org.

SB 18-271**MARIJUANA****Colocation of Research Licensees with Other Licensees**

Subject to rules of the Marijuana Enforcement Division and if permitted by the local licensing authority, SB 18-271 authorizes marijuana research and development licensees and marijuana research and development cultivation licensees to transfer unused marijuana within the regulated marijuana industry, as well as for research licensees to be co-located at the premises of a medical marijuana-infused products manufacturer or a retail marijuana products

manufacturer. Effective: May 30, 2018. Lobbyist: Kevin Bommer, kbommer@cml.org.

HB 18-1078 **MUNICIPAL COURTS**

Court Programs for Veterans

The act requires the court to determine if a defendant is a veteran of or actively serving in the U.S. military at the first appearance or upon arraignment, whichever is first. If a defendant is a veteran or active duty member of the military, the court must notify the defendant that he or she may be entitled to receive mental health treatment, substance use treatment, or other veteran services. The court may not accept a guilty plea or plea of no contest without first determining the defendant's veteran or active duty military status and providing the notification required by this bill. The completion of a veteran treatment program must receive favorable consideration by the court when determining whether or not to issue an order to seal a criminal record. Effective: Aug. 8, 2018. Lobbyist: Meghan Dollar, mdollar@cml.org.

HB 18-1353 **MUNICIPAL COURTS**

Defense Counsel in Municipal Court Grant Program

The act creates a grant program in the Department of Local Affairs to provide funds to municipalities to cover the costs of defense counsel required by HB 16-1309. It appropriates \$1.85 million for the first year. Effective: May 30, 2018. Lobbyist: Meghan Dollar, mdollar@cml.org.

SB 18-060 **MUNICIPAL COURTS**

Protective Orders in Criminal Cases

The act adds two protective orders to the list of orders the court may grant in a domestic violence case. The first protective order prohibits the taking or harming of an animal owned by the alleged victim or witness. The second protective order directs a wireless company to transfer financial responsibility and rights to a wireless number to the petitioner if the petitioner is not the account holder and the petitioner proves that he or she and any minor child under his or her care are the primary users of the number. This order may be granted upon a discretionary motion of the district attorney or the court's own motion. The wireless provider is immune from civil liability for complying with such an order. Effective: Nov. 1, 2018. Lobbyist: Meghan Dollar, mdollar@cml.org.

SB 18-203 **MUNICIPAL COURTS**

Conflict-free Representation in Municipal Courts

The act requires municipalities to provide independent indigent defense for each indigent defendant charged with a crime that has a possible sentence of incarceration. Independent defense is to be overseen by the municipality, but must be provided by a nonpartisan entity that is independent of the municipal court by Jan. 1, 2020. Authorized entities that may provide or evaluate independent defense include the Office of the Alternate Defense Counsel (OADC) or any Colorado law school legal aid clinic, or an attorney or group of attorneys as long as they are not affiliated with the municipality receiving the services. Municipalities contracting for the provision of independent indigent defense must

ensure that the independent defense selection process is transparent and merit based, each contracted indigent defense attorney is evaluated by an independent entity no later than one year after being hired and at least every three years thereafter, and evaluation results must be provided in writing to the municipality along with any corrective action recommendations. The act provides that municipalities may also establish a local independent defense commission or coordinate with one or more other municipalities to create a regional independent defense commission. Any such commission must include at least three commissioners. Any commission created has the responsibility and exclusive authority to appoint independent defense counsel for a term of at least one year, has the sole authority to supervise appointed independent defense counsel and may discharge him or her for cause. Finally, the commission must ensure that indigent defendants receive legal services equal to those available for non-indigent defendants and in accordance with Colorado rules of professional conduct and American Bar Association standards. Municipalities that wish to use the OADC for independent defense or evaluation services must request such services on or before Sept. 1, 2018, and on or before each year thereafter. The OADC is required to notify municipalities requesting independent defense or evaluation services of its ability to provide such services on May 1, 2019 and on or before each year thereafter. Effective: Aug. 8, 2018. Lobbyist: Meghan Dollar, mdollar@cml.org. *Reprinted.*

SB 18-230 **OIL AND GAS**

Forced Pooling Requirements

This act modifies how oil and gas forced pooling orders are conducted in Colorado. Specifically, the legislation expands the notification period to mineral owners from 30 days to 60 days; Reforms the notification process in a manner that informs all mineral owners of their rights and responsibilities under the law; and removes nonconsenting owners of liability for any unforeseen accidents or spills. Effective: July 1, 2017. Lobbyist: Morgan Cullen, mcullen@cml.org. *Reprinted.*

HB 18-1031 **PENSIONS & RETIREMENT**

FPPA – Simplified Entry

The act authorizes an employer that provides a money purchase plan to apply to the Fire and Police Pension Association Board to cover some or all of the existing members of its plan in the defined benefit system with a single application. It also allows an employer with a money purchase plan to apply to cover all new employees to participate as a group in either the statewide hybrid plan or the statewide defined benefit plan. Effective Aug. 8, 2018. Lobbyist: Dianne Criswell, dcriswell@cml.org.

HB 18-1056 **PENSIONS & RETIREMENT**

FPPA – Health History Forms

This act authorizes the Fire and Police Pension Association to adopt an electronic format for the completion and filing of the health history form and clarifies eligibility provisions to specify that pre-existing and permanent medical conditions are disqualified from disability benefits. Effective Aug. 8, 2018. Lobbyist: Dianne Criswell, dcriswell@cml.org.

PERA – Reform

This act contains numerous provisions affecting employers and employees in all divisions of the Public Employees Retirement Association (PERA), as well as retirees, with the goal of eliminating the unfunded actuarial accrued liability of each of PERA's divisions and thereby reach a 100-percent funded ratio for each division within the next 30 years. The act modifies benefits, increases contributions, ensures alignment of contributions, service credits, and benefits. Local Government Division employers will have no contribution increase as a result of the legislation. Effective: June 4, 2018. Lobbyist: Kevin Bommer, kbommer@cml.org. *Reprinted.*

HB 18-1003**PUBLIC SAFETY****Opioid Misuse Prevention**

The act establishes the 10-member Opioid and Other Substance Use Disorders Study Committee as an interim study committee through July 1, 2020. It clarifies that school-based health centers that apply for grants from the grant program from the Department of Public Health and Environment can use this funding for education, intervention, and prevention for opioid, alcohol, marijuana, and other substance use disorders. The legislation also requires the Department of Health Care Policy and Financing to make grants to organizations to operate screening, brief intervention, and referral to treatment programs and requiring that a total of \$1.5 million in grants be awarded. It directs the Center for Research into Substance Use Disorder Prevention, Treatment, and Recovery Support Strategies at the University of Colorado Health Sciences Center to develop and implement continuing medical education activities to help prescribers of pain medication to safely and effectively manage patients with chronic pain, and prescribe opioids when appropriate, requiring the center to develop education and training for law enforcement officers and first responders, and appropriates funding for that program. Finally, the act requires the governor to direct the Colorado Consortium for Prescription Drug Abuse Prevention to develop a strategic plan concerning substance use recovery services and issue recommendations to the General Assembly by Jan. 1, 2020. Effective: May 21, 2018. Lobbyist: Meghan Dollar, mdollar@cml.org.

HB 18-1020**PUBLIC SAFETY****Civil Forfeiture Reforms**

The act defines a reporting agency for the purpose of making it clear which agencies are required to submit seizure reports to the Department of Local Affairs as required by HB 17-1313. The legislation also adds seizures related to local public nuisance laws or ordinances to the list of seizures to be reported and creates two law enforcement grants. The two grant programs are law enforcement assistance grant program and the law enforcement community services grant program. The act changes the distribution formula to give 25 percent to behavioral service providers and 25 percent to the newly created Law Enforcement Community Services Grant Fund, with the remaining 50 percent still going to the

governing body of the seizing agency. Effective: Sept. 1, 2018. Lobbyist: Meghan Dollar, mdollar@cml.org.

HB 18-1051**PUBLIC SAFETY****Extinguish Unattended Fires**

The act increases the penalty for individuals convicted of knowingly or recklessly leaving a fire unattended in a forested area. Effective: March 22, 2018. Lobbyist: Meghan Dollar, mdollar@cml.org.

HB 18-1184**PUBLIC SAFETY****Next Generation 9-1-1**

The act requires the Public Utilities Commission to create and submit to the General Assembly a state of 9-1-1 report before Sept. 15, 2018, and each year thereafter. The report must provide an overall understanding of the state of 9-1-1 in Colorado. Effective: May 29, 2018. Lobbyist: Meghan Dollar, mdollar@cml.org.

HB 18-1200**PUBLIC SAFETY****Cybercrime Changes**

The act replaces the term “computer crime” with “cybercrime” in the criminal code. The legislation defines the crimes to allow for a charge of anywhere from a petty offense to a class 2 felony depending on the circumstances. Effective: Aug. 8, 2018. Lobbyist: Meghan Dollar, mdollar@cml.org.

HB 18-1296**PUBLIC SAFETY****Vehicle Remote Starter Systems**

The act allows persons to leave their cars unattended and running if they use remote starter systems or adequate security measures. The act defines adequate security measures as using a vehicle that requires a key to move or put the vehicle into gear, keeping a keyless start fob out of the car, or using a steering wheel security device. Effective: May 29, 2018. Lobbyist: Meghan Dollar, mdollar@cml.org.

HB 18-1325**PUBLIC SAFETY****Digital Trunked Radio**

The act expands the allowable use of the Public Safety Communications Trust Fund. It appropriates \$2 million from the General Fund to the trust fund to fill coverage gaps in the state digital trunked radio system. Effective: April 30, 2018. Lobbyist: Meghan Dollar, mdollar@cml.org.

HB 18-1394**PUBLIC SAFETY****Colorado Disaster Emergency Act**

The act adds statutory definitions regarding emergency management, mitigation, recovery, resiliency, and response. Subject to available grant funding, this act continues the Colorado Resiliency Office (CRO) by codifying it in the Department of Local Affairs (DOLA). The office is to create and maintain the resiliency and community recovery program. In developing the resiliency and community recovery program, the CRO must complete a participatory process that includes local governments; state agencies;

business, labor industry, agriculture, civic and volunteer organizations; academia; community leaders; and other stakeholder participation. The act relocates existing statute regarding the Expert Emergency Response Committee within Title 24, makes changes to update emergency management terminology, and adds the executive director of DOLA or his or her designee to the committee. Finally, the act specifies that by June 30, 2019, and regularly thereafter, the Office of Emergency Management in the Department of Public Safety must update the centralized response computer database to include a listing of all-hazards recovery resources located in the state. Effective: Aug. 8, 2018. Lobbyist: Meghan Dollar, mdollar@cml.org.

HB 18-1423 PUBLIC SAFETY

Rural Fire Protection District Equipment Grants

The act transfers \$250,000 from the General Fund to the Division of Fire Prevention and Control's Local Firefighter Safety and Disease Prevention Fund for grants for equipment and training. Effective: May 23, 2018. Lobbyist: Kevin Bommer, kbommer@cml.org.

SB 18-015 PUBLIC SAFETY

Protecting Homeowners and Deployed Military

The act creates an alternate process to remove an unauthorized person from a residential property, and establishes civil and criminal penalties for certain prohibited behavior. The act includes that an owner must provide to law enforcement a declaration that provides certain information in order to request that law enforcement remove the trespassing occupant. Effective: June 6, 2018. Lobbyist: Meghan Dollar, mdollar@cml.org.

SB 18-024 PUBLIC SAFETY

Access to Behavioral Healthcare Providers

The act adds behavioral health care providers and candidates for certain types of professional licensure to the list of health care providers eligible for loan repayment. It specifies that candidates for licensure must serve at least two years in a rural or shortage area after obtaining a license, plus the time spent obtaining supervised experience hours. Effective: May 22, 2018. Lobbyist: Meghan Dollar, mdollar@cml.org.

SB 18-269 PUBLIC SAFETY

School Security Disbursement Program

The act creates the School Security Disbursement Program Account within the existing School Safety Resource Center Cash Fund. The account is funded with an appropriation of \$30 million in FY 2018-19. The Department of Public Safety (DPS) may expend up to 1 percent of this appropriation for administrative expenses. A local education provider must apply to the DPS for funding, providing certain information in its request. DPS is responsible for creating program rules, reviewing and approving applications, and issuing disbursements. DPS is required to give priority to applicants that commit to providing financial resources to match the amount of the disbursements. Funds may be used by a local education provider for capital construction that improves the

security of a public school facility or vehicle from threats of physical harm, training in student threat assessment, training for on-site school resource officers, and school emergency response training for all school building staff. The act also includes reporting requirements. Effective June 6, 2018. Lobbyist: Meghan Dollar, mdollar@cml.org.

HB 18-1128 RECORDS

Data Breach Notification

HB 18-1128 requires private and governmental entities in Colorado that maintain paper or electronic documents containing personal identifying information (PII) to do adopt policies to maintain and destroy PII; implement and maintain reasonable security procedures for PII; and disclose and provide notification of data breaches. Effective: Sept. 1, 2018. Lobbyist: Dianne Criswell, dcriswell@cml.org. *Reprinted.*

SB 18-086 RECORDS

Record Cryptology

This act directs certain state officials to take actions to protect state records containing trusted sensitive and confidential information from criminal, unauthorized, or inadvertent manipulation or theft. It also prohibits county or municipal governments from imposing taxes, fees, or licensing requirements for distributed ledger technologies. Effective: May 30, 2018. Lobbyist: Kevin Bommer, kbommer@cml.org.

HB 18-1039 SPECIAL DISTRICTS

Special District Election Dates

The act changes the years that special district elections are held to odd-numbered years, and changes the term for special district directors to three years for 2020 and 2022. It establishes that director terms will reset to four-year terms in 2023 and 2025. Effective: Aug. 8, 2018. Lobbyist: Meghan Dollar, mdollar@cml.org.

HB 18-1268 SPECIAL DISTRICTS

Recall Special District Director

The act establishes procedures for the recall of a special district director. It creates requirements for petitions, petition protests, elections and other procedures. The act specifies that it is a misdemeanor offense to destroy, delay, or conceal a recall petition, punishable by a fine of up to \$1,000, up to one year in county jail, or both. Effective: May 4, 2018. Lobbyist: Meghan Dollar, mdollar@cml.org.

HB 18-1022 TAXATION

Sales — Sales Tax Simplification

HB 18-1022 requires the Department of Revenue to issue a request for information for an electronic sales and use tax simplification system that the state or any local government that levies a sales or use tax, including a home rule municipality and county, could choose to use that would provide administrative simplification to the state and local sales and use tax system. Effective March 1, 2018. Lobbyist: Dianne Criswell, dcriswell@cml.org. *Reprinted.*

SB 18-106**TAXATION****Sales – Capital Improvement Funds**

SB 18-106 removes unnecessary provisions in law allowing certain local governments, including municipalities, to create a sales and use tax capital improvement fund when seeking voter approval to levy a sales or use tax. Effective Aug. 8, 2018. Lobbyist: Dianne Criswell, dcriswell@cml.org.

SB 18-002**TELECOMMUNICATIONS****High Cost Support Mechanism Transfer to Broadband Grants**

SB 18-002 amends the definition of “broadband network” to increase the speed at least 10 Mbps or the FCC minimum, which is currently 25 Mbps. It amends the definition of “unserved area” to refer to an area that is unincorporated, or within a municipality with fewer than 7,500 inhabitants. The act requires the Public Utilities Commission to allocate specified amounts of high cost support mechanism (HCSM) money to broadband deployment and makes conforming amendments. The act changes the membership of the Department of Regulatory Agencies Broadband Deployment Board, prohibits funding a proposed project that overlaps or overbuilds another broadband project and requires the grants for a proposed project to match the definition of “broadband network.” Contains numerous other provisions related to grant criteria and procedures. Effective: Aug. 8, 2019. Lobbyist: Kevin Bommer, kbommer@cml.org.

HB 18-1103**TRANSPORTATION****Local Government Off-Highway Vehicle Regulation**

This act allows local governments to impose additional safety requirements for off-highway vehicles on roads within their jurisdiction. The bill clarifies that local governments who impose these ordinances will do so consistent with state rules. Effective Date: Aug. 8, 2018. Lobbyist: Morgan Cullen, mcullen@cml.org.

HB 18-1191**TRANSPORTATION****Local Authority to Alter Speed Limits**

This act adds additional criteria (such as road characteristics, crash statistics, and pedestrian and bicycle activity in the vicinity) that can be taken into consideration by local governments when determining whether to raise or lower speed limits. Effective: Aug. 8, 2018. Lobbyist: Morgan Cullen, mcullen@cml.org.

HB 18-1285**TRANSPORTATION****Free Parking for Persons with Disabilities**

This act changes statutory guidelines for persons with disabilities qualifying for free parking. The bill allows free parking only for individuals who are physically unable to pay a parking meter and have received written medical verification. Those individuals that qualify will receive a special remuneration-exempt parking placard indicating their status. The act repeals existing authority for a person with a disability to park without paying. Effective: Jan. 1, 2019 Lobbyist: Morgan Cullen, mcullen@cml.org. *Reprinted.*

SB 18-001**TRANSPORTATION****Infrastructure Funding**

The act provides two General Fund contributions with local share backs through the Highway Users Tax Fund (HUTF) formula. The legislation appropriates \$495 million in FY 2018-19 and \$150 million in FY 2019-20, with 15 percent designated to municipalities and counties, and 15 percent to multimodal in both years. This means Colorado municipalities will receive an aggregate total of \$37.1 million this year and \$11.2 million next year. The bill also stipulates that 85 percent of the multimodal funding go solely to local governments. The bill also refers a \$2.35 billion bonding measure for voter approval in 2019, unless a citizen initiative passes in the November 2018 election, and allows the first tranche in lease purchase agreements authorized through SB 17-267 to move forward. Effective: May 31, 2018. Lobbyist: Morgan Cullen, mcullen@cml.org. *Reprinted.*

SB 18-144**TRANSPORTATION****Bicycles Approaching Intersections**

This act permits a municipality to adopt a local ordinance regulating the operation of bicycles approaching intersections with stop lights or stop signs. The bill authorizes municipalities to allow bikers to pass through an intersection without stopping at a reduced rate of speed if it is safe to proceed. It also adopts a standard set of criteria to ensure the law is applied consistently statewide. Effective: May 3, 2017. Lobbyist: Morgan Cullen, mcullen@cml.org.

SB 18-248**URBAN RENEWAL****Treatment of Voter Approved Revenue Increases**

For urban renewal plans adopted or substantially modified after Jan. 1, 2016, SB 18-248 removes the responsibility of a county treasurer from calculating the increment used to finance urban renewal projects attributable to taxes approved after the urban renewal plan was adopted or to revenues attributable to a subsequent debrucing. The act permits an urban renewal authority and a municipality or any other taxing entity to negotiate for the purpose of entering into an agreement on the issues of the amount of repayment, the mechanics of how repayment of the additional revenues will be accomplished, a method for resolving disputes regarding the amount of repayment, and whether the municipality or taxing entity will waive the repayment requirement, singularly or in combination, and are further authorized to enter into an intergovernmental agreement regarding any of these issues. Effective: May 30, 2018. Lobbyist: Kevin Bommer, kbommer@cml.org. *Reprinted.*

SB 18-167**UTILITIES****8-1-1 Enforcement Requirements**

This act transforms Colorado's 8-1-1 “call before you dig” program into a true one-call system by requiring tier-1 membership of all facility owners. Currently in Colorado, facility owners can be either tier-1 or tier-2 members, which provide different levels of notification and costs for locate requests. It also creates a statewide 12-member safety

commission with broad oversight and enforcement authority over the organization, its members and excavators. Effective: Aug. 8, 2018. Lobbyist: Morgan Cullen, mcullen@cml.org. *Reprinted.*

HB 18-1008 WATER & WASTEWATER

Aquatic Invasive Species Nuisance Funding

This act creates new funding and enforcement mechanisms to support Colorado's Division of Parks and Wildlife's Aquatic Nuisance Species Program, including a stamp for boat use and specified violations and penalties. Effective: Aug. 8, 2018. Lobbyist: Morgan Cullen, mcullen@cml.org.

SB 18-019 WATER & WASTEWATER

Duration of CWRPDA loans

This act removes the 20-year limitation on water pollution control revolving fund loans and authorizes the Colorado Water Resources and Power Development Authority to issue loans up to the lesser of 30 years or the useful life of the project. Effective Date: Aug. 8, 2018. Lobbyist: Morgan Cullen, mcullen@cml.org.

SB 18-025 WATER & WASTEWATER

Urban Drainage & Flood Control District Elections

This act makes changes to provisions relating to district elections including definitions of certain terms to conform the district's laws with the Uniform Election Code. The act allows elections to be held at a special election, deletes an obsolete provision, and conforms annexation elections to the Colorado Local Government Election Code, and contains other provisions. Effective Date: March 7, 2018. Lobbyist: Morgan Cullen, mcullen@cml.org.

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An Act

HOUSE BILL 18-1022

BY REPRESENTATIVE(S) Sias and Kraft-Tharp, Arndt, Benavidez, Covarrubias, Ginal, Gray, Kennedy, Lontine, Neville P., Rosenthal, Saine, Valdez, Van Winkle, Weissman, Wist, Duran;
also SENATOR(S) Jahn and Neville T., Aguilar, Baumgardner, Cooke, Court, Crowder, Fields, Gardner, Holbert, Kefalas, Kerr, Marble, Martinez Humenik, Merrifield, Moreno, Smallwood, Sonnenberg, Tate, Todd, Zenzinger, Grantham.

CONCERNING A REQUIREMENT THAT THE DEPARTMENT OF REVENUE ISSUE
A REQUEST FOR INFORMATION FOR AN ELECTRONIC SALES AND USE
TAX SIMPLIFICATION SYSTEM.

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

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

(a) The sales and use tax simplification task force (task force) has met several times in the interim between the 2017 and 2018 legislative sessions and has heard testimony from both businesses and local governments about the complex nature of our state and local sales and use tax system;

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

(b) The task force's objective with the bill is to take the first step towards a sourcing method for the building of an electronic sales and use tax simplification system that could be paid for by business subscribers; and

(c) It is the task force's intent to simplify certain administrative details of the state and local sales and use tax system that could be piloted on an elective basis while still protecting the important legal authority of any home rule municipality or county set forth in section 6 of article XX of the state constitution.

SECTION 2. In Colorado Revised Statutes, add 39-26-802.5 as follows:

39-26-802.5. Sales and use tax simplification - request for information. (1) (a) NO LATER THAN JUNE 30, 2018, THE DEPARTMENT OF REVENUE SHALL ISSUE A REQUEST FOR INFORMATION, IN ACCORDANCE WITH THE PROCUREMENT CODE, ARTICLES 101 TO 112 OF TITLE 24, AND WITHIN THE DEPARTMENT'S EXISTING RESOURCES, FOR AN ELECTRONIC SALES AND USE TAX SIMPLIFICATION SYSTEM THAT THE STATE OR ANY LOCAL GOVERNMENT THAT LEVIES A SALES OR USE TAX, INCLUDING HOME RULE MUNICIPALITIES AND COUNTIES, COULD CHOOSE TO USE THAT WOULD PROVIDE:

(I) ACCURATE ADDRESS LOCATION INFORMATION TO BE USED BY A RETAILER TO DETERMINE THE CORRECT TAXING JURISDICTION FOR WHICH THE RETAILER SHOULD COLLECT AND REMIT SALES OR USE TAX;

(II) A SINGLE APPLICATION PROCESS FOR STATE AND LOCAL SALES TAX LICENSES;

(III) A UNIFORM SALES AND USE TAX REMITTANCE FORM;

(IV) A SINGLE POINT OF REMITTANCE FOR STATE AND LOCAL SALES AND USE TAX; AND

(V) A TAXABILITY OR EXEMPTION MATRIX.

(b) THE ELECTRONIC SALES AND USE TAX SIMPLIFICATION SYSTEM MUST PROVIDE ACCESS TO THE DATA THAT THE STATE OR ANY LOCAL

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GOVERNMENT MAY NEED FOR PURPOSES OF AUDITING TAXPAYERS OR FOR RECONCILING SALES AND USE TAX REVENUE PROJECTIONS.

(c) THE REQUEST FOR INFORMATION PROCESS MUST:

(I) IDENTIFY INITIAL COSTS FOR THE ELECTRONIC SALES AND USE TAX SIMPLIFICATION SYSTEM AND ANY POSSIBLE ONGOING ANNUAL COSTS;

(II) EXPLAIN HOW, TO THE MAXIMUM EXTENT PRACTICABLE, THE SYSTEM COULD BE ABLE TO INTERFACE WITH ALL EXISTING ACCOUNTING SYSTEMS USED BY THE RETAILERS, THE STATE, OR LOCAL GOVERNMENTS;

(III) ALLOW FOR VARIOUS PAYMENT OPTIONS TO PAY FOR THE COST OF THE DEVELOPMENT OR IMPLEMENTATION OF THE ELECTRONIC SALES AND USE TAX SIMPLIFICATION SYSTEM, INCLUDING CONTRIBUTIONS BY THE STATE, LOCAL GOVERNMENTS, OR RETAILERS, OR ANY COMBINATION THEREOF;

(IV) ANTICIPATE THAT THE SALES AND USE TAX BASE OR RATES OF THE STATE OR ANY LOCAL GOVERNMENT THAT LEVIES A SALES OR USE TAX MAY CHANGE OVER TIME AND MAINTAIN A HISTORY OF THOSE CHANGES, INCLUDING THE EFFECTIVE DATE OF SUCH CHANGES; AND

(V) ANTICIPATE THAT THE JURISDICTIONAL BOUNDARIES OF A LOCAL GOVERNMENT THAT LEVIES A SALES OR USE TAX MAY CHANGE OVER TIME AND MAINTAIN A HISTORY OF THOSE CHANGES, INCLUDING THE EFFECTIVE DATE OF SUCH CHANGES.

(d) A RESPONDER TO THE REQUEST FOR INFORMATION SHALL NOT EXPECT OR ANTICIPATE THAT THE STATE OR ANY LOCAL GOVERNMENT THAT LEVIES A SALES OR USE TAX AND THAT MIGHT USE THE ELECTRONIC SALES AND USE TAX SIMPLIFICATION SYSTEM WILL, FOR SIMPLIFICATION PURPOSES:

(I) ADJUST THEIR SALES AND USE TAX BASE OR RATE;

(II) ADOPT UNIFORM DEFINITIONS; OR

(III) UNIFY THEIR AUDIT AUTHORITY AND PROCESS IN ANY FASHION.


(2) WHEN THE REQUEST FOR INFORMATION ISSUANCE IS COMPLETE,


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THE DEPARTMENT OF REVENUE SHALL NOTIFY THE SALES AND USE TAX SIMPLIFICATION TASK FORCE CREATED IN SECTION 39-26-802. THE TASK FORCE SHALL HOLD A MEETING WITHIN NINETY DAYS OF THE NOTIFICATION TO REVIEW THE INFORMATION RECEIVED PURSUANT TO THE REQUEST FOR INFORMATION AND DETERMINE NEXT STEPS. THE TASK FORCE SHALL INVITE A REPRESENTATIVE OF THE DEPARTMENT OF REVENUE'S PURCHASING DEPARTMENT TO HELP ENSURE THAT ALL PROCUREMENT ISSUES ARE CONSIDERED WHEN THE TASK FORCE DETERMINES ITS NEXT STEPS.

SECTION 3. Safety clause. The general assembly hereby finds,

determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.


Crisanta Duran
SPEAKER OF THE HOUSE
OF REPRESENTATIVES


Kevin J. Grantham
PRESIDENT OF
THE SENATE


Marilyn Eddins
CHIEF CLERK OF THE HOUSE
OF REPRESENTATIVES


Effie Ameen
SECRETARY OF
THE SENATE

APPROVED 3/1/18 3:22 PM


John W. Hickenlooper
GOVERNOR OF THE STATE OF COLORADO

An Act

HOUSE BILL 18-1128

BY REPRESENTATIVE(S) Wist and Bridges, Arndt, Becker K., Buckner, Coleman, Danielson, Esgar, Exum, Foote, Garnett, Gray, Hamner, Hansen, Herod, Hooton, Jackson, Kraft-Tharp, Landgraf, Lawrence, Lee, Liston, Lontine, McLachlan, Melton, Michaelson Jenet, Neville P., Pettersen, Rankin, Ransom, Reyher, Roberts, Rosenthal, Saine, Sias, Singer, Valdez, Van Winkle, Weissman, Winkler, Winter, Young, Duran, Benavidez, Ginal, Humphrey, Kennedy, Salazar;

also SENATOR(S) Lambert and Court, Aguilar, Crowder, Donovan, Fenberg, Fields, Garcia, Gardner, Guzman, Jahn, Jones, Kefalas, Kerr, Lundberg, Marble, Martinez Humenik, Merrifield, Moreno, Neville T., Tate, Todd, Williams A., Zenzinger, Grantham.

CONCERNING STRENGTHENING PROTECTIONS FOR CONSUMER DATA
PRIVACY.

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

SECTION 1. In Colorado Revised Statutes, 6-1-713, **amend** (1), (2), and (3) as follows:

6-1-713. Disposal of personal identifying information - policy - definitions. (1) Each ~~public and private~~ COVERED entity in the state that ~~uses~~ MAINTAINS PAPER OR ELECTRONIC documents during the course of

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

business that contain personal identifying information shall develop a WRITTEN policy for the destruction or proper disposal of THOSE paper AND ELECTRONIC documents containing personal identifying information. UNLESS OTHERWISE REQUIRED BY STATE OR FEDERAL LAW OR REGULATION, THE WRITTEN POLICY MUST REQUIRE THAT, WHEN SUCH PAPER OR ELECTRONIC DOCUMENTS ARE NO LONGER NEEDED, THE COVERED ENTITY SHALL DESTROY OR ARRANGE FOR THE DESTRUCTION OF SUCH PAPER AND ELECTRONIC DOCUMENTS WITHIN ITS CUSTODY OR CONTROL THAT CONTAIN PERSONAL IDENTIFYING INFORMATION BY SHREDDING, ERASING, OR OTHERWISE MODIFYING THE PERSONAL IDENTIFYING INFORMATION IN THE PAPER OR ELECTRONIC DOCUMENTS TO MAKE THE PERSONAL IDENTIFYING INFORMATION UNREADABLE OR INDECIPHERABLE THROUGH ANY MEANS.

(2) For the purposes of this section AND SECTION 6-1-713.5:

(a) "COVERED ENTITY" MEANS A PERSON, AS DEFINED IN SECTION 6-1-102 (6), THAT MAINTAINS, OWNS, OR LICENSES PERSONAL IDENTIFYING INFORMATION IN THE COURSE OF THE PERSON'S BUSINESS, VOCATION, OR OCCUPATION. "COVERED ENTITY" DOES NOT INCLUDE A PERSON ACTING AS A THIRD-PARTY SERVICE PROVIDER AS DEFINED IN SECTION 6-1-713.5.

(b) "Personal identifying information" means a social security number; a personal identification number; a password; a pass code; an official state or government-issued driver's license or identification card number; a government passport number; biometric data, AS DEFINED IN SECTION 6-1-716 (1)(a); an employer, student, or military identification number; or a financial transaction device, AS DEFINED IN SECTION 18-5-701 (3).

(3) ~~A public entity that is managing its records in compliance with part 1 of article 80 of title 24, C.R.S., shall be deemed to have met its obligations under subsection (1) of this section~~ A COVERED ENTITY THAT IS REGULATED BY STATE OR FEDERAL LAW AND THAT MAINTAINS PROCEDURES FOR DISPOSAL OF PERSONAL IDENTIFYING INFORMATION PURSUANT TO THE LAWS, RULES, REGULATIONS, GUIDANCES, OR GUIDELINES ESTABLISHED BY ITS STATE OR FEDERAL REGULATOR IS IN COMPLIANCE WITH THIS SECTION.

SECTION 2. In Colorado Revised Statutes, **add** 6-1-713.5 as follows:

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6-1-713.5. Protection of personal identifying information - definition. (1) TO PROTECT PERSONAL IDENTIFYING INFORMATION, AS DEFINED IN SECTION 6-1-713 (2), FROM UNAUTHORIZED ACCESS, USE, MODIFICATION, DISCLOSURE, OR DESTRUCTION, A COVERED ENTITY THAT MAINTAINS, OWNS, OR LICENSES PERSONAL IDENTIFYING INFORMATION OF AN INDIVIDUAL RESIDING IN THE STATE SHALL IMPLEMENT AND MAINTAIN REASONABLE SECURITY PROCEDURES AND PRACTICES THAT ARE APPROPRIATE TO THE NATURE OF THE PERSONAL IDENTIFYING INFORMATION AND THE NATURE AND SIZE OF THE BUSINESS AND ITS OPERATIONS.

(2) UNLESS A COVERED ENTITY AGREES TO PROVIDE ITS OWN SECURITY PROTECTION FOR THE INFORMATION IT DISCLOSES TO A THIRD-PARTY SERVICE PROVIDER, THE COVERED ENTITY SHALL REQUIRE THAT THE THIRD-PARTY SERVICE PROVIDER IMPLEMENT AND MAINTAIN REASONABLE SECURITY PROCEDURES AND PRACTICES THAT ARE:

(a) APPROPRIATE TO THE NATURE OF THE PERSONAL IDENTIFYING INFORMATION DISCLOSED TO THE THIRD-PARTY SERVICE PROVIDER; AND

(b) REASONABLY DESIGNED TO HELP PROTECT THE PERSONAL IDENTIFYING INFORMATION FROM UNAUTHORIZED ACCESS, USE, MODIFICATION, DISCLOSURE, OR DESTRUCTION.

(3) FOR THE PURPOSES OF SUBSECTION (2) OF THIS SECTION, A DISCLOSURE OF PERSONAL IDENTIFYING INFORMATION DOES NOT INCLUDE DISCLOSURE OF INFORMATION TO A THIRD PARTY UNDER CIRCUMSTANCES WHERE THE COVERED ENTITY RETAINS PRIMARY RESPONSIBILITY FOR IMPLEMENTING AND MAINTAINING REASONABLE SECURITY PROCEDURES AND PRACTICES APPROPRIATE TO THE NATURE OF THE PERSONAL IDENTIFYING INFORMATION AND THE COVERED ENTITY IMPLEMENTS AND MAINTAINS TECHNICAL CONTROLS THAT ARE REASONABLY DESIGNED TO:

(a) HELP PROTECT THE PERSONAL IDENTIFYING INFORMATION FROM UNAUTHORIZED ACCESS, USE, MODIFICATION, DISCLOSURE, OR DESTRUCTION; OR

(b) EFFECTIVELY ELIMINATE THE THIRD PARTY'S ABILITY TO ACCESS THE PERSONAL IDENTIFYING INFORMATION, NOTWITHSTANDING THE THIRD PARTY'S PHYSICAL POSSESSION OF THE PERSONAL IDENTIFYING INFORMATION.

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(4) A COVERED ENTITY THAT IS REGULATED BY STATE OR FEDERAL LAW AND THAT MAINTAINS PROCEDURES FOR PROTECTION OF PERSONAL IDENTIFYING INFORMATION PURSUANT TO THE LAWS, RULES, REGULATIONS, GUIDANCES, OR GUIDELINES ESTABLISHED BY ITS STATE OR FEDERAL REGULATOR IS IN COMPLIANCE WITH THIS SECTION.

(5) FOR THE PURPOSES OF THIS SECTION, "THIRD-PARTY SERVICE PROVIDER" MEANS AN ENTITY THAT HAS BEEN CONTRACTED TO MAINTAIN, STORE, OR PROCESS PERSONAL IDENTIFYING INFORMATION ON BEHALF OF A COVERED ENTITY.

SECTION 3. In Colorado Revised Statutes, 6-1-716, **amend** (2), (3), and (4); **repeal and reenact, with amendments**, (1); and **add** (5) as follows:

6-1-716. Notification of security breach. (1) Definitions. AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(a) "BIOMETRIC DATA" MEANS UNIQUE BIOMETRIC DATA GENERATED FROM MEASUREMENTS OR ANALYSIS OF HUMAN BODY CHARACTERISTICS FOR THE PURPOSE OF AUTHENTICATING THE INDIVIDUAL WHEN HE OR SHE ACCESSES AN ONLINE ACCOUNT.

(b) "COVERED ENTITY" MEANS A PERSON, AS DEFINED IN SECTION 6-1-102(6), THAT MAINTAINS, OWNS, OR LICENSES PERSONAL INFORMATION IN THE COURSE OF THE PERSON'S BUSINESS, VOCATION, OR OCCUPATION. "COVERED ENTITY" DOES NOT INCLUDE A PERSON ACTING AS A THIRD-PARTY SERVICE PROVIDER AS DEFINED IN SUBSECTION (1)(i) OF THIS SECTION.

(c) "DETERMINATION THAT A SECURITY BREACH OCCURRED" MEANS THE POINT IN TIME AT WHICH THERE IS SUFFICIENT EVIDENCE TO CONCLUDE THAT A SECURITY BREACH HAS TAKEN PLACE.

(d) "ENCRYPTED" MEANS RENDERED UNUSABLE, UNREADABLE, OR INDECIPHERABLE TO AN UNAUTHORIZED PERSON THROUGH A SECURITY TECHNOLOGY OR METHODOLOGY GENERALLY ACCEPTED IN THE FIELD OF INFORMATION SECURITY.

(e) "MEDICAL INFORMATION" MEANS ANY INFORMATION ABOUT A CONSUMER'S MEDICAL OR MENTAL HEALTH TREATMENT OR DIAGNOSIS BY A

HEALTH CARE PROFESSIONAL.

(f) "NOTICE" MEANS:

(I) WRITTEN NOTICE TO THE POSTAL ADDRESS LISTED IN THE RECORDS OF THE COVERED ENTITY;

(II) TELEPHONIC NOTICE;

(III) ELECTRONIC NOTICE, IF A PRIMARY MEANS OF COMMUNICATION BY THE COVERED ENTITY WITH A COLORADO RESIDENT IS BY ELECTRONIC MEANS OR THE NOTICE PROVIDED IS CONSISTENT WITH THE PROVISIONS REGARDING ELECTRONIC RECORDS AND SIGNATURES SET FORTH IN THE FEDERAL "ELECTRONIC SIGNATURES IN GLOBAL AND NATIONAL COMMERCE ACT", 15 U.S.C. SEC. 7001 ET SEQ.; OR

(IV) SUBSTITUTE NOTICE, IF THE COVERED ENTITY REQUIRED TO PROVIDE NOTICE DEMONSTRATES THAT THE COST OF PROVIDING NOTICE WILL EXCEED TWO HUNDRED FIFTY THOUSAND DOLLARS, THE AFFECTED CLASS OF PERSONS TO BE NOTIFIED EXCEEDS TWO HUNDRED FIFTY THOUSAND COLORADO RESIDENTS, OR THE COVERED ENTITY DOES NOT HAVE SUFFICIENT CONTACT INFORMATION TO PROVIDE NOTICE. SUBSTITUTE NOTICE CONSISTS OF ALL OF THE FOLLOWING:

(A) E-MAIL NOTICE IF THE COVERED ENTITY HAS E-MAIL ADDRESSES FOR THE MEMBERS OF THE AFFECTED CLASS OF COLORADO RESIDENTS;

(B) CONSPICUOUS POSTING OF THE NOTICE ON THE WEBSITE PAGE OF THE COVERED ENTITY IF THE COVERED ENTITY MAINTAINS ONE; AND

(C) NOTIFICATION TO MAJOR STATEWIDE MEDIA.

(g) (I) (A) "PERSONAL INFORMATION" MEANS A COLORADO RESIDENT'S FIRST NAME OR FIRST INITIAL AND LAST NAME IN COMBINATION WITH ANY ONE OR MORE OF THE FOLLOWING DATA ELEMENTS THAT RELATE TO THE RESIDENT, WHEN THE DATA ELEMENTS ARE NOT ENCRYPTED, REDACTED, OR SECURED BY ANY OTHER METHOD RENDERING THE NAME OR THE ELEMENT UNREADABLE OR UNUSABLE: SOCIAL SECURITY NUMBER; STUDENT, MILITARY, OR PASSPORT IDENTIFICATION NUMBER; DRIVER'S LICENSE NUMBER OR IDENTIFICATION CARD NUMBER; MEDICAL

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INFORMATION; HEALTH INSURANCE IDENTIFICATION NUMBER; OR BIOMETRIC DATA;

(B) A COLORADO RESIDENT'S USERNAME OR E-MAIL ADDRESS, IN COMBINATION WITH A PASSWORD OR SECURITY QUESTIONS AND ANSWERS, THAT WOULD PERMIT ACCESS TO AN ONLINE ACCOUNT; OR

(C) A COLORADO RESIDENT'S ACCOUNT NUMBER OR CREDIT OR DEBIT CARD NUMBER IN COMBINATION WITH ANY REQUIRED SECURITY CODE, ACCESS CODE, OR PASSWORD THAT WOULD PERMIT ACCESS TO THAT ACCOUNT.

(II) "PERSONAL INFORMATION" DOES NOT INCLUDE PUBLICLY AVAILABLE INFORMATION THAT IS LAWFULLY MADE AVAILABLE TO THE GENERAL PUBLIC FROM FEDERAL, STATE, OR LOCAL GOVERNMENT RECORDS OR WIDELY DISTRIBUTED MEDIA.

(h) "SECURITY BREACH" MEANS THE UNAUTHORIZED ACQUISITION OF UNENCRYPTED COMPUTERIZED DATA THAT COMPROMISES THE SECURITY, CONFIDENTIALITY, OR INTEGRITY OF PERSONAL INFORMATION MAINTAINED BY A COVERED ENTITY. GOOD FAITH ACQUISITION OF PERSONAL INFORMATION BY AN EMPLOYEE OR AGENT OF A COVERED ENTITY FOR THE COVERED ENTITY'S BUSINESS PURPOSES IS NOT A SECURITY BREACH IF THE PERSONAL INFORMATION IS NOT USED FOR A PURPOSE UNRELATED TO THE LAWFUL OPERATION OF THE BUSINESS OR IS NOT SUBJECT TO FURTHER UNAUTHORIZED DISCLOSURE.

(i) "THIRD-PARTY SERVICE PROVIDER" MEANS AN ENTITY THAT HAS BEEN CONTRACTED TO MAINTAIN, STORE, OR PROCESS PERSONAL INFORMATION ON BEHALF OF A COVERED ENTITY.

(2) **Disclosure of breach.** (a) ~~An individual or a commercial~~ A COVERED entity ~~that conducts business in Colorado and~~ that MAINTAINS, owns, or licenses computerized data that includes personal information about a resident of Colorado shall, when it ~~becomes aware of a breach of the security of the system~~ BECOMES AWARE THAT A SECURITY BREACH MAY HAVE OCCURRED, conduct in good faith a prompt investigation to determine the likelihood that personal information has been or will be misused. The ~~individual or the commercial~~ COVERED entity shall give notice ~~as soon as possible~~ to the affected Colorado ~~resident~~ RESIDENTS unless the

investigation determines that the misuse of information about a Colorado resident has not occurred and is not reasonably likely to occur. Notice ~~shall~~ MUST be made in the most expedient time possible and without unreasonable delay, BUT NOT LATER THAN THIRTY DAYS AFTER THE DATE OF DETERMINATION THAT A SECURITY BREACH OCCURRED, consistent with the legitimate needs of law enforcement and consistent with any measures necessary to determine the scope of the breach and to restore the reasonable integrity of the computerized data system.

(a.2) IN THE CASE OF A BREACH OF PERSONAL INFORMATION, NOTICE REQUIRED BY THIS SUBSECTION (2) TO AFFECTED COLORADO RESIDENTS MUST INCLUDE, BUT NEED NOT BE LIMITED TO, THE FOLLOWING INFORMATION:

(I) THE DATE, ESTIMATED DATE, OR ESTIMATED DATE RANGE OF THE SECURITY BREACH;

(II) A DESCRIPTION OF THE PERSONAL INFORMATION THAT WAS ACQUIRED OR REASONABLY BELIEVED TO HAVE BEEN ACQUIRED AS PART OF THE SECURITY BREACH;

(III) INFORMATION THAT THE RESIDENT CAN USE TO CONTACT THE COVERED ENTITY TO INQUIRE ABOUT THE SECURITY BREACH;

(IV) THE TOLL-FREE NUMBERS, ADDRESSES, AND WEBSITES FOR CONSUMER REPORTING AGENCIES;

(V) THE TOLL-FREE NUMBER, ADDRESS, AND WEBSITE FOR THE FEDERAL TRADE COMMISSION; AND

(VI) A STATEMENT THAT THE RESIDENT CAN OBTAIN INFORMATION FROM THE FEDERAL TRADE COMMISSION AND THE CREDIT REPORTING AGENCIES ABOUT FRAUD ALERTS AND SECURITY FREEZES.

(a.3) IF AN INVESTIGATION BY THE COVERED ENTITY PURSUANT TO SUBSECTION (2)(a) OF THIS SECTION DETERMINES THAT THE TYPE OF PERSONAL INFORMATION DESCRIBED IN SUBSECTION (1)(g)(I)(B) OF THIS SECTION HAS BEEN MISUSED OR IS REASONABLY LIKELY TO BE MISUSED, THEN THE COVERED ENTITY SHALL, IN ADDITION TO THE NOTICE OTHERWISE REQUIRED BY SUBSECTION (2)(a.2) OF THIS SECTION AND IN THE MOST

EXPEDIENT TIME POSSIBLE AND WITHOUT UNREASONABLE DELAY, BUT NOT LATER THAN THIRTY DAYS AFTER THE DATE OF DETERMINATION THAT A SECURITY BREACH OCCURRED, CONSISTENT WITH THE LEGITIMATE NEEDS OF LAW ENFORCEMENT AND CONSISTENT WITH ANY MEASURES NECESSARY TO DETERMINE THE SCOPE OF THE BREACH AND TO RESTORE THE REASONABLE INTEGRITY OF THE COMPUTERIZED DATA SYSTEM:

(I) DIRECT THE PERSON WHOSE PERSONAL INFORMATION HAS BEEN BREACHED TO PROMPTLY CHANGE HIS OR HER PASSWORD AND SECURITY QUESTION OR ANSWER, AS APPLICABLE, OR TO TAKE OTHER STEPS APPROPRIATE TO PROTECT THE ONLINE ACCOUNT WITH THE COVERED ENTITY AND ALL OTHER ONLINE ACCOUNTS FOR WHICH THE PERSON WHOSE PERSONAL INFORMATION HAS BEEN BREACHED USES THE SAME USERNAME OR E-MAIL ADDRESS AND PASSWORD OR SECURITY QUESTION OR ANSWER.

(II) FOR LOG-IN CREDENTIALS OF AN E-MAIL ACCOUNT FURNISHED BY THE COVERED ENTITY, THE COVERED ENTITY SHALL NOT COMPLY WITH THIS SECTION BY PROVIDING THE SECURITY BREACH NOTIFICATION TO THAT E-MAIL ADDRESS, BUT MAY INSTEAD COMPLY WITH THIS SECTION BY PROVIDING NOTICE THROUGH OTHER METHODS, AS DEFINED IN SUBSECTION (1)(f) OF THIS SECTION, OR BY CLEAR AND CONSPICUOUS NOTICE DELIVERED TO THE RESIDENT ONLINE WHEN THE RESIDENT IS CONNECTED TO THE ONLINE ACCOUNT FROM AN INTERNET PROTOCOL ADDRESS OR ONLINE LOCATION FROM WHICH THE COVERED ENTITY KNOWS THE RESIDENT CUSTOMARILY ACCESSES THE ACCOUNT.

(a.4) THE BREACH OF ENCRYPTED OR OTHERWISE SECURED PERSONAL INFORMATION MUST BE DISCLOSED IN ACCORDANCE WITH THIS SECTION IF THE CONFIDENTIAL PROCESS, ENCRYPTION KEY, OR OTHER MEANS TO DECIPHER THE SECURED INFORMATION WAS ALSO ACQUIRED IN THE SECURITY BREACH OR WAS REASONABLY BELIEVED TO HAVE BEEN ACQUIRED.

(a.5) A COVERED ENTITY THAT IS REQUIRED TO PROVIDE NOTICE TO AFFECTED COLORADO RESIDENTS PURSUANT TO THIS SUBSECTION (2) IS PROHIBITED FROM CHARGING THE COST OF PROVIDING SUCH NOTICE TO SUCH RESIDENTS.

(a.6) NOTHING IN THIS SUBSECTION (2) PROHIBITS THE NOTICE DESCRIBED IN THIS SUBSECTION (2) FROM CONTAINING ADDITIONAL

INFORMATION, INCLUDING ANY INFORMATION THAT MAY BE REQUIRED BY STATE OR FEDERAL LAW.

(b) ~~An individual or a commercial entity that maintains~~ IF A COVERED ENTITY USES A THIRD-PARTY SERVICE PROVIDER TO MAINTAIN computerized data that includes personal information, ~~that the individual or the commercial entity does not own or license~~ THEN THE THIRD-PARTY SERVICE PROVIDER shall give notice to and cooperate with ~~the owner or licensee of the information of any breach of the security of the system immediately~~ THE COVERED ENTITY IN THE EVENT OF A SECURITY BREACH THAT COMPROMISES SUCH COMPUTERIZED DATA, INCLUDING NOTIFYING THE COVERED ENTITY OF ANY SECURITY BREACH IN THE MOST EXPEDIENT TIME POSSIBLE, AND WITHOUT UNREASONABLE DELAY following discovery of a SECURITY breach, if misuse of personal information about a Colorado resident occurred or is likely to occur. Cooperation includes sharing with the ~~owner or licensee~~ COVERED ENTITY information relevant to the SECURITY breach; except that such cooperation ~~shall not be deemed to~~ DOES NOT require the disclosure of confidential business information or trade secrets.

(c) Notice required by this section may be delayed if a law enforcement agency determines that the notice will impede a criminal investigation and the law enforcement agency has notified the ~~individual or commercial~~ COVERED entity that conducts business in Colorado not to send notice required by this section. Notice required by this section ~~shall~~ MUST be made in good faith, IN THE MOST EXPEDIENT TIME POSSIBLE AND without unreasonable delay ~~and as soon as possible~~ BUT NOT LATER THAN THIRTY DAYS after the law enforcement agency determines that notification will no longer impede the investigation and has notified the ~~individual or commercial~~ COVERED entity that conducts business in Colorado that it is appropriate to send the notice required by this section.

(d) If ~~an individual or commercial~~ A COVERED entity is required to notify more than one thousand Colorado residents of a SECURITY breach ~~of the security of the system~~ pursuant to this section, the ~~individual or commercial~~ COVERED entity shall also notify, IN THE MOST EXPEDIENT TIME POSSIBLE AND without unreasonable delay, all consumer reporting agencies that compile and maintain files on consumers on a nationwide basis, as defined by THE FEDERAL "FAIR CREDIT REPORTING ACT", 15 U.S.C. sec. 1681a (p), of the anticipated date of the notification to the residents and the

approximate number of residents who are to be notified. Nothing in this ~~paragraph (d) shall be construed to require~~ SUBSECTION (2)(d) REQUIRES the ~~individual or commercial~~ COVERED entity to provide to the consumer reporting agency the names or other personal information of SECURITY breach notice recipients. This ~~paragraph (d) shall~~ SUBSECTION (2)(d) DOES not apply to a ~~person~~ COVERED ENTITY who is subject to Title V of the federal "Gramm-Leach-Bliley Act", 15 U.S.C. sec. 6801 et seq.

(e) A WAIVER OF THESE NOTIFICATION RIGHTS OR RESPONSIBILITIES IS VOID AS AGAINST PUBLIC POLICY.

(f) (I) THE COVERED ENTITY THAT MUST NOTIFY COLORADO RESIDENTS OF A DATA BREACH PURSUANT TO THIS SECTION SHALL PROVIDE NOTICE OF ANY SECURITY BREACH TO THE COLORADO ATTORNEY GENERAL IN THE MOST EXPEDIENT TIME POSSIBLE AND WITHOUT UNREASONABLE DELAY, BUT NOT LATER THAN THIRTY DAYS AFTER THE DATE OF DETERMINATION THAT A SECURITY BREACH OCCURRED, IF THE SECURITY BREACH IS REASONABLY BELIEVED TO HAVE AFFECTED FIVE HUNDRED COLORADO RESIDENTS OR MORE, UNLESS THE INVESTIGATION DETERMINES THAT THE MISUSE OF INFORMATION ABOUT A COLORADO RESIDENT HAS NOT OCCURRED AND IS NOT LIKELY TO OCCUR.

(II) THE COLORADO ATTORNEY GENERAL SHALL DESIGNATE A PERSON OR PERSONS AS A POINT OF CONTACT FOR FUNCTIONS SET FORTH IN THIS SUBSECTION (2)(f) AND SHALL MAKE THE CONTACT INFORMATION FOR THAT PERSON OR THOSE PERSONS PUBLIC ON THE ATTORNEY GENERAL'S WEBSITE AND BY ANY OTHER APPROPRIATE MEANS.

(g) THE BREACH OF ENCRYPTED OR OTHERWISE SECURED PERSONAL INFORMATION MUST BE DISCLOSED IN ACCORDANCE WITH THIS SECTION IF THE CONFIDENTIAL PROCESS, ENCRYPTION KEY, OR OTHER MEANS TO DECIPHER THE SECURED INFORMATION WAS ALSO ACQUIRED OR WAS REASONABLY BELIEVED TO HAVE BEEN ACQUIRED IN THE SECURITY BREACH.

(3) Procedures deemed in compliance with notice requirements.

(a) ~~Under~~ PURSUANT TO this section, ~~an individual or a commercial~~ A COVERED entity that maintains its own notification procedures as part of an information security policy for the treatment of personal information and whose procedures are otherwise consistent with the timing requirements of this section ~~shall be deemed to be~~ IS in compliance with the notice

requirements of this section if the ~~individual or the commercial~~ COVERED entity notifies affected Colorado ~~customers~~ RESIDENTS in accordance with its policies in the event of a ~~breach of security of the system~~ SECURITY BREACH; EXCEPT THAT NOTICE TO THE ATTORNEY GENERAL IS STILL REQUIRED PURSUANT TO SUBSECTION (2)(f) OF THIS SECTION.

(b) ~~An individual or a commercial~~ A COVERED entity that is regulated by state or federal law and that maintains procedures for a SECURITY breach ~~of the security of the system~~ pursuant to the laws, rules, regulations, guidances, or guidelines established by its ~~primary or functional~~ state or federal regulator is ~~deemed to be~~ in compliance with this section; EXCEPT THAT NOTICE TO THE ATTORNEY GENERAL IS STILL REQUIRED PURSUANT TO SUBSECTION (2)(f) OF THIS SECTION. IN THE CASE OF A CONFLICT BETWEEN THE TIME PERIOD FOR NOTICE TO INDIVIDUALS THAT IS REQUIRED PURSUANT TO THIS SUBSECTION (3) AND THE APPLICABLE STATE OR FEDERAL LAW OR REGULATION, THE LAW OR REGULATION WITH THE SHORTEST TIME FRAME FOR NOTICE TO THE INDIVIDUAL CONTROLS.

(4) **Violations.** The attorney general may bring an action in law or equity to address violations of this section, SECTION 6-1-713, OR SECTION 6-1-713.5, and for other relief that may be appropriate to ensure compliance with this section or to recover direct economic damages resulting from a violation, or both. The provisions of this section are not exclusive and do not relieve ~~an individual or a commercial~~ A COVERED entity subject to this section from compliance with all other applicable provisions of law.

(5) **Attorney general criminal authority.** UPON RECEIPT OF NOTICE PURSUANT TO SUBSECTION (2) OF THIS SECTION, AND WITH EITHER A REQUEST FROM THE GOVERNOR TO PROSECUTE A PARTICULAR CASE OR WITH THE APPROVAL OF THE DISTRICT ATTORNEY WITH JURISDICTION TO PROSECUTE CASES IN THE JUDICIAL DISTRICT WHERE A CASE COULD BE BROUGHT, THE ATTORNEY GENERAL HAS THE AUTHORITY TO PROSECUTE ANY CRIMINAL VIOLATIONS OF SECTION 18-5.5-102.

SECTION 4. In Colorado Revised Statutes, **add** article 73 to title 24 as follows:

ARTICLE 73
Security Breaches and Personal Information

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24-73-101. Governmental entity - disposal of personal identifying information - policy - definitions. (1) EACH GOVERNMENTAL ENTITY IN THE STATE THAT MAINTAINS PAPER OR ELECTRONIC DOCUMENTS DURING THE COURSE OF BUSINESS THAT CONTAIN PERSONAL IDENTIFYING INFORMATION SHALL DEVELOP A WRITTEN POLICY FOR THE DESTRUCTION OR PROPER DISPOSAL OF THOSE PAPER AND ELECTRONIC DOCUMENTS CONTAINING PERSONAL IDENTIFYING INFORMATION. UNLESS OTHERWISE REQUIRED BY STATE OR FEDERAL LAW OR REGULATION, THE WRITTEN POLICY MUST REQUIRE THAT, WHEN SUCH PAPER OR ELECTRONIC DOCUMENTS ARE NO LONGER NEEDED, THE GOVERNMENTAL ENTITY DESTROY OR ARRANGE FOR THE DESTRUCTION OF SUCH PAPER AND ELECTRONIC DOCUMENTS WITHIN ITS CUSTODY OR CONTROL THAT CONTAIN PERSONAL IDENTIFYING INFORMATION BY SHREDDING, ERASING, OR OTHERWISE MODIFYING THE PERSONAL IDENTIFYING INFORMATION IN THE PAPER OR ELECTRONIC DOCUMENTS TO MAKE THE PERSONAL IDENTIFYING INFORMATION UNREADABLE OR INDECIPHERABLE THROUGH ANY MEANS.

(2) A GOVERNMENTAL ENTITY THAT IS REGULATED BY STATE OR FEDERAL LAW AND THAT MAINTAINS PROCEDURES FOR DISPOSAL OF PERSONAL IDENTIFYING INFORMATION PURSUANT TO THE LAWS, RULES, REGULATIONS, GUIDANCES, OR GUIDELINES ESTABLISHED BY ITS STATE OR FEDERAL REGULATOR IS IN COMPLIANCE WITH THIS SECTION.

(3) UNLESS A GOVERNMENTAL ENTITY SPECIFICALLY CONTRACTS WITH A RECYCLER OR DISPOSAL FIRM FOR DESTRUCTION OF DOCUMENTS THAT CONTAIN PERSONAL IDENTIFYING INFORMATION, NOTHING IN THIS SECTION REQUIRES A RECYCLER OR DISPOSAL FIRM TO VERIFY THAT THE DOCUMENTS CONTAINED IN THE PRODUCTS IT RECEIVES FOR DISPOSAL OR RECYCLING HAVE BEEN PROPERLY DESTROYED OR DISPOSED OF AS REQUIRED BY THIS SECTION.

(4) FOR THE PURPOSES OF THIS SECTION AND SECTION 24-73-102, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(a) "GOVERNMENTAL ENTITY" MEANS THE STATE AND ANY STATE AGENCY OR INSTITUTION, INCLUDING THE JUDICIAL DEPARTMENT, COUNTY, CITY AND COUNTY, INCORPORATED CITY OR TOWN, SCHOOL DISTRICT, SPECIAL IMPROVEMENT DISTRICT, AUTHORITY, AND EVERY OTHER KIND OF DISTRICT, INSTRUMENTALITY, OR POLITICAL SUBDIVISION OF THE STATE ORGANIZED PURSUANT TO LAW. "GOVERNMENTAL ENTITY" INCLUDES

ENTITIES GOVERNED BY HOME RULE CHARTERS. "GOVERNMENTAL ENTITY" DOES NOT INCLUDE AN ENTITY ACTING AS A THIRD-PARTY SERVICE PROVIDER AS DEFINED IN SECTION 24-73-102.

(b) "PERSONAL IDENTIFYING INFORMATION" MEANS A SOCIAL SECURITY NUMBER; A PERSONAL IDENTIFICATION NUMBER; A PASSWORD; A PASS CODE; AN OFFICIAL STATE OR GOVERNMENT-ISSUED DRIVER'S LICENSE OR IDENTIFICATION CARD NUMBER; A GOVERNMENT PASSPORT NUMBER; BIOMETRIC DATA, AS DEFINED IN SECTION 24-73-103 (1)(a); AN EMPLOYER, STUDENT, OR MILITARY IDENTIFICATION NUMBER; OR A FINANCIAL TRANSACTION DEVICE, AS DEFINED IN SECTION 18-5-701 (3).

24-73-102. Governmental entity - protection of personal identifying information - definition. (1) TO PROTECT PERSONAL IDENTIFYING INFORMATION, AS DEFINED IN SECTION 24-73-101 (4)(b), FROM UNAUTHORIZED ACCESS, USE, MODIFICATION, DISCLOSURE, OR DESTRUCTION, A GOVERNMENTAL ENTITY THAT MAINTAINS, OWNS, OR LICENSES PERSONAL IDENTIFYING INFORMATION SHALL IMPLEMENT AND MAINTAIN REASONABLE SECURITY PROCEDURES AND PRACTICES THAT ARE APPROPRIATE TO THE NATURE OF THE PERSONAL IDENTIFYING INFORMATION AND THE NATURE AND SIZE OF THE GOVERNMENTAL ENTITY.

(2) UNLESS A GOVERNMENTAL ENTITY AGREES TO PROVIDE ITS OWN SECURITY PROTECTION FOR THE INFORMATION IT DISCLOSES TO A THIRD-PARTY SERVICE PROVIDER, THE GOVERNMENTAL ENTITY SHALL REQUIRE THAT THE THIRD-PARTY SERVICE PROVIDER IMPLEMENT AND MAINTAIN REASONABLE SECURITY PROCEDURES AND PRACTICES THAT ARE:

(a) APPROPRIATE TO THE NATURE OF THE PERSONAL IDENTIFYING INFORMATION DISCLOSED TO THE THIRD-PARTY SERVICE PROVIDER; AND

(b) REASONABLY DESIGNED TO HELP PROTECT THE PERSONAL IDENTIFYING INFORMATION FROM UNAUTHORIZED ACCESS, USE, MODIFICATION, DISCLOSURE, OR DESTRUCTION.

(3) FOR THE PURPOSES OF SUBSECTION (2) OF THIS SECTION, A DISCLOSURE OF PERSONAL IDENTIFYING INFORMATION DOES NOT INCLUDE DISCLOSURE OF INFORMATION TO A THIRD PARTY UNDER CIRCUMSTANCES WHERE THE GOVERNMENTAL ENTITY RETAINS PRIMARY RESPONSIBILITY FOR IMPLEMENTING AND MAINTAINING REASONABLE SECURITY PROCEDURES AND

PRACTICES APPROPRIATE TO THE NATURE OF THE PERSONAL IDENTIFYING INFORMATION AND THE GOVERNMENTAL ENTITY IMPLEMENTS AND MAINTAINS TECHNICAL CONTROLS REASONABLY DESIGNED TO:

(a) HELP PROTECT THE PERSONAL IDENTIFYING INFORMATION FROM UNAUTHORIZED ACCESS, MODIFICATION, DISCLOSURE, OR DESTRUCTION; OR

(b) EFFECTIVELY ELIMINATE THE THIRD PARTY'S ABILITY TO ACCESS THE PERSONAL IDENTIFYING INFORMATION, NOTWITHSTANDING THE THIRD PARTY'S PHYSICAL POSSESSION OF THE PERSONAL IDENTIFYING INFORMATION.

(4) A GOVERNMENTAL ENTITY THAT IS REGULATED BY STATE OR FEDERAL LAW AND THAT MAINTAINS PROCEDURES FOR STORAGE OF PERSONAL IDENTIFYING INFORMATION PURSUANT TO THE LAWS, RULES, REGULATIONS, GUIDANCES, OR GUIDELINES ESTABLISHED BY ITS STATE OR FEDERAL REGULATOR IS IN COMPLIANCE WITH THIS SECTION.

(5) FOR THE PURPOSES OF THIS SECTION, "THIRD-PARTY SERVICE PROVIDER" MEANS AN ENTITY THAT HAS BEEN CONTRACTED TO MAINTAIN, STORE, OR PROCESS PERSONAL IDENTIFYING INFORMATION ON BEHALF OF A GOVERNMENTAL ENTITY.

24-73-103. Governmental entity - notification of security breach.

(1) **Definitions.** AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(a) "BIOMETRIC DATA" MEANS UNIQUE BIOMETRIC DATA GENERATED FROM MEASUREMENTS OR ANALYSIS OF HUMAN BODY CHARACTERISTICS FOR THE PURPOSE OF AUTHENTICATING THE INDIVIDUAL WHEN HE OR SHE ACCESSES AN ONLINE ACCOUNT.

(b) "DETERMINATION THAT A SECURITY BREACH OCCURRED" MEANS THE POINT IN TIME AT WHICH THERE IS SUFFICIENT EVIDENCE TO CONCLUDE THAT A SECURITY BREACH HAS TAKEN PLACE.

(c) "ENCRYPTED" MEANS RENDERED UNUSABLE, UNREADABLE, OR INDECIPHERABLE TO AN UNAUTHORIZED PERSON THROUGH A SECURITY TECHNOLOGY OR METHODOLOGY GENERALLY ACCEPTED IN THE FIELD OF INFORMATION SECURITY.

(d) "GOVERNMENTAL ENTITY" MEANS THE STATE AND ANY STATE AGENCY OR INSTITUTION, INCLUDING THE JUDICIAL DEPARTMENT, COUNTY, CITY AND COUNTY, INCORPORATED CITY OR TOWN, SCHOOL DISTRICT, SPECIAL IMPROVEMENT DISTRICT, AUTHORITY, AND EVERY OTHER KIND OF DISTRICT, INSTRUMENTALITY, OR POLITICAL SUBDIVISION OF THE STATE ORGANIZED PURSUANT TO LAW. "GOVERNMENTAL ENTITY" INCLUDES ENTITIES GOVERNED BY HOME RULE CHARTERS. "GOVERNMENTAL ENTITY" DOES NOT INCLUDE AN ENTITY ACTING AS A THIRD-PARTY SERVICE PROVIDER AS DEFINED IN SUBSECTION (1)(i) OF THIS SECTION.

(e) "MEDICAL INFORMATION" MEANS ANY INFORMATION ABOUT A CONSUMER'S MEDICAL OR MENTAL HEALTH TREATMENT OR DIAGNOSIS BY A HEALTH CARE PROFESSIONAL.

(f) "NOTICE" MEANS:

(I) WRITTEN NOTICE TO THE POSTAL ADDRESS LISTED IN THE RECORDS OF THE GOVERNMENTAL ENTITY;

(II) TELEPHONIC NOTICE;

(III) ELECTRONIC NOTICE, IF A PRIMARY MEANS OF COMMUNICATION BY THE GOVERNMENTAL ENTITY WITH A COLORADO RESIDENT IS BY ELECTRONIC MEANS OR THE NOTICE PROVIDED IS CONSISTENT WITH THE PROVISIONS REGARDING ELECTRONIC RECORDS AND SIGNATURES SET FORTH IN THE FEDERAL "ELECTRONIC SIGNATURES IN GLOBAL AND NATIONAL COMMERCE ACT", 15 U.S.C. SEC. 7001 ET SEQ.; OR

(IV) SUBSTITUTE NOTICE, IF THE GOVERNMENTAL ENTITY REQUIRED TO PROVIDE NOTICE DEMONSTRATES THAT THE COST OF PROVIDING NOTICE WILL EXCEED TWO HUNDRED FIFTY THOUSAND DOLLARS, THE AFFECTED CLASS OF PERSONS TO BE NOTIFIED EXCEEDS TWO HUNDRED FIFTY THOUSAND COLORADO RESIDENTS, OR THE GOVERNMENTAL ENTITY DOES NOT HAVE SUFFICIENT CONTACT INFORMATION TO PROVIDE NOTICE. SUBSTITUTE NOTICE CONSISTS OF ALL OF THE FOLLOWING:

(A) E-MAIL NOTICE IF THE GOVERNMENTAL ENTITY HAS E-MAIL ADDRESSES FOR THE MEMBERS OF THE AFFECTED CLASS OF COLORADO RESIDENTS;

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(B) CONSPICUOUS POSTING OF THE NOTICE ON THE WEBSITE PAGE OF THE GOVERNMENTAL ENTITY IF THE GOVERNMENTAL ENTITY MAINTAINS ONE; AND

(C) NOTIFICATION TO MAJOR STATEWIDE MEDIA.

(g) (I) (A) "PERSONAL INFORMATION" MEANS A COLORADO RESIDENT'S FIRST NAME OR FIRST INITIAL AND LAST NAME IN COMBINATION WITH ANY ONE OR MORE OF THE FOLLOWING DATA ELEMENTS THAT RELATE TO THE RESIDENT, WHEN THE DATA ELEMENTS ARE NOT ENCRYPTED, REDACTED, OR SECURED BY ANY OTHER METHOD RENDERING THE NAME OR THE ELEMENT UNREADABLE OR UNUSABLE: SOCIAL SECURITY NUMBER; DRIVER'S LICENSE NUMBER OR IDENTIFICATION CARD NUMBER; STUDENT, MILITARY, OR PASSPORT IDENTIFICATION NUMBER; MEDICAL INFORMATION; HEALTH INSURANCE IDENTIFICATION NUMBER; OR BIOMETRIC DATA, AS DEFINED IN SUBSECTION (1)(a) OF THIS SECTION;

(B) A COLORADO RESIDENT'S USERNAME OR E-MAIL ADDRESS, IN COMBINATION WITH A PASSWORD OR SECURITY QUESTIONS AND ANSWERS, THAT WOULD PERMIT ACCESS TO AN ONLINE ACCOUNT; OR

(C) A COLORADO RESIDENT'S ACCOUNT NUMBER OR CREDIT OR DEBIT CARD NUMBER IN COMBINATION WITH ANY REQUIRED SECURITY CODE, ACCESS CODE, OR PASSWORD THAT WOULD PERMIT ACCESS TO THAT ACCOUNT.

(II) "PERSONAL INFORMATION" DOES NOT INCLUDE PUBLICLY AVAILABLE INFORMATION THAT IS LAWFULLY MADE AVAILABLE TO THE GENERAL PUBLIC FROM FEDERAL, STATE, OR LOCAL GOVERNMENT RECORDS OR WIDELY DISTRIBUTED MEDIA.

(h) "SECURITY BREACH" MEANS THE UNAUTHORIZED ACQUISITION OF UNENCRYPTED COMPUTERIZED DATA THAT COMPROMISES THE SECURITY, CONFIDENTIALITY, OR INTEGRITY OF PERSONAL INFORMATION MAINTAINED BY A GOVERNMENTAL ENTITY. GOOD FAITH ACQUISITION OF PERSONAL INFORMATION BY AN EMPLOYEE OR AGENT OF A GOVERNMENTAL ENTITY FOR THE PURPOSES OF THE GOVERNMENTAL ENTITY IS NOT A SECURITY BREACH IF THE PERSONAL INFORMATION IS NOT USED FOR A PURPOSE UNRELATED TO THE LAWFUL GOVERNMENT PURPOSE OR IS NOT SUBJECT TO FURTHER UNAUTHORIZED DISCLOSURE.

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(i) "THIRD-PARTY SERVICE PROVIDER" MEANS AN ENTITY THAT HAS BEEN CONTRACTED TO MAINTAIN, STORE, OR PROCESS PERSONAL INFORMATION ON BEHALF OF A GOVERNMENTAL ENTITY.

(2) **Disclosure of breach.** (a) A GOVERNMENTAL ENTITY THAT MAINTAINS, OWNS, OR LICENSES COMPUTERIZED DATA THAT INCLUDES PERSONAL INFORMATION ABOUT A RESIDENT OF COLORADO SHALL, WHEN IT BECOMES AWARE THAT A SECURITY BREACH MAY HAVE OCCURRED, CONDUCT IN GOOD FAITH A PROMPT INVESTIGATION TO DETERMINE THE LIKELIHOOD THAT PERSONAL INFORMATION HAS BEEN OR WILL BE MISUSED. THE GOVERNMENTAL ENTITY SHALL GIVE NOTICE TO THE AFFECTED COLORADO RESIDENTS UNLESS THE INVESTIGATION DETERMINES THAT THE MISUSE OF INFORMATION ABOUT A COLORADO RESIDENT HAS NOT OCCURRED AND IS NOT REASONABLY LIKELY TO OCCUR. NOTICE MUST BE MADE IN THE MOST EXPEDIENT TIME POSSIBLE AND WITHOUT UNREASONABLE DELAY, BUT NOT LATER THAN THIRTY DAYS AFTER THE DATE OF DETERMINATION THAT A SECURITY BREACH OCCURRED, CONSISTENT WITH THE LEGITIMATE NEEDS OF LAW ENFORCEMENT AND CONSISTENT WITH ANY MEASURES NECESSARY TO DETERMINE THE SCOPE OF THE BREACH AND TO RESTORE THE REASONABLE INTEGRITY OF THE COMPUTERIZED DATA SYSTEM.

(b) IN THE CASE OF A BREACH OF PERSONAL INFORMATION, NOTICE REQUIRED BY THIS SUBSECTION (2) TO AFFECTED COLORADO RESIDENTS MUST INCLUDE, BUT NEED NOT BE LIMITED TO, THE FOLLOWING INFORMATION:

(I) THE DATE, ESTIMATED DATE, OR ESTIMATED DATE RANGE OF THE SECURITY BREACH;

(II) A DESCRIPTION OF THE PERSONAL INFORMATION THAT WAS ACQUIRED OR REASONABLY BELIEVED TO HAVE BEEN ACQUIRED AS PART OF THE SECURITY BREACH;

(III) INFORMATION THAT THE RESIDENT CAN USE TO CONTACT THE GOVERNMENTAL ENTITY TO INQUIRE ABOUT THE SECURITY BREACH;

(IV) THE TOLL-FREE NUMBERS, ADDRESSES, AND WEBSITES FOR CONSUMER REPORTING AGENCIES;

(V) THE TOLL-FREE NUMBER, ADDRESS, AND WEBSITE FOR THE

FEDERAL TRADE COMMISSION; AND

(VI) A STATEMENT THAT THE RESIDENT CAN OBTAIN INFORMATION FROM THE FEDERAL TRADE COMMISSION AND THE CREDIT REPORTING AGENCIES ABOUT FRAUD ALERTS AND SECURITY FREEZES.

(c) IF AN INVESTIGATION BY THE GOVERNMENTAL ENTITY PURSUANT TO SUBSECTION (2)(a) OF THIS SECTION DETERMINES THAT THE TYPE OF PERSONAL INFORMATION DESCRIBED IN SUBSECTION (1)(g)(I)(B) OF THIS SECTION HAS BEEN MISUSED OR IS REASONABLY LIKELY TO BE MISUSED, THEN THE GOVERNMENTAL ENTITY SHALL, IN ADDITION TO THE NOTICE OTHERWISE REQUIRED BY SUBSECTION (2)(b) OF THIS SECTION AND IN THE MOST EXPEDIENT TIME POSSIBLE AND WITHOUT UNREASONABLE DELAY, BUT NOT LATER THAN THIRTY DAYS AFTER THE DATE OF DETERMINATION THAT A SECURITY BREACH OCCURRED, CONSISTENT WITH THE LEGITIMATE NEEDS OF LAW ENFORCEMENT AND CONSISTENT WITH ANY MEASURES NECESSARY TO DETERMINE THE SCOPE OF THE BREACH AND TO RESTORE THE REASONABLE INTEGRITY OF THE COMPUTERIZED DATA SYSTEM:

(I) DIRECT THE PERSON WHOSE PERSONAL INFORMATION HAS BEEN BREACHED TO PROMPTLY CHANGE HIS OR HER PASSWORD AND SECURITY QUESTION OR ANSWER, AS APPLICABLE, OR TO TAKE OTHER STEPS APPROPRIATE TO PROTECT THE ONLINE ACCOUNT WITH THE PERSON OR BUSINESS AND ALL OTHER ONLINE ACCOUNTS FOR WHICH THE PERSON WHOSE PERSONAL INFORMATION HAS BEEN BREACHED USES THE SAME USERNAME OR E-MAIL ADDRESS AND PASSWORD OR SECURITY QUESTION OR ANSWER.

(II) FOR LOG-IN CREDENTIALS OF AN E-MAIL ACCOUNT FURNISHED BY THE GOVERNMENTAL ENTITY, THE GOVERNMENTAL ENTITY SHALL NOT COMPLY WITH THIS SECTION BY PROVIDING THE SECURITY BREACH NOTIFICATION TO THAT E-MAIL ADDRESS, BUT MAY INSTEAD COMPLY WITH THIS SECTION BY PROVIDING NOTICE THROUGH OTHER METHODS, AS DEFINED IN SUBSECTION (1)(f) OF THIS SECTION, OR BY CLEAR AND CONSPICUOUS NOTICE DELIVERED TO THE RESIDENT ONLINE WHEN THE RESIDENT IS CONNECTED TO THE ONLINE ACCOUNT FROM AN INTERNET PROTOCOL ADDRESS OR ONLINE LOCATION FROM WHICH THE GOVERNMENTAL ENTITY KNOWS THE RESIDENT CUSTOMARILY ACCESSES THE ACCOUNT.

(d) THE BREACH OF ENCRYPTED OR OTHERWISE SECURED PERSONAL INFORMATION MUST BE DISCLOSED IN ACCORDANCE WITH THIS SECTION IF

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THE CONFIDENTIAL PROCESS, ENCRYPTION KEY, OR OTHER MEANS TO DECIPHER THE SECURED INFORMATION WAS ALSO ACQUIRED IN THE SECURITY BREACH OR WAS REASONABLY BELIEVED TO HAVE BEEN ACQUIRED.

(e) A GOVERNMENTAL ENTITY THAT IS REQUIRED TO PROVIDE NOTICE PURSUANT TO THIS SUBSECTION (2) IS PROHIBITED FROM CHARGING THE COST OF PROVIDING SUCH NOTICE TO INDIVIDUALS.

(f) NOTHING IN THIS SUBSECTION (2) PROHIBITS THE NOTICE DESCRIBED IN THIS SUBSECTION (2) FROM CONTAINING ADDITIONAL INFORMATION, INCLUDING ANY INFORMATION THAT MAY BE REQUIRED BY STATE OR FEDERAL LAW.

(g) IF A GOVERNMENTAL ENTITY USES A THIRD-PARTY SERVICE PROVIDER TO MAINTAIN COMPUTERIZED DATA THAT INCLUDES PERSONAL INFORMATION, THEN THE THIRD-PARTY SERVICE PROVIDER SHALL GIVE NOTICE TO AND COOPERATE WITH THE GOVERNMENTAL ENTITY IN THE EVENT OF A SECURITY BREACH THAT COMPROMISES SUCH COMPUTERIZED DATA, INCLUDING NOTIFYING THE GOVERNMENTAL ENTITY OF ANY SECURITY BREACH IN THE MOST EXPEDIENT TIME AND WITHOUT UNREASONABLE DELAY FOLLOWING DISCOVERY OF A SECURITY BREACH, IF MISUSE OF PERSONAL INFORMATION ABOUT A COLORADO RESIDENT OCCURRED OR IS LIKELY TO OCCUR. COOPERATION INCLUDES SHARING WITH THE COVERED ENTITY INFORMATION RELEVANT TO THE SECURITY BREACH; EXCEPT THAT SUCH COOPERATION DOES NOT REQUIRE THE DISCLOSURE OF CONFIDENTIAL BUSINESS INFORMATION OR TRADE SECRETS.

(h) NOTICE REQUIRED BY THIS SECTION MAY BE DELAYED IF A LAW ENFORCEMENT AGENCY DETERMINES THAT THE NOTICE WILL IMPEDE A CRIMINAL INVESTIGATION AND THE LAW ENFORCEMENT AGENCY HAS NOTIFIED THE GOVERNMENTAL ENTITY THAT OPERATES IN COLORADO NOT TO SEND NOTICE REQUIRED BY THIS SECTION. NOTICE REQUIRED BY THIS SECTION MUST BE MADE IN GOOD FAITH, IN THE MOST EXPEDIENT TIME POSSIBLE AND WITHOUT UNREASONABLE DELAY, BUT NOT LATER THAN THIRTY DAYS AFTER THE LAW ENFORCEMENT AGENCY DETERMINES THAT NOTIFICATION WILL NO LONGER IMPEDE THE INVESTIGATION, AND HAS NOTIFIED THE GOVERNMENTAL ENTITY THAT IT IS APPROPRIATE TO SEND THE NOTICE REQUIRED BY THIS SECTION.

(i) If a governmental entity is required to notify more than one thousand Colorado residents of a security breach pursuant to this section, the governmental entity shall also notify, in the most expedient time possible and without unreasonable delay, all consumer reporting agencies that compile and maintain files on consumers on a nationwide basis, as defined by the federal "Fair Credit Reporting Act", 15 U.S.C. sec. 1681a (p), of the anticipated date of the notification to the residents and the approximate number of residents who are to be notified. Nothing in this subsection (2)(i) requires the governmental entity to provide to the consumer reporting agency the names or other personal information of security breach notice recipients. This subsection (2)(i) does not apply to a person who is subject to Title V of the federal "Gramm-Leach-Bliley Act", 15 U.S.C. sec. 6801 et seq.

(j) A waiver of these notification rights or responsibilities is void as against public policy.

(k) (I) The governmental entity that must notify Colorado residents of a data breach pursuant to this section shall provide notice of any security breach to the Colorado attorney general in the most expedient time possible and without unreasonable delay, but not later than thirty days after the date of determination that a security breach occurred, if the security breach is reasonably believed to have affected five hundred Colorado residents or more, unless the investigation determines that the misuse of information about a Colorado resident has not occurred and is not likely to occur.

(II) The Colorado attorney general shall designate a person or persons as a point of contact for functions set forth in this subsection (2)(k) and shall make the contact information for that person or those persons public on the attorney general's website and by any other appropriate means.

(l) The breach of encrypted or otherwise secured personal information must be disclosed in accordance with this section if the confidential process, encryption key, or other means to decipher the secured information was also acquired or was reasonably believed to have been acquired in the security breach.

(3) Procedures deemed in compliance with notice requirements.

(a) PURSUANT TO THIS SECTION, A GOVERNMENTAL ENTITY THAT MAINTAINS ITS OWN NOTIFICATION PROCEDURES AS PART OF AN INFORMATION SECURITY POLICY FOR THE TREATMENT OF PERSONAL INFORMATION AND WHOSE PROCEDURES ARE OTHERWISE CONSISTENT WITH THE TIMING REQUIREMENTS OF THIS SECTION IS IN COMPLIANCE WITH THE NOTICE REQUIREMENTS OF THIS SECTION IF THE GOVERNMENTAL ENTITY NOTIFIES AFFECTED COLORADO RESIDENTS IN ACCORDANCE WITH ITS POLICIES IN THE EVENT OF A SECURITY BREACH; EXCEPT THAT NOTICE TO THE ATTORNEY GENERAL IS STILL REQUIRED PURSUANT TO SUBSECTION (2)(k) OF THIS SECTION.

(b) A GOVERNMENTAL ENTITY THAT IS REGULATED BY STATE OR FEDERAL LAW AND THAT MAINTAINS PROCEDURES FOR A SECURITY BREACH PURSUANT TO THE LAWS, RULES, REGULATIONS, GUIDANCES, OR GUIDELINES ESTABLISHED BY ITS STATE OR FEDERAL REGULATOR IS IN COMPLIANCE WITH THIS SECTION; EXCEPT THAT NOTICE TO THE ATTORNEY GENERAL IS STILL REQUIRED PURSUANT TO SUBSECTION (2)(k) OF THIS SECTION. IN THE CASE OF A CONFLICT BETWEEN THE TIME PERIOD FOR NOTICE TO INDIVIDUALS, THE LAW OR REGULATION WITH THE SHORTEST NOTICE PERIOD CONTROLS.

(4) Violations. THE ATTORNEY GENERAL MAY BRING AN ACTION FOR INJUNCTIVE RELIEF TO ENFORCE THE PROVISIONS OF THIS SECTION.

(5) Attorney general criminal authority. UPON RECEIPT OF NOTICE PURSUANT TO SUBSECTION (2) OF THIS SECTION, AND WITH EITHER A REQUEST FROM THE GOVERNOR TO PROSECUTE A PARTICULAR CASE OR WITH THE APPROVAL OF THE DISTRICT ATTORNEY WITH JURISDICTION TO PROSECUTE CASES IN THE JUDICIAL DISTRICT WHERE A CASE COULD BE BROUGHT, THE ATTORNEY GENERAL HAS THE AUTHORITY TO PROSECUTE ANY CRIMINAL VIOLATIONS OF SECTION 18-5.5-102.

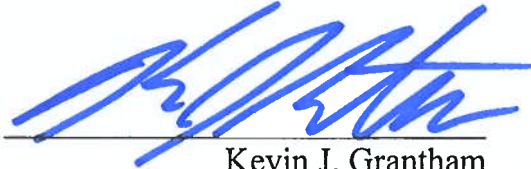
SECTION 5. Effective date. This act takes effect September 1, 2018.

SECTION 6. Safety clause. The general assembly hereby finds,

determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.



Crisanta Duran
SPEAKER OF THE HOUSE
OF REPRESENTATIVES



Kevin J. Grantham
PRESIDENT OF
THE SENATE

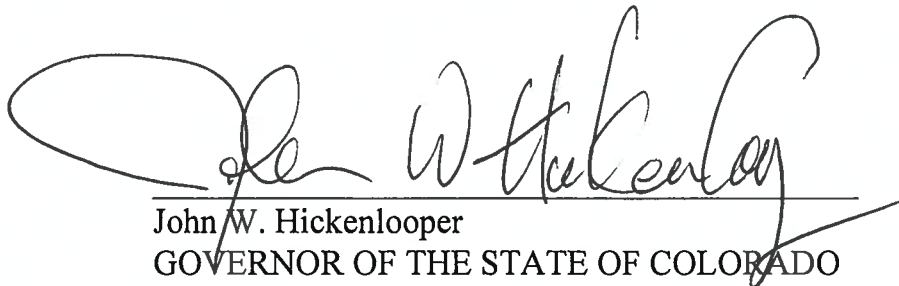


Marilyn Eddins
CHIEF CLERK OF THE HOUSE
OF REPRESENTATIVES



Effie Ameen
SECRETARY OF
THE SENATE

APPROVED 10:27 am 5/29/18



John W. Hickenlooper
GOVERNOR OF THE STATE OF COLORADO

An Act

HOUSE BILL 18-1234

BY REPRESENTATIVE(S) Becker K. and Lundeen, Buckner, Carver, Coleman, Gray, Hansen, Jackson, Kraft-Tharp, Landgraf, McKean, Roberts, Rosenthal, Singer, Valdez, Van Winkle, Williams D., Arndt, Young, Kennedy;

also SENATOR(S) Gardner, Guzman, Aguilar, Cooke, Fenberg, Kagan, Kerr, Merrifield, Priola, Todd, Lambert, Martinez Humenik, Smallwood.

CONCERNING CLARIFICATION OF THE LAWS GOVERNING SIMULATED GAMBLING ACTIVITY.

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

SECTION 1. In Colorado Revised Statutes, 12-47.1-302, **amend** (1)(n) as follows:

12-47.1-302. Commission - powers and duties. (1) In addition to any other powers and duties set forth in this part 3, and notwithstanding the designation of the Colorado limited gaming control commission under section 12-47.1-201 as a **type 2** transfer, the commission shall nonetheless have the following powers and duties:

(n) (I) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (1)(n)(II) OF THIS SECTION, to inspect and examine without notice all premises wherein

limited gaming is conducted or devices or equipment used in limited gaming are located, manufactured, sold, or distributed, and to summarily seize, remove, and impound, without notice or hearing from such premises any equipment, devices, supplies, books, or records for the purpose of examination or inspection.

(II) SUBSECTION (1)(n)(I) OF THIS SECTION DOES NOT APPLY TO AN OWNER, OPERATOR, EMPLOYEE, OR CUSTOMER OF A SIMULATED GAMBLING DEVICE, OR OF A BUSINESS OFFERING SIMULATED GAMBLING DEVICES, WHO:

(A) CEASED PARTICIPATING IN SUCH ACTIVITY ON OR BEFORE JULY 1, 2018; AND

(B) PROVIDES CLEAR DOCUMENTATION TO THE DISTRICT ATTORNEY THAT A LAWFUL CONTRACT HAS BEEN ENTERED INTO FOR THE SALE OR TRANSFER OF ALL SIMULATED GAMBLING DEVICES CONNECTED WITH THE ACTIVITY TO A PERSON BY WHOM, OR INTO A JURISDICTION WHERE, THE ACTIVITY IS LAWFUL; AND CONSUMMATES THE CONTRACT BY ACTUALLY SELLING OR TRANSFERRING THE SIMULATED GAMBLING DEVICES WITHIN ONE HUNDRED EIGHTY DAYS AFTER THE CONTRACT WAS ENTERED INTO OR AFTER ANY SIMULATED GAMBLING DEVICES THAT WERE SEIZED, CONFISCATED, OR FORFEITED BY LAW ENFORCEMENT AUTHORITIES HAVE BEEN RETURNED, WHICHEVER OCCURS LATER.

SECTION 2. In Colorado Revised Statutes, 16-13-303, **amend** (2) as follows:

16-13-303. Class 1 public nuisance. (2) (a) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (2)(b) OF THIS SECTION, all fixtures and contents of any building, structure, vehicle, or real property ~~which~~ THAT is a class 1 public nuisance under subsection (1) of this section and all property ~~which~~ THAT is a class 1 public nuisance under subsection (1.5) of this section are subject to seizure, confiscation, and forfeiture as provided in this part 3. In addition, the personal property of every kind and description, including currency and other negotiable instruments and vehicles, used in conducting, maintaining, aiding, or abetting any class 1 public nuisance is subject to seizure, confiscation, and forfeiture, as provided in this part 3.

(b) SUBSECTION (2)(a) OF THIS SECTION DOES NOT APPLY TO AN OWNER, OPERATOR, EMPLOYEE, OR CUSTOMER OF A SIMULATED GAMBLING

PAGE 2-HOUSE BILL 18-1234

DEVICE, OR OF A BUSINESS OFFERING SIMULATED GAMBLING DEVICES, WHO:

(I) CEASED PARTICIPATING IN SUCH ACTIVITY ON OR BEFORE JULY 1, 2018; AND

(II) PROVIDES CLEAR DOCUMENTATION TO THE DISTRICT ATTORNEY THAT:

(A) A LAWFUL CONTRACT HAS BEEN ENTERED INTO FOR THE SALE OR TRANSFER OF ALL SIMULATED GAMBLING DEVICES CONNECTED WITH THE ACTIVITY TO A PERSON BY WHOM, OR INTO A JURISDICTION WHERE, THE ACTIVITY IS LAWFUL; AND

(B) CONSUMMATES THE CONTRACT BY ACTUALLY SELLING OR TRANSFERRING THE SIMULATED GAMBLING DEVICES WITHIN ONE HUNDRED EIGHTY DAYS AFTER THE CONTRACT WAS ENTERED INTO OR AFTER ANY SIMULATED GAMBLING DEVICES THAT WERE SEIZED, CONFISCATED, OR FORFEITED BY LAW ENFORCEMENT AUTHORITIES HAVE BEEN RETURNED, WHICHEVER OCCURS LATER.

SECTION 3. In Colorado Revised Statutes, 18-10.5-102, **amend** the introductory portion, (5), and (6); and **add** (3.5) as follows:

18-10.5-102. Definitions. As used in this ~~article~~ ARTICLE 10.5, unless the context otherwise requires:

(3.5) "GAMBLING", WHETHER USED ALONE OR AS PART OF THE PHRASE "SIMULATED GAMBLING" OR "SIMULATED GAMBLING DEVICE", HAS THE MEANING SET FORTH IN SECTION 18-10-102 (2); EXCEPT THAT, FOR PURPOSES OF THIS ARTICLE 10.5, THE EXCEPTION SET FORTH IN SECTION 18-10-102 (2)(a) DOES NOT APPLY.

(5) (a) "Prize" means a gift, award, gratuity, good, service, credit, or anything else of value, INCLUDING A THING OF VALUE FOR A "GAIN" AS DEFINED IN SECTION 18-10-102 (1), that may be transferred to ~~a person~~ AN ENTRANT, whether or not possession of the prize is actually transferred or placed on an account or other record as evidence of the intent to transfer the prize.

(b) "Prize" does not include:

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(I) Free or additional play; or

(II) Any intangible or virtual award that cannot be converted into money, goods, or services; OR

(III) A PAPER OR ELECTRONIC COUPON, WHETHER ISSUED TO A PLAYER AS A SINGLE TICKET OR TOKEN OR AS MULTIPLE TICKETS OR TOKENS, THAT IS WON IN RETURN FOR A SINGLE PLAY OF A DEVICE; HAS A VALUE THAT DOES NOT EXCEED THE EQUIVALENT OF TWENTY-FIVE DOLLARS; CANNOT BE EXCHANGED OR RETURNED FOR MONEY, MONETARY CREDITS, OR ANY FINANCIAL CONSIDERATION; AND CANNOT BE USED TO ACQUIRE OR EXCHANGED FOR ANY PRODUCT THAT IS, CONTAINS, OR CAN BE USED AS A CONSTITUENT PART OF OR ACCESSORY FOR:

(A) ALCOHOL BEVERAGES;

(B) TOBACCO, TOBACCO PRODUCTS, MARIJUANA, OR SMOKING; OR

(C) FIREARMS OR AMMUNITION.

(6) (a) "Simulated gambling device" means a mechanically or electronically operated machine, network, system, program, or device that is used by an entrant and that displays simulated gambling displays on a screen or other mechanism at a business location, including a private club, that is owned, leased, or otherwise possessed, in whole or in part, by a person conducting the game or by that person's partners, affiliates, subsidiaries, agents, or contractors; EXCEPT THAT the term DOES NOT INCLUDE BONA FIDE AMUSEMENT DEVICES, AS AUTHORIZED IN SECTION 12-47-103 (30), THAT PAY NOTHING OF VALUE, CANNOT BE ADJUSTED TO PAY ANYTHING OF VALUE, AND ARE NOT USED FOR GAMBLING. "SIMULATED GAMBLING DEVICE" includes:

(a) (I) A video poker game or any other kind of video card game;

(b) (II) A video bingo game;

(c) (III) A video craps game;

(d) (IV) A video keno game;

(e) (V) A video lotto game;

(f) (VI) A video roulette game;

(g) (VII) A pot-of-gold;

(h) (VIII) An eight-liner;

(i) (IX) A video game based on or involving the random or chance matching of different pictures, words, numbers, or symbols;

(j) (X) An electronic gaming machine, including a personal computer of any size or configuration that performs any of the functions of an electronic gaming machine;

(k) (XI) A slot machine, WHERE RESULTS ARE DETERMINED BY REASON OF THE SKILL OF THE PLAYER OR THE APPLICATION OF THE ELEMENT OF CHANCE, OR BOTH, AS PROVIDED BY SECTION 9 (4)(c) OF ARTICLE XVIII OF THE COLORADO CONSTITUTION; and

(l) (XII) A device that functions as, or simulates the play of, a slot machine, WHERE RESULTS ARE DETERMINED BY REASON OF THE SKILL OF THE PLAYER OR THE APPLICATION OF THE ELEMENT OF CHANCE, OR BOTH, AS PROVIDED BY SECTION 9 (4)(c) OF ARTICLE XVIII OF THE COLORADO CONSTITUTION.

(b) "SIMULATED GAMBLING DEVICE" DOES NOT INCLUDE ANY PARI-MUTUEL TOTALISATOR EQUIPMENT THAT IS USED FOR PARI-MUTUEL WAGERING ON LIVE OR SIMULCAST RACING EVENTS AND THAT HAS BEEN APPROVED BY THE DIRECTOR OF THE DIVISION OF RACING EVENTS FOR ENTITIES AUTHORIZED AND LICENSED UNDER ARTICLE 60 OF TITLE 12.

SECTION 4. In Colorado Revised Statutes, 18-10.5-103, **amend** (1)(a); and **add** (11) as follows:

18-10.5-103. Prohibition - penalties - exemptions. (1) A person commits unlawful offering of a simulated gambling device if the person offers, facilitates, contracts for, or otherwise makes available to or for members of the public or members of an organization or club any simulated gambling device where:

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(a) The PERSON RECEIVES, DIRECTLY OR INDIRECTLY, A payment OR TRANSFER of consideration ~~is required or permitted for~~ IN CONNECTION WITH AN ENTRANT'S use of the SIMULATED GAMBLING device, ~~for~~ admission to premises on which the SIMULATED GAMBLING device is located, or ~~for~~ the purchase of any product or service associated with access to or use of the SIMULATED GAMBLING device, REGARDLESS OF WHETHER CONSIDERATION IN CONNECTION WITH SUCH USE, ADMISSION, OR PURCHASE IS MONETARY OR NONMONETARY AND REGARDLESS OF WHETHER IT IS PAID OR TRANSFERRED BEFORE THE SIMULATED GAMBLING DEVICE IS USED BY AN ENTRANT; and

(11) THIS SECTION DOES NOT APPLY TO AN OWNER, OPERATOR, EMPLOYEE, OR CUSTOMER OF A SIMULATED GAMBLING DEVICE, OR OF A BUSINESS OFFERING SIMULATED GAMBLING DEVICES, WHO:

(a) CEASED PARTICIPATING IN SUCH ACTIVITY ON OR BEFORE JULY 1, 2018; AND

(b) PROVIDES CLEAR DOCUMENTATION TO THE DISTRICT ATTORNEY THAT:

(I) A LAWFUL CONTRACT HAS BEEN ENTERED INTO FOR THE SALE OR TRANSFER OF ALL SIMULATED GAMBLING DEVICES CONNECTED WITH THE ACTIVITY TO A PERSON BY WHOM, OR INTO A JURISDICTION WHERE, THE ACTIVITY IS LAWFUL; AND

(II) CONSUMMATES THE CONTRACT BY ACTUALLY SELLING OR TRANSFERRING THE SIMULATED GAMBLING DEVICES WITHIN ONE HUNDRED EIGHTY DAYS AFTER THE CONTRACT WAS ENTERED INTO OR AFTER ANY SIMULATED GAMBLING DEVICES THAT WERE SEIZED, CONFISCATED, OR FORFEITED BY LAW ENFORCEMENT AUTHORITIES HAVE BEEN RETURNED, WHICHEVER OCCURS LATER.

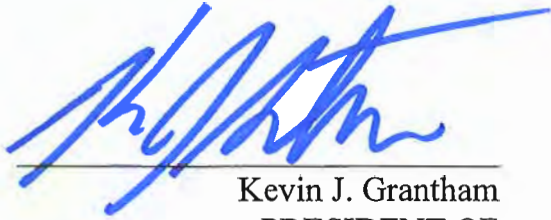
SECTION 5. Applicability. This act applies to conduct occurring on or after the effective date of this act.

SECTION 6. Safety clause. The general assembly hereby finds,

determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.



Crisanta Duran
SPEAKER OF THE HOUSE
OF REPRESENTATIVES



Kevin J. Grantham
PRESIDENT OF
THE SENATE



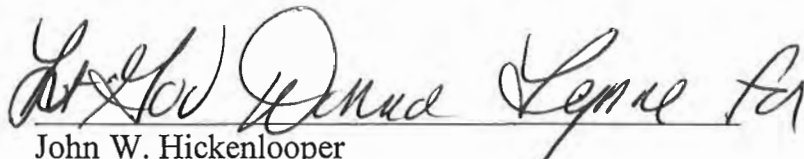
Marilyn Eddins
CHIEF CLERK OF THE HOUSE
OF REPRESENTATIVES



Effie Ameen
SECRETARY OF
THE SENATE

APPROVED

11:49 AM 6/6/18



John W. Hickenlooper
GOVERNOR OF THE STATE OF COLORADO

An Act

HOUSE BILL 18-1259

BY REPRESENTATIVE(S) Gray, Herod, Hooton, Lontine, Melton,
Rosenthal, Singer, Duran;
also SENATOR(S) Marble, Merrifield, Neville T., Smallwood, Tate.

CONCERNING PROVIDING MARIJUANA SAMPLES TO EMPLOYEES FOR BUSINESS
PURPOSES.

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

SECTION 1. In Colorado Revised Statutes, 12-43.3-403, **add** (4)
as follows:

12-43.3-403. Optional premises cultivation license - rules.

(4) (a) AN OPTIONAL PREMISES CULTIVATION LICENSEE MAY PROVIDE A MEDICAL MARIJUANA SAMPLE AND A MEDICAL MARIJUANA CONCENTRATE SAMPLE TO NO MORE THAN FIVE MANAGERS EMPLOYED BY THE LICENSEE FOR PURPOSES OF QUALITY CONTROL AND PRODUCT DEVELOPMENT. AN OPTIONAL PREMISES CULTIVATION LICENSEE MAY DESIGNATE NO MORE THAN FIVE MANAGERS PER CALENDAR MONTH AS RECIPIENTS OF QUALITY CONTROL AND PRODUCT DEVELOPMENT SAMPLES AUTHORIZED PURSUANT TO THIS SUBSECTION (4)(a).

(b) MANAGERS WHO RECEIVE A SAMPLE PURSUANT TO SUBSECTION

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

(4)(a) OF THIS SECTION MUST HAVE A VALID REGISTRY IDENTIFICATION CARD ISSUED PURSUANT TO SECTION 25-1.5-106 (9).

(c) A SAMPLE AUTHORIZED PURSUANT TO SUBSECTION (4)(a) OF THIS SECTION IS LIMITED TO ONE GRAM OF MEDICAL MARIJUANA PER BATCH AS DEFINED IN RULES PROMULGATED BY THE STATE LICENSING AUTHORITY, AND ONE-QUARTER GRAM OF A MEDICAL MARIJUANA CONCENTRATE PER BATCH AS DEFINED IN RULES PROMULGATED BY THE STATE LICENSING AUTHORITY; EXCEPT THAT THE LIMIT IS ONE-HALF GRAM OF MEDICAL MARIJUANA CONCENTRATE IF THE INTENDED USE OF THE FINAL PRODUCT IS TO BE USED IN A DEVICE THAT CAN BE USED TO DELIVER MEDICAL MARIJUANA CONCENTRATE IN A VAPORIZED FORM TO THE PERSON INHALING FROM THE DEVICE.

(d) A SAMPLE AUTHORIZED PURSUANT TO SUBSECTION (4)(a) OF THIS SECTION MUST BE LABELED AND PACKAGED PURSUANT TO THE RULES PROMULGATED PURSUANT TO SECTION 12-43.3-202 (2)(a)(XIV) AND (2)(a)(XIV.5).

(e) A SAMPLE PROVIDED PURSUANT TO SUBSECTION (4)(a) OF THIS SECTION MUST BE TRACKED WITH THE SEED-TO-SALE TRACKING SYSTEM. PRIOR TO A MANAGER RECEIVING A SAMPLE, A MANAGER MUST BE DESIGNATED IN THE SEED-TO-SALE TRACKING SYSTEM AS A RECIPIENT OF QUALITY CONTROL AND PRODUCT DEVELOPMENT SAMPLES. A MANAGER RECEIVING A SAMPLE MUST MAKE A VOLUNTARY DECISION TO BE TRACKED IN THE SEED-TO-SALE TRACKING SYSTEM AND IS NOT A CONSUMER PURSUANT TO SECTION 16 (5)(c) OF ARTICLE XVIII OF THE STATE CONSTITUTION. THE OPTIONAL PREMISES CULTIVATION LICENSEE SHALL MAINTAIN DOCUMENTATION OF ALL SAMPLES AND SHALL MAKE THE DOCUMENTATION AVAILABLE TO THE STATE LICENSING AUTHORITY.

(f) PRIOR TO A MANAGER RECEIVING A SAMPLE PURSUANT TO SUBSECTION (4)(a) OF THIS SECTION, AN OPTIONAL PREMISES CULTIVATION LICENSEE SHALL PROVIDE A STANDARD OPERATING PROCEDURE TO THE MANAGER EXPLAINING REQUIREMENTS PURSUANT TO THIS SECTION AND PERSONAL POSSESSION LIMITS PURSUANT TO SECTION 18-18-406.

(g) A MANAGER SHALL NOT:

(I) RECEIVE MORE THAN ONE OUNCE TOTAL OF MEDICAL MARIJUANA

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SAMPLES OR FIFTEEN GRAMS OF MEDICAL MARIJUANA CONCENTRATE SAMPLES PER CALENDAR MONTH, REGARDLESS OF THE NUMBER OF LICENSES THAT THE MANAGER IS ASSOCIATED WITH; OR

(II) PROVIDE TO OR RESELL THE SAMPLE TO ANOTHER LICENSED EMPLOYEE, A CUSTOMER, OR ANY OTHER INDIVIDUAL.

(h) AN OPTIONAL PREMISES CULTIVATION LICENSEE SHALL NOT:

(I) ALLOW A MANAGER TO CONSUME THE SAMPLE ON THE LICENSED PREMISES; OR

(II) USE THE SAMPLE AS A MEANS OF COMPENSATION TO A MANAGER.

(i) THE STATE LICENSING AUTHORITY MAY ESTABLISH ADDITIONAL INVENTORY TRACKING AND RECORD KEEPING, INCLUDING ADDITIONAL REPORTING REQUIRED FOR IMPLEMENTATION. THE OPTIONAL PREMISES CULTIVATION LICENSEE SHALL MAINTAIN THE INFORMATION REQUIRED BY THIS SUBSECTION (4)(i) ON THE LICENSED PREMISES FOR INSPECTION BY THE STATE AND LOCAL LICENSING AUTHORITIES.

(j) FOR PURPOSES OF THIS SUBSECTION (4) ONLY, "MANAGER" MEANS AN EMPLOYEE OF THE MEDICAL MARIJUANA BUSINESS WHO HOLDS A VALID KEY LICENSE OR ASSOCIATED KEY LICENSE AND IS CURRENTLY DESIGNATED PURSUANT TO STATE LICENSING AUTHORITY RULES AS THE MANAGER OF THE MEDICAL MARIJUANA BUSINESS.

SECTION 2. In Colorado Revised Statutes, 12-43.3-404, add (12) as follows:

12-43.3-404. Medical marijuana-infused products manufacturing license - rules. (12) (a) A MEDICAL MARIJUANA-INFUSED PRODUCTS MANUFACTURING LICENSEE MAY PROVIDE A MEDICAL MARIJUANA CONCENTRATE AND A MEDICAL MARIJUANA-INFUSED PRODUCT SAMPLE TO NO MORE THAN FIVE MANAGERS EMPLOYED BY THE LICENSEE FOR PURPOSES OF QUALITY CONTROL AND PRODUCT DEVELOPMENT. A MEDICAL MARIJUANA-INFUSED PRODUCTS MANUFACTURING LICENSEE MAY DESIGNATE NO MORE THAN FIVE MANAGERS PER CALENDAR MONTH AS RECIPIENTS OF QUALITY CONTROL AND PRODUCT DEVELOPMENT SAMPLES AUTHORIZED PURSUANT TO THIS SUBSECTION (12)(a).

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(b) MANAGERS WHO RECEIVE A SAMPLE PURSUANT TO SUBSECTION (12)(a) OF THIS SECTION MUST HAVE A VALID REGISTRY IDENTIFICATION CARD ISSUED PURSUANT TO SECTION 25-1.5-106 (9).

(c) A SAMPLE AUTHORIZED PURSUANT TO SUBSECTION (12)(a) OF THIS SECTION IS LIMITED TO ONE SERVING SIZE OF EDIBLE MEDICAL MARIJUANA-INFUSED PRODUCT AND ITS APPLICABLE EQUIVALENT SERVING SIZE OF NONEDIBLE MEDICAL MARIJUANA-INFUSED PRODUCT PER BATCH AS DEFINED IN RULES PROMULGATED BY THE STATE LICENSING AUTHORITY AND ONE-QUARTER GRAM OF MEDICAL MARIJUANA CONCENTRATE PER BATCH AS DEFINED IN RULES PROMULGATED BY THE STATE LICENSING AUTHORITY; EXCEPT THAT THE LIMIT IS ONE-HALF GRAM OF MEDICAL MARIJUANA CONCENTRATE IF THE INTENDED USE OF THE FINAL PRODUCT IS TO BE USED IN A DEVICE THAT CAN BE USED TO DELIVER MEDICAL MARIJUANA CONCENTRATE IN A VAPORIZED FORM TO THE PERSON INHALING FROM THE DEVICE.

(d) A SAMPLE AUTHORIZED PURSUANT TO SUBSECTION (12)(a) OF THIS SECTION MUST BE LABELED AND PACKAGED PURSUANT TO THE RULES PROMULGATED PURSUANT TO SECTION 12-43.3-202 (2)(a)(XIV) AND (2)(a)(XIV.5).

(e) A SAMPLE PROVIDED PURSUANT TO SUBSECTION (12)(a) OF THIS SECTION MUST BE TRACKED WITH THE SEED-TO-SALE TRACKING SYSTEM. PRIOR TO A MANAGER RECEIVING A SAMPLE, A MANAGER MUST BE DESIGNATED IN THE SEED-TO-SALE TRACKING SYSTEM AS A RECIPIENT OF QUALITY CONTROL AND PRODUCT DEVELOPMENT SAMPLES. A MANAGER RECEIVING A SAMPLE MUST MAKE A VOLUNTARY DECISION TO BE TRACKED IN THE SEED-TO-SALE TRACKING SYSTEM AND IS NOT A CONSUMER PURSUANT TO SECTION 16 (5)(c) OF ARTICLE XVIII OF THE STATE CONSTITUTION. THE MEDICAL MARIJUANA-INFUSED PRODUCTS MANUFACTURING LICENSEE SHALL MAINTAIN DOCUMENTATION OF ALL SAMPLES AND SHALL MAKE THE DOCUMENTATION AVAILABLE TO THE STATE LICENSING AUTHORITY.

(f) PRIOR TO A MANAGER RECEIVING A SAMPLE PURSUANT TO SUBSECTION (12)(a) OF THIS SECTION, A MEDICAL MARIJUANA-INFUSED PRODUCTS MANUFACTURING LICENSEE SHALL PROVIDE A STANDARD OPERATING PROCEDURE TO THE MANAGER EXPLAINING REQUIREMENTS PURSUANT TO THIS SECTION AND PERSONAL POSSESSION LIMITS PURSUANT

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TO SECTION 18-18-406.

(g) A MANAGER SHALL NOT:

(I) RECEIVE MORE THAN A TOTAL OF FIFTEEN GRAMS OF MEDICAL MARIJUANA CONCENTRATE OR FOURTEEN INDIVIDUAL SERVING-SIZE EDIBLES OR ITS APPLICABLE EQUIVALENT IN NONEDIBLE MEDICAL MARIJUANA-INFUSED PRODUCTS PER CALENDAR MONTH, REGARDLESS OF THE NUMBER OF LICENSES THAT THE MANAGER IS ASSOCIATED WITH; OR

(II) PROVIDE TO OR RESELL THE SAMPLE TO ANOTHER LICENSED EMPLOYEE, A CUSTOMER, OR ANY OTHER INDIVIDUAL.

(h) A MEDICAL MARIJUANA-INFUSED PRODUCTS MANUFACTURING LICENSEE SHALL NOT:

(I) ALLOW A MANAGER TO CONSUME THE SAMPLE ON THE LICENSED PREMISES; OR

(II) USE THE SAMPLE AS A MEANS OF COMPENSATION TO A MANAGER.

(i) THE STATE LICENSING AUTHORITY MAY ESTABLISH ADDITIONAL INVENTORY TRACKING AND RECORD KEEPING, INCLUDING ADDITIONAL REPORTING REQUIRED FOR IMPLEMENTATION. THE MEDICAL MARIJUANA-INFUSED PRODUCTS MANUFACTURING LICENSEE SHALL MAINTAIN THE INFORMATION REQUIRED BY THIS SUBSECTION (12)(i) ON THE LICENSED PREMISES FOR INSPECTION BY THE STATE AND LOCAL LICENSING AUTHORITIES.

(j) FOR PURPOSES OF THIS SUBSECTION (12) ONLY, "MANAGER" MEANS AN EMPLOYEE OF THE MEDICAL MARIJUANA BUSINESS WHO HOLDS A VALID KEY LICENSE OR ASSOCIATED KEY LICENSE AND IS CURRENTLY DESIGNATED PURSUANT TO STATE LICENSING AUTHORITY RULES AS THE MANAGER OF THE MEDICAL MARIJUANA BUSINESS.

SECTION 3. In Colorado Revised Statutes, 12-43.4-403, **add** (7) as follows:

12-43.4-403. Retail marijuana cultivation facility license - rules.

(7) (a) A RETAIL MARIJUANA CULTIVATION FACILITY LICENSEE MAY

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PROVIDE A RETAIL MARIJUANA SAMPLE AND A RETAIL MARIJUANA CONCENTRATE SAMPLE TO NO MORE THAN FIVE MANAGERS EMPLOYED BY THE LICENSEE FOR PURPOSES OF QUALITY CONTROL AND PRODUCT DEVELOPMENT. A RETAIL MARIJUANA CULTIVATION FACILITY LICENSEE MAY DESIGNATE NO MORE THAN FIVE MANAGERS PER CALENDAR MONTH AS RECIPIENTS OF QUALITY CONTROL AND PRODUCT DEVELOPMENT SAMPLES AUTHORIZED PURSUANT TO THIS SUBSECTION (7)(a).

(b) AN EXCISE TAX SHALL BE LEVIED AND COLLECTED ON THE SAMPLE OF UNPROCESSED RETAIL MARIJUANA BY A RETAIL MARIJUANA CULTIVATION FACILITY. THE EXCISE TAX MUST BE CALCULATED BASED ON THE AVERAGE MARKET RATE OF THE UNPROCESSED RETAIL MARIJUANA.

(c) A SAMPLE AUTHORIZED PURSUANT TO SUBSECTION (7)(a) OF THIS SECTION IS LIMITED TO ONE GRAM OF RETAIL MARIJUANA PER BATCH AS DEFINED IN RULES PROMULGATED BY THE STATE LICENSING AUTHORITY, AND ONE-QUARTER GRAM OF A RETAIL MARIJUANA CONCENTRATE PER BATCH AS DEFINED IN RULES PROMULGATED BY THE STATE LICENSING AUTHORITY; EXCEPT THAT THE LIMIT IS ONE-HALF GRAM OF RETAIL MARIJUANA CONCENTRATE IF THE INTENDED USE OF THE FINAL PRODUCT IS TO BE USED IN A DEVICE THAT CAN BE USED TO DELIVER RETAIL MARIJUANA CONCENTRATE IN A VAPORIZED FORM TO THE PERSON INHALING FROM THE DEVICE.

(d) A SAMPLE AUTHORIZED PURSUANT TO SUBSECTION (7)(a) OF THIS SECTION MUST BE LABELED AND PACKAGED PURSUANT TO THE RULES PROMULGATED PURSUANT TO SECTION 12-43.4-202 (3)(a)(VII) AND (3)(c)(III).

(e) A SAMPLE PROVIDED PURSUANT TO SUBSECTION (7)(a) OF THIS SECTION MUST BE TRACKED WITH THE SEED-TO-SALE TRACKING SYSTEM. PRIOR TO A MANAGER RECEIVING A SAMPLE, A MANAGER MUST BE DESIGNATED IN THE SEED-TO-SALE TRACKING SYSTEM AS A RECIPIENT OF QUALITY CONTROL AND PRODUCT DEVELOPMENT SAMPLES. A MANAGER RECEIVING A SAMPLE MUST MAKE A VOLUNTARY DECISION TO BE TRACKED IN THE SEED-TO-SALE TRACKING SYSTEM AND IS NOT A CONSUMER PURSUANT TO SECTION 16 (5)(c) OF ARTICLE XVIII OF THE STATE CONSTITUTION. THE RETAIL MARIJUANA CULTIVATION FACILITY LICENSEE SHALL MAINTAIN DOCUMENTATION OF ALL SAMPLES AND SHALL MAKE THE DOCUMENTATION AVAILABLE TO THE STATE LICENSING AUTHORITY.

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(f) PRIOR TO A MANAGER RECEIVING A SAMPLE PURSUANT TO SUBSECTION (7)(a) OF THIS SECTION, A RETAIL MARIJUANA CULTIVATION FACILITY LICENSEE SHALL PROVIDE A STANDARD OPERATING PROCEDURE TO THE MANAGER EXPLAINING REQUIREMENTS PURSUANT TO THIS SECTION AND PERSONAL POSSESSION LIMITS PURSUANT TO SECTION 18-18-406.

(g) A MANAGER SHALL NOT:

(I) RECEIVE MORE THAN ONE OUNCE TOTAL OF RETAIL MARIJUANA OR EIGHT GRAMS OF RETAIL MARIJUANA CONCENTRATE SAMPLES PER CALENDAR MONTH, REGARDLESS OF THE NUMBER OF LICENSES THAT THE MANAGER IS ASSOCIATED WITH; OR

(II) PROVIDE TO OR RESELL THE SAMPLE TO ANOTHER LICENSED EMPLOYEE, A CUSTOMER, OR ANY OTHER INDIVIDUAL.

(h) A RETAIL MARIJUANA CULTIVATION FACILITY LICENSEE SHALL NOT:

(I) ALLOW A MANAGER TO CONSUME THE SAMPLE ON THE LICENSED PREMISES; OR

(II) USE THE SAMPLE AS A MEANS OF COMPENSATION TO A MANAGER.

(i) THE STATE LICENSING AUTHORITY MAY ESTABLISH ADDITIONAL INVENTORY TRACKING AND RECORD KEEPING, INCLUDING ADDITIONAL REPORTING REQUIRED FOR IMPLEMENTATION. THE RETAIL MARIJUANA CULTIVATION FACILITY LICENSEE SHALL MAINTAIN THE INFORMATION REQUIRED BY THIS SUBSECTION (7)(i) ON THE LICENSED PREMISES FOR INSPECTION BY THE STATE AND LOCAL LICENSING AUTHORITIES.

(j) FOR PURPOSES OF THIS SUBSECTION (7) ONLY, "MANAGER" MEANS AN EMPLOYEE OF THE RETAIL MARIJUANA BUSINESS WHO HOLDS A VALID KEY LICENSE OR ASSOCIATED KEY LICENSE AND IS CURRENTLY DESIGNATED PURSUANT TO STATE LICENSING AUTHORITY RULES AS THE MANAGER OF THE RETAIL MARIJUANA BUSINESS.

SECTION 4. In Colorado Revised Statutes, 12-43.4-404, **add** (10) as follows:

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12-43.4-404. Retail marijuana products manufacturing license

- **rules.** (10) (a) A RETAIL MARIJUANA PRODUCTS MANUFACTURING LICENSEE MAY PROVIDE A RETAIL MARIJUANA PRODUCT SAMPLE AND A RETAIL MARIJUANA CONCENTRATE SAMPLE TO NO MORE THAN FIVE MANAGERS EMPLOYED BY THE LICENSEE FOR PURPOSES OF QUALITY CONTROL AND PRODUCT DEVELOPMENT. A RETAIL MARIJUANA PRODUCTS MANUFACTURING LICENSEE MAY DESIGNATE NO MORE THAN FIVE MANAGERS PER CALENDAR MONTH AS RECIPIENTS OF QUALITY CONTROL AND PRODUCT DEVELOPMENT SAMPLES AUTHORIZED PURSUANT TO THIS SUBSECTION (10)(a).

(b) A SAMPLE AUTHORIZED PURSUANT TO SUBSECTION (10)(a) OF THIS SECTION IS LIMITED TO ONE SERVING SIZE OF AN EDIBLE RETAIL MARIJUANA PRODUCT NOT EXCEEDING TEN MILLIGRAMS OF THC AND ITS APPLICABLE EQUIVALENT SERVING SIZE OF NONEDIBLE RETAIL MARIJUANA PRODUCT PER BATCH AS DEFINED IN RULES PROMULGATED BY THE STATE LICENSING AUTHORITY AND ONE-QUARTER GRAM OF RETAIL MARIJUANA CONCENTRATE PER BATCH AS DEFINED IN RULES PROMULGATED BY THE STATE LICENSING AUTHORITY; EXCEPT THAT THE LIMIT IS ONE-HALF GRAM OF RETAIL MARIJUANA CONCENTRATE IF THE INTENDED USE OF THE FINAL PRODUCT IS TO BE USED IN A DEVICE THAT CAN BE USED TO DELIVER RETAIL MARIJUANA CONCENTRATE IN A VAPORIZED FORM TO THE PERSON INHALING FROM THE DEVICE.

(c) A SAMPLE AUTHORIZED PURSUANT TO SUBSECTION (10)(a) OF THIS SECTION MUST BE LABELED AND PACKAGED PURSUANT TO THE RULES PROMULGATED PURSUANT TO SECTION 12-43.4-202 (3)(a)(VII) AND (3)(c)(III).

(d) A SAMPLE PROVIDED PURSUANT TO SUBSECTION (10)(a) OF THIS SECTION MUST BE TRACKED WITH THE SEED-TO-SALE TRACKING SYSTEM. PRIOR TO A MANAGER RECEIVING A SAMPLE, A MANAGER MUST BE DESIGNATED IN THE SEED-TO-SALE TRACKING SYSTEM AS A RECIPIENT OF QUALITY CONTROL AND PRODUCT DEVELOPMENT SAMPLES. A MANAGER RECEIVING A SAMPLE MUST MAKE A VOLUNTARY DECISION TO BE TRACKED IN THE SEED-TO-SALE TRACKING SYSTEM AND IS NOT A CONSUMER PURSUANT TO SECTION 16 (5)(c) OF ARTICLE XVIII OF THE STATE CONSTITUTION. THE RETAIL MARIJUANA PRODUCTS MANUFACTURING LICENSEE SHALL MAINTAIN DOCUMENTATION OF ALL SAMPLES AND SHALL MAKE THE DOCUMENTATION AVAILABLE TO THE STATE LICENSING

AUTHORITY.

(e) PRIOR TO A MANAGER RECEIVING A SAMPLE PURSUANT TO SUBSECTION (10)(a) OF THIS SECTION, A RETAIL MARIJUANA PRODUCTS MANUFACTURING LICENSEE SHALL PROVIDE A STANDARD OPERATING PROCEDURE TO THE MANAGER EXPLAINING REQUIREMENTS PURSUANT TO THIS SECTION AND PERSONAL POSSESSION LIMITS PURSUANT TO SECTION 18-18-406.

(f) A MANAGER SHALL NOT:

(I) RECEIVE MORE THAN A TOTAL OF EIGHT GRAMS OF RETAIL MARIJUANA CONCENTRATE OR FOURTEEN INDIVIDUAL SERVING-SIZE EDIBLES OR ITS APPLICABLE EQUIVALENT IN NONEDIBLE RETAIL MARIJUANA PRODUCTS PER CALENDAR MONTH, REGARDLESS OF THE NUMBER OF LICENSES THAT THE MANAGER IS ASSOCIATED WITH; OR

(II) PROVIDE TO OR RESELL THE SAMPLE TO ANOTHER LICENSED EMPLOYEE, A CUSTOMER, OR ANY OTHER INDIVIDUAL.

(g) A RETAIL MARIJUANA PRODUCTS MANUFACTURING LICENSEE SHALL NOT:

(I) ALLOW A MANAGER TO CONSUME THE SAMPLE ON THE LICENSED PREMISES; OR

(II) USE THE SAMPLE AS A MEANS OF COMPENSATION TO A MANAGER.

(h) THE STATE LICENSING AUTHORITY MAY ESTABLISH ADDITIONAL INVENTORY TRACKING AND RECORD KEEPING, INCLUDING ADDITIONAL REPORTING REQUIRED FOR IMPLEMENTATION. THE RETAIL MARIJUANA PRODUCTS MANUFACTURING LICENSEE SHALL MAINTAIN THE INFORMATION REQUIRED BY THIS SUBSECTION (10)(h) ON THE LICENSED PREMISES FOR INSPECTION BY THE STATE AND LOCAL LICENSING AUTHORITIES.

(i) FOR PURPOSES OF THIS SUBSECTION (10) ONLY, "MANAGER" MEANS AN EMPLOYEE OF THE RETAIL MARIJUANA BUSINESS WHO HOLDS A VALID KEY LICENSE OR ASSOCIATED KEY LICENSE AND IS CURRENTLY DESIGNATED PURSUANT TO STATE LICENSING AUTHORITY RULES AS THE MANAGER OF THE RETAIL MARIJUANA BUSINESS.

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SECTION 5. Act subject to petition - effective date. This act takes effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly (August 8, 2018, if adjournment sine die is on May 9, 2018); except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within such period, then the act, item, section, or part will not take effect unless

approved by the people at the general election to be held in November 2018 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.



Crisanta Duran
SPEAKER OF THE HOUSE
OF REPRESENTATIVES



Kevin J. Grantham
PRESIDENT OF
THE SENATE

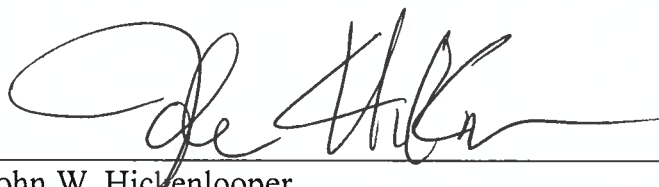


Marilyn Eddins
CHIEF CLERK OF THE HOUSE
OF REPRESENTATIVES



Effie Ameen
SECRETARY OF
THE SENATE

APPROVED 12:34 PM 4/30/18



John W. Hickenlooper
GOVERNOR OF THE STATE OF COLORADO

An Act

HOUSE BILL 18-1285

BY REPRESENTATIVE(S) Pabon, Danielson, Garnett, Singer, Arndt, Hooton, Landgraf, Becker K., Beckman, Benavidez, Bridges, Buckner, Catlin, Coleman, Covarrubias, Esgar, Exum, Foote, Ginal, Gray, Hamner, Hansen, Herod, Humphrey, Jackson, Kennedy, Lawrence, Lee, Lontine, Lundeen, McKean, McLachlan, Melton, Michaelson Jenet, Pettersen, Rankin, Roberts, Rosenthal, Salazar, Sias, Valdez, Van Winkle, Weissman, Wilson, Winkler, Winter, Wist, Young, Duran;
also SENATOR(S) Smallwood and Todd, Aguilar, Guzman, Court, Fenberg, Fields, Garcia, Jahn, Jones, Kerr, Martinez Humenik, Merrifield, Moreno, Neville T., Priola, Tate, Williams A., Zenzinger.

CONCERNING PARKING FOR PEOPLE WITH CERTAIN DISABILITIES, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.

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

SECTION 1. Short title. The short title of this act is "The Chris Hinds Act".

SECTION 2. In Colorado Revised Statutes, 42-3-204, **amend** (3)(b)(I) and (3)(b)(III); and **add** (1)(i.5), (1)(i.7), (3)(a)(II.5), and (5)(h)(I.5) as follows:

42-3-204. Reserved parking for persons with disabilities - applicability - definitions - rules. (1) Definitions. As used in this section:

(i.5) "REMUNERATION-EXEMPT IDENTIFYING PLACARD" MEANS AN IDENTIFYING PLACARD ISSUED UNDER THIS SECTION THAT EXEMPTS THE HOLDER FROM PAYING REMUNERATION AT PARKING DEVICES.

(i.7) "REMUNERATION-EXEMPT QUALIFYING DISABILITY" MEANS A DISABILITY THAT LIMITS AN INDIVIDUAL'S:

(I) FINE MOTOR CONTROL IN BOTH HANDS;

(II) ABILITY TO REACH A HEIGHT OF FORTY-EIGHT INCHES FROM THE GROUND DUE TO LACK OF STRENGTH OR MOBILITY IN THE INDIVIDUAL'S FINGER, HAND, OR UPPER EXTREMITY; OR

(III) ABILITY TO REACH OR ACCESS A PARKING METER DUE TO THE USE OF A WHEELCHAIR OR OTHER AMBULATORY DEVICE.

(3) **Types of plates or placards.** (a) **Authorization.** The department may issue the following registration type for issuing disabled plates and placards that notify the public that the vehicle transports a person who may use reserved parking:

(II.5) A THREE-YEAR REMUNERATION-EXEMPT IDENTIFYING PLACARD;

(b) **Number of placards and license plates allowed.**

(I) (A) EXCEPT AS PROVIDED IN SUBSECTION (3)(b)(I)(B) OF THIS SECTION, the department may issue two identifying placards, two identifying plates, or one plate and one placard to an eligible individual.

(B) THE DEPARTMENT MAY ISSUE ONE REMUNERATION-EXEMPT IDENTIFYING PLACARD TO AN ELIGIBLE INDIVIDUAL.

(III) The department may issue one identifying plate or placard to each parent or guardian of a child with a disability who is under sixteen years of age, but the department shall not issue more than two identifying placards, two identifying plates, or one plate and one placard for the child. THIS SUBSECTION (3)(b)(III) DOES NOT APPLY TO A REMUNERATION-EXEMPT

IDENTIFYING PLACARD.

(5) Issuance of plate or placard - rules. (h) Requirements for issuance of identifying placards or plates. (I.5) TO QUALIFY FOR A REMUNERATION-EXEMPT IDENTIFYING PLACARD, AN INDIVIDUAL MUST SUBMIT:

(A) A WRITTEN STATEMENT, MADE BY A PROFESSIONAL ON A FORM PUBLISHED BY THE DEPARTMENT, THAT THE INDIVIDUAL HAS A REMUNERATION-EXEMPT QUALIFYING DISABILITY;

(B) A SIGNED AFFIDAVIT AFFIRMING: KNOWLEDGE OF THE ELIGIBILITY REQUIREMENTS; THAT THE INDIVIDUAL TO WHOM THE PLACARD IS ISSUED IS AND REMAINS ELIGIBLE TO USE THE PLACARD; AND KNOWLEDGE OF THE PENALTIES FOR OBTAINING A PLACARD WHEN INELIGIBLE; AND

(C) A COLORADO DRIVER'S LICENSE OR IDENTIFICATION DOCUMENT, OR AN IDENTIFICATION DOCUMENT ISSUED BY THE UNITED STATES GOVERNMENT, FOR THE INDIVIDUAL WHO IS ENTITLED TO USE A REMUNERATION-EXEMPT IDENTIFYING PLACARD.

SECTION 3. In Colorado Revised Statutes, 42-4-1208, **amend** (3)(e)(I); and **add** (1)(f.5) and (3)(a.5) as follows:

42-4-1208. Reserved parking for persons with disabilities - applicability - rules. (1) Definitions. As used in this section:

(f.5) "REMUNERATION-EXEMPT IDENTIFYING PLACARD" HAS THE SAME MEANING AS SET FORTH IN SECTION 42-3-204.

(3) Misuse of reserved parking. (a.5) A PERSON SHALL NOT, WHILE PARKED IN A PARKING SPACE THAT REQUIRES REMUNERATION, DISPLAY A REMUNERATION-EXEMPT IDENTIFYING PLACARD THAT IS NOT ISSUED TO THE PERSON. A PERSON WHO POSSESSES A REMUNERATION-EXEMPT IDENTIFYING PLACARD SHALL NOT ALLOW ANOTHER PERSON TO USE THE PLACARD TO PARK IN A PARKING SPACE THAT REQUIRES REMUNERATION.

(e) (I) A person who violates ~~paragraph (a) of this subsection (3)~~ SUBSECTION (3)(a) OR (3)(a.5) OF THIS SECTION is subject to the penalties in section 42-4-1701 (4)(a)(VIII) and ~~(IX)~~ (4)(a)(IX).

SECTION 4. In Colorado Revised Statutes, **amend** 42-4-1212 as follows:

42-4-1212. Pay parking access for persons with disabilities.

~~(1) Unless the method of remuneration is reasonably accessible to a person with a disability as defined in section 42-3-204, no~~ A person who owns, operates, or manages a parking space that requires remuneration shall NOT tow, boot, or otherwise take adverse action against a person AN INDIVIDUAL or motor vehicle parking in ~~such~~ THE space for failure to pay the remuneration if the motor vehicle bears a REMUNERATION-EXEMPT IDENTIFYING placard ~~or license plate bearing an identifying figure issued pursuant to section 42-3-204. or a similar law in another state that is valid under 23 CFR 1235.~~

(2) Notwithstanding any statute, resolution, or ordinance of the state of Colorado, ~~or a political subdivision thereof~~ OF COLORADO, OR A GOVERNING BOARD OF A STATE INSTITUTION OF HIGHER EDUCATION, parking in a space without paying the required remuneration ~~shall not be deemed~~ IS NOT a violation of ~~such~~ THE statute, resolution, or ordinance if THE CONDITIONS SPECIFIED IN SUBSECTION (1) OF THIS SECTION ARE MET.

~~(a) The motor vehicle bears a placard or license plate bearing the identifying figure issued pursuant to section 42-3-204 or a similar law in another state that is valid under 23 CFR 1235; and~~

~~(b) The method of remuneration is not reasonably accessible to a person with a disability as defined in section 42-3-204.~~

(3) A law OR PARKING enforcement agency shall withdraw any penalty assessment notice or summons and complaint that is deemed not to be a violation under subsection (2) of this section WITHIN FIVE BUSINESS DAYS AFTER BEING SHOWN PROOF THAT THE INDIVIDUAL CITED HAS A VALID REMUNERATION-EXEMPT IDENTIFYING PLACARD.

(4) ~~For the purposes of this section, "reasonably accessible" means meeting the standards of 28 CFR 36 (appendix A) or substantially similar standards.~~

SECTION 5. In Colorado Revised Statutes, 42-4-1701, **amend** (4)(a)(VIII) introductory portion as follows:

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42-4-1701. Traffic offenses and infractions classified - penalties - penalty and surcharge schedule - repeal. (4) (a) (VIII) A person who violates section 42-3-204 (7)(f)(II) or section 42-4-1208 (3)(a), ~~(3)(a.5)~~, or (4) commits a misdemeanor and, upon conviction, shall be punished by a surcharge of thirty-two dollars under sections 24-4.1-119 (1)(f) and 24-4.2-104 (1)(b)(I), ~~C.R.S.~~, and:

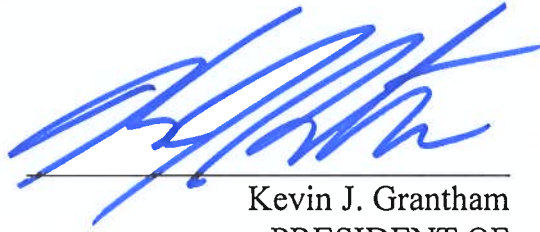
SECTION 6. Appropriation. For the 2018-19 state fiscal year, \$9,870 is appropriated to the department of revenue for use by the division of motor vehicles. This appropriation is from the general fund. To implement this act, the division may use this appropriation for license plate ordering.

SECTION 7. Act subject to petition - effective date - applicability. (1) This act takes effect January 1, 2019; except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within the ninety-day period after final adjournment of the general assembly, then the act, item, section, or part will not take effect unless approved by the people at the general election to be held in November 2018 and, in such case, will take effect on January 1, 2019, or on the date of the official declaration of the vote thereon by the governor, whichever is later.

(2) This act applies to conduct occurring on or after the applicable effective date of this act.



Crisanta Duran
SPEAKER OF THE HOUSE
OF REPRESENTATIVES



Kevin J. Grantham
PRESIDENT OF
THE SENATE

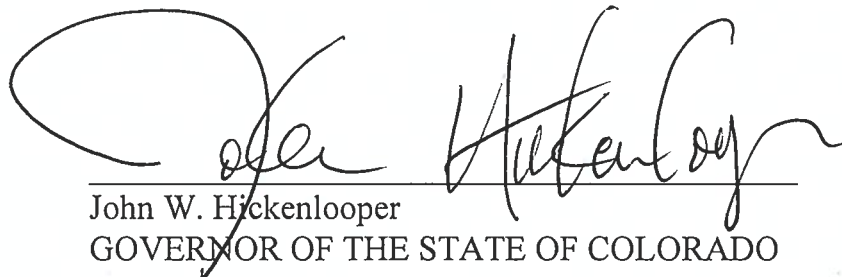


Marilyn Eddins
CHIEF CLERK OF THE HOUSE
OF REPRESENTATIVES



Effie Ameen
SECRETARY OF
THE SENATE

APPROVED 10:25 am 5/29/18



John W. Hickenlooper
GOVERNOR OF THE STATE OF COLORADO

An Act

HOUSE BILL 18-1389

BY REPRESENTATIVE(S) Gray and Van Winkle, Humphrey, Rosenthal,
Duran;
also SENATOR(S) Neville T., Moreno, Tate.

CONCERNING AUTHORIZATION FOR ISSUANCE OF A CENTRALIZED MARIJUANA
DISTRIBUTION PERMIT.

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

SECTION 1. In Colorado Revised Statutes, 12-43.3-202, **add**
(2)(a)(XXIII) as follows:

**12-43.3-202. Powers and duties of state licensing authority -
rules.** (2) (a) Rules promulgated pursuant to subsection (1)(b) of this
section may include, but need not be limited to, the following subjects:

(XXIII) REQUIREMENTS FOR A CENTRALIZED DISTRIBUTION PERMIT
FOR OPTIONAL PREMISES CULTIVATION FACILITIES ISSUED PURSUANT TO
SECTION 12-43.3-403 (4), INCLUDING BUT NOT LIMITED TO PERMIT
APPLICATION REQUIREMENTS AND PRIVILEGES AND RESTRICTIONS OF A
CENTRALIZED DISTRIBUTION PERMIT.

SECTION 2. In Colorado Revised Statutes, 12-43.3-403, **add** (4)

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

as follows:

12-43.3-403. Optional premises cultivation license - definition.

(4) (a) THE STATE LICENSING AUTHORITY MAY ISSUE A CENTRALIZED DISTRIBUTION PERMIT TO AN OPTIONAL PREMISES CULTIVATION FACILITY AUTHORIZING TEMPORARY STORAGE ON ITS LICENSED PREMISES OF MEDICAL MARIJUANA CONCENTRATE AND MEDICAL MARIJUANA-INFUSED PRODUCTS RECEIVED FROM A MEDICAL MARIJUANA-INFUSED PRODUCTS MANUFACTURER FOR THE SOLE PURPOSE OF TRANSFER TO THE PERMIT HOLDER'S COMMONLY OWNED MEDICAL MARIJUANA CENTERS. PRIOR TO EXERCISING THE PRIVILEGES OF A CENTRALIZED DISTRIBUTION PERMIT, AN OPTIONAL PREMISES CULTIVATION FACILITY LICENSED PURSUANT TO THIS SECTION SHALL, AT THE TIME OF APPLICATION TO THE STATE LICENSING AUTHORITY, SEND A COPY OF THE APPLICATION OR SUPPLEMENTAL APPLICATION FOR A CENTRALIZED DISTRIBUTION PERMIT TO THE LOCAL LICENSING AUTHORITY IN THE JURISDICTION IN WHICH THE CENTRALIZED DISTRIBUTION PERMIT IS PROPOSED. THE STATE LICENSING AUTHORITY SHALL NOTIFY THE LOCAL LICENSING AUTHORITY OF ITS DECISION REGARDING THE CENTRALIZED DISTRIBUTION PERMIT.

(b) AN OPTIONAL PREMISES CULTIVATION FACILITY SHALL NOT STORE MEDICAL MARIJUANA CONCENTRATE OR MEDICAL MARIJUANA-INFUSED PRODUCTS PURSUANT TO A CENTRALIZED DISTRIBUTION PERMIT FOR MORE THAN NINETY DAYS.

(c) AN OPTIONAL PREMISES CULTIVATION FACILITY SHALL NOT ACCEPT ANY MEDICAL MARIJUANA CONCENTRATE OR MEDICAL MARIJUANA-INFUSED PRODUCTS PURSUANT TO A CENTRALIZED DISTRIBUTION PERMIT UNLESS THE MEDICAL MARIJUANA CONCENTRATE AND MEDICAL MARIJUANA-INFUSED PRODUCTS ARE PACKAGED AND LABELED FOR SALE TO A CONSUMER AS REQUIRED BY RULES PROMULGATED BY THE STATE LICENSING AUTHORITY PURSUANT TO SECTION 12-43.3-202.

(d) ALL MEDICAL MARIJUANA CONCENTRATE AND MEDICAL MARIJUANA-INFUSED PRODUCTS STORED AND PREPARED FOR TRANSPORT ON AN OPTIONAL PREMISES CULTIVATION FACILITY'S LICENSED PREMISES PURSUANT TO A CENTRALIZED DISTRIBUTION PERMIT MUST ONLY BE TRANSFERRED TO AN OPTIONAL PREMISES CULTIVATION FACILITY LICENSEE'S COMMONLY OWNED MEDICAL MARIJUANA CENTERS. ALL TRANSFERS OF MEDICAL MARIJUANA CONCENTRATE AND MEDICAL MARIJUANA-INFUSED

PRODUCTS BY AN OPTIONAL PREMISES CULTIVATION FACILITY PURSUANT TO A CENTRALIZED DISTRIBUTION PERMIT ARE WITHOUT CONSIDERATION.

(e) ALL SECURITY AND SURVEILLANCE REQUIREMENTS THAT APPLY TO AN OPTIONAL PREMISES CULTIVATION FACILITY APPLY TO ACTIVITIES CONDUCTED PURSUANT TO THE PRIVILEGES OF A CENTRALIZED DISTRIBUTION PERMIT.

(f) AN OPTIONAL PREMISES CULTIVATION FACILITY SHALL TRACK ALL MEDICAL MARIJUANA CONCENTRATE AND MEDICAL MARIJUANA-INFUSED PRODUCTS POSSESSED PURSUANT TO A CENTRALIZED DISTRIBUTION PERMIT IN THE SEED-TO-SALE TRACKING SYSTEM FROM THE POINT IT IS RECEIVED FROM A MEDICAL MARIJUANA-INFUSED PRODUCTS MANUFACTURER TO THE POINT OF TRANSFER TO AN OPTIONAL PREMISES CULTIVATION FACILITY LICENSEE'S COMMONLY OWNED MEDICAL MARIJUANA CENTERS.

(g) FOR PURPOSES OF THIS SECTION ONLY, "COMMONLY OWNED" MEANS LICENSES THAT HAVE AN OWNERSHIP STRUCTURE WITH AT LEAST ONE NATURAL PERSON WITH A MINIMUM OF FIVE PERCENT OWNERSHIP IN EACH LICENSE.

SECTION 3. In Colorado Revised Statutes, 12-43.4-202, **add** (3)(a)(XXI) as follows:

12-43.4-202. Powers and duties of state licensing authority - rules. (3) (a) Rules promulgated pursuant to subsection (2)(b) of this section must include, but need not be limited to, the following subjects:

(XXI) REQUIREMENTS FOR A CENTRALIZED DISTRIBUTION PERMIT FOR RETAIL MARIJUANA CULTIVATION FACILITIES ISSUED PURSUANT TO SECTION 12-43.4-403 (7), INCLUDING BUT NOT LIMITED TO PERMIT APPLICATION REQUIREMENTS AND PRIVILEGES AND RESTRICTIONS OF A CENTRALIZED DISTRIBUTION PERMIT.

SECTION 4. In Colorado Revised Statutes, 12-43.4-403, **add** (7) as follows:

12-43.4-403. Retail marijuana cultivation facility license - definition. (7) (a) THE STATE LICENSING AUTHORITY MAY ISSUE A CENTRALIZED DISTRIBUTION PERMIT TO A RETAIL MARIJUANA CULTIVATION

FACILITY AUTHORIZING TEMPORARY STORAGE ON ITS LICENSED PREMISES OF RETAIL MARIJUANA CONCENTRATE AND RETAIL MARIJUANA PRODUCTS RECEIVED FROM A RETAIL MARIJUANA ESTABLISHMENT FOR THE SOLE PURPOSE OF TRANSFER TO THE PERMIT HOLDER'S COMMONLY OWNED RETAIL MARIJUANA STORES. PRIOR TO EXERCISING THE PRIVILEGES OF A CENTRALIZED DISTRIBUTION PERMIT, A RETAIL MARIJUANA CULTIVATION FACILITY LICENSED PURSUANT TO THIS SECTION SHALL, AT THE TIME OF APPLICATION OR SUPPLEMENTAL APPLICATION FOR A CENTRALIZED DISTRIBUTION PERMIT TO THE LOCAL JURISDICTION IN WHICH THE CENTRALIZED DISTRIBUTION PERMIT IS PROPOSED. THE STATE LICENSING AUTHORITY SHALL NOTIFY THE LOCAL JURISDICTION OF ITS DECISION REGARDING THE CENTRALIZED DISTRIBUTION PERMIT.

(b) A RETAIL MARIJUANA CULTIVATION FACILITY SHALL NOT STORE RETAIL MARIJUANA CONCENTRATE OR RETAIL MARIJUANA PRODUCTS PURSUANT TO A CENTRALIZED DISTRIBUTION PERMIT FOR MORE THAN NINETY DAYS.

(c) A RETAIL MARIJUANA CULTIVATION FACILITY SHALL NOT ACCEPT ANY RETAIL MARIJUANA CONCENTRATE OR RETAIL MARIJUANA PRODUCTS PURSUANT TO A CENTRALIZED DISTRIBUTION PERMIT UNLESS THE RETAIL MARIJUANA CONCENTRATE AND RETAIL MARIJUANA PRODUCTS ARE PACKAGED AND LABELED FOR SALE TO A CONSUMER AS REQUIRED BY RULES PROMULGATED BY THE STATE LICENSING AUTHORITY PURSUANT TO SECTION 12-43.4-202.

(d) ALL RETAIL MARIJUANA CONCENTRATE AND RETAIL MARIJUANA PRODUCTS STORED AND PREPARED FOR TRANSPORT ON A RETAIL MARIJUANA CULTIVATION FACILITY'S LICENSED PREMISES PURSUANT TO A CENTRALIZED DISTRIBUTION PERMIT MUST ONLY BE TRANSFERRED TO A RETAIL MARIJUANA CULTIVATION FACILITY LICENSEE'S COMMONLY OWNED RETAIL MARIJUANA STORES. ALL TRANSFERS OF RETAIL MARIJUANA CONCENTRATE AND RETAIL MARIJUANA PRODUCTS BY A RETAIL MARIJUANA CULTIVATION FACILITY PURSUANT TO A CENTRALIZED DISTRIBUTION PERMIT ARE WITHOUT CONSIDERATION.

(e) ALL SECURITY AND SURVEILLANCE REQUIREMENTS THAT APPLY TO A RETAIL MARIJUANA CULTIVATION FACILITY APPLY TO ACTIVITIES CONDUCTED PURSUANT TO THE PRIVILEGES OF A CENTRALIZED DISTRIBUTION

PERMIT.

(f) A RETAIL MARIJUANA CULTIVATION FACILITY SHALL TRACK ALL RETAIL MARIJUANA CONCENTRATE AND RETAIL MARIJUANA PRODUCTS POSSESSED PURSUANT TO A CENTRALIZED DISTRIBUTION PERMIT IN THE SEED-TO-SALE TRACKING SYSTEM FROM THE POINT IT IS RECEIVED FROM A RETAIL MARIJUANA ESTABLISHMENT TO THE POINT OF TRANSFER TO A RETAIL MARIJUANA CULTIVATION FACILITY LICENSEE'S COMMONLY OWNED RETAIL MARIJUANA STORES.

(g) FOR PURPOSES OF THIS SECTION ONLY, "COMMONLY OWNED" MEANS LICENSES THAT HAVE AN OWNERSHIP STRUCTURE WITH AT LEAST ONE NATURAL PERSON WITH A MINIMUM OF FIVE PERCENT OWNERSHIP IN EACH LICENSE.

SECTION 5. In Colorado Revised Statutes, 12-43.4-404, **amend** (1)(b) as follows:

12-43.4-404. Retail marijuana products manufacturing license.

(1) (b) A retail marijuana products manufacturer may cultivate its own retail marijuana if it obtains a retail marijuana cultivation facility license, or it may purchase retail marijuana from a licensed retail marijuana cultivation facility. A retail marijuana products manufacturer shall track all of its retail marijuana from the point it is either transferred from its retail marijuana cultivation facility or the point when it is delivered to the retail marijuana products manufacturer from a licensed retail marijuana cultivation facility to the point of transfer to a licensed retail marijuana store, A LICENSED RETAIL MARIJUANA PRODUCTS MANUFACTURER, A RETAIL MARIJUANA TESTING FACILITY, OR A LICENSED RETAIL MARIJUANA CULTIVATION FACILITY WITH A CENTRALIZED DISTRIBUTION PERMIT PURSUANT TO SECTION 12-43.4-403 (7).

SECTION 6. Safety clause. The general assembly hereby finds,

determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.



Crisanta Duran
SPEAKER OF THE HOUSE
OF REPRESENTATIVES



Kevin J. Grantham
PRESIDENT OF
THE SENATE

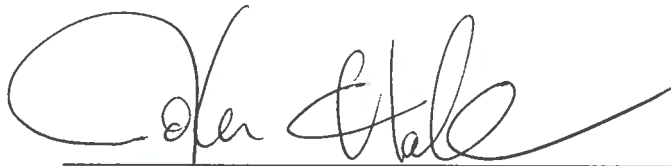


Marilyn Eddins
CHIEF CLERK OF THE HOUSE
OF REPRESENTATIVES



Effie Ameen
SECRETARY OF
THE SENATE

APPROVED 4:54 PM 5/24/2018



John W. Hickenlooper
GOVERNOR OF THE STATE OF COLORADO

An Act

SENATE BILL 18-001

BY SENATOR(S) Baumgardner and Cooke, Coram, Crowder, Gardner, Grantham, Hill, Holbert, Lambert, Lundberg, Marble, Scott, Sonnenberg, Tate, Aguilar, Court, Fenberg, Fields, Garcia, Guzman, Jahn, Kagan, Kefalas, Martinez Humenik, Merrifield, Moreno, Priola, Todd, Williams A., Zenzinger;

also REPRESENTATIVE(S) Buck and Winter, Arndt, Bridges, Buckner, Coleman, Danielson, Esgar, Exum, Ginal, Gray, Hamner, Hansen, Herod, Jackson, Kennedy, Kraft-Tharp, Lee, Lontine, McLachlan, Melton, Michaelson Jenet, Pabon, Pettersen, Roberts, Rosenthal, Salazar, Valdez, Weissman, Young, Duran.

CONCERNING TRANSPORTATION INFRASTRUCTURE FUNDING, AND, IN CONNECTION THEREWITH, REQUIRING SPECIFIED AMOUNTS TO BE TRANSFERRED FROM THE GENERAL FUND TO THE STATE HIGHWAY FUND, THE HIGHWAY USERS TAX FUND, AND A NEW MULTIMODAL TRANSPORTATION OPTIONS FUND DURING STATE FISCAL YEARS 2018-19 AND 2019-20 FOR THE PURPOSE OF FUNDING TRANSPORTATION PROJECTS AND TO THE STATE HIGHWAY FUND DURING ANY STATE FISCAL YEAR FROM 2019-20 THROUGH 2038-39 FOR STATE HIGHWAY PURPOSES AND TO REPAY ANY TRANSPORTATION REVENUE ANTICIPATION NOTES THAT MAY BE ISSUED AS SPECIFIED IN THE BILL AND, IF NO CITIZEN-INITIATED BALLOT MEASURE THAT REQUIRES THE STATE TO ISSUE TRANSPORTATION REVENUE ANTICIPATION NOTES IS APPROVED BY

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

THE VOTERS OF THE STATE AT THE NOVEMBER 2018 GENERAL ELECTION, REQUIRING THE SECRETARY OF STATE TO SUBMIT A BALLOT QUESTION TO THE VOTERS OF THE STATE AT THE NOVEMBER 2019 STATEWIDE ELECTION, WHICH, IF APPROVED, WOULD REQUIRE THE STATE, WITH NO INCREASE IN ANY TAXES, TO ISSUE ADDITIONAL TRANSPORTATION REVENUE ANTICIPATION NOTES FOR THE PURPOSE OF ADDRESSING CRITICAL PRIORITY TRANSPORTATION NEEDS IN THE STATE BY FUNDING TRANSPORTATION PROJECTS; WOULD EXCLUDE NOTE PROCEEDS AND INVESTMENT EARNINGS ON NOTE PROCEEDS FROM STATE FISCAL YEAR SPENDING LIMITS; AND WOULD REDUCE THE AMOUNT OF LEASE-PURCHASE AGREEMENTS REQUIRED BY CURRENT LAW TO BE ISSUED FOR THE PURPOSE OF FUNDING TRANSPORTATION PROJECTS.

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

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

(a) Colorado's population is expected to increase to over six million nine hundred thousand by 2030;

(b) Population growth has significantly increased traffic and congestion and will continue to do so in the future, causing longer travel times, increasing air pollution, decreasing Coloradans' access to recreational opportunities, and accelerating the deterioration of Colorado's transportation infrastructure;

(c) The growth of the economy of the state has prompted new and ever-increasing uses of public highways, roads, and other transportation infrastructure, and the existing transportation infrastructure of the state cannot accommodate such greatly increased uses;

(d) In order to preserve and improve Colorado's economic prosperity and quality of life, it is necessary to develop and maintain a modern, efficient, and cost-effective multimodal transportation system that can move people, goods, and information without undue delays or environmental consequences;

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(e) One of the major concerns of the citizens of the state is the ability of the state and local governments to address the long-term transportation infrastructure needs of the state that are critical to the continued growth of the state's economy and the maintenance of citizens' quality of life;

(f) The state has significantly decreased its contribution of general state revenue available in recent years to fund critical priority transportation infrastructure needs, and current transportation funding mechanisms do not provide adequate revenue to keep pace with the increasing demands on transportation infrastructure statewide;

(g) Needed transportation projects remain unfunded or underfunded while construction costs escalate and congestion worsens;

(h) With the combination of changes to tax policy and a forecasted growing economy, the state has an opportunity in the upcoming two or three state fiscal years to commit revenue for prioritized state government expenses, including the backlog of transportation needs and the foregone state share of total program funding of K-12 public schools;

(i) In 1999, the general assembly and the voters of the state approved Referendum A, which authorized the state to issue transportation revenue anticipation notes to accelerate the funding and completion of twenty-eight strategic transportation projects in significant corridors, including the T-REX project, the highly successful expansion and congestion mitigation project for the Interstate 25 corridor in the Denver metropolitan area;

(j) The success of the 1999 transportation revenue anticipation notes program shows that leveraging existing revenue is a prudent and cost-effective means to accelerate and deliver transportation projects throughout the state;

(k) In 2017, the general assembly enacted Senate Bill 17-267, which:

(I) Requires the state to enter into lease-purchase agreements for state facilities in the amount of three hundred eighty million dollars during the 2018-19 state fiscal year and five hundred million dollars during each

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of the 2019-20, 2020-21, and 2021-22 state fiscal years in order to accelerate the funding of high-priority transportation projects throughout the state; and

(II) Significantly increases the amount of money that the state may retain and spend under its fiscal year spending limit;

(I) While the lease-purchase agreements required by Senate Bill 17-267 will provide some increased funding for transportation, such agreements leverage state capital assets, rather than state revenue, and, to the extent currently authorized, provide less total funding than transportation revenue anticipation notes can;

(m) If the state enters into all of the lease-purchase agreements required by Senate Bill 17-267, the state will be required to spend approximately one hundred fifty million dollars per year, including one hundred million dollars per year from the state general fund and fifty million dollars per year from money under the control of the transportation commission, to repay the lease-purchase agreements;

(n) It is necessary, in order to avoid delaying critical transportation projects that are expected to be funded in part with proceeds of lease-purchase agreements to be issued during the 2018-19 state fiscal year, for the state to enter into lease-purchase agreements as required by Senate Bill 17-267 during the 2018-19 state fiscal year;

(o) It is also necessary, appropriate, and in the best interest of the state to:

(I) Repeal the requirement that the state enter into additional lease-purchase agreements during the 2019-20, 2020-21, and 2021-22 state fiscal years;

(II) If required statewide voter approval can be obtained for a ballot issue submitted by the state that authorizes the state to issue transportation revenue anticipation notes as specified in this act, use transportation revenue anticipation notes instead of lease-purchase agreements to finance transportation projects because doing so will generate a larger amount of up-front revenue for the projects and will enable the state to design and construct the projects more efficiently; and

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(III) Use the money that will no longer be needed to repay lease-purchase agreements, as well as a portion of the additional general fund money that the state may retain and spend under its fiscal year spending limit due to the enactment of Senate Bill 17-267, to repay the transportation revenue anticipation notes; and

(p) The issuance of new transportation revenue anticipation notes in lieu of the execution of lease-purchase agreements will accelerate the funding and efficient completion of specific and designated projects, including multimodal transportation projects, throughout the state that the Colorado department of transportation and the transportation planning regions of the state have determined to be of highest priority and economically significant to the state and the regions in which they will be built.

(2) The general assembly further finds and declares that:

(a) This act does not increase taxes or refer a ballot issue to the voters of the state seeking their approval to raise taxes;

(b) Private citizens have proposed certain transportation funding ballot measures by initiative, one or more of which may be placed on the ballot for the November 2018 general election;

(c) All of the citizen-initiated ballot measures, if approved by the voters of the state, will authorize the state to issue transportation revenue anticipation notes to provide additional funding for transportation infrastructure projects, but only some of the measures will also authorize the state to collect additional taxes to provide a source of money to repay the notes;

(d) It is necessary and appropriate for the state to refer a ballot issue that authorizes the state to issue transportation revenue anticipation notes to the voters of the state at the November 2019 statewide election as specified in this act if:

(I) No citizen-initiated transportation funding ballot measure is placed on the ballot for the November 2018 general election; or

(II) The voters reject every citizen-initiated transportation funding

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ballot measure that is placed on that ballot; and

(e) Because the state must fund many high priority needs and has limited resources with which to do so, if the voters of the state approve a citizen-initiated ballot measure at the November 2018 general election that authorizes the state to issue transportation revenue anticipation notes but does not authorize the state to collect additional taxes to provide a source of money to repay the notes and therefore requires the state to divert money from other high priority needs to repay the notes, it will be neither necessary nor appropriate for the state to refer a ballot issue that authorizes the state to issue additional transportation revenue anticipation notes to the voters of the state at the November 2019 statewide election.

SECTION 2. In Colorado Revised Statutes, 24-75-219, **add** (1)(g), (1)(h), and (5) as follows:

24-75-219. Transfers - transportation - capital construction - definitions - repeal. (1) As used in this section, unless the context otherwise requires:

(g) "MULTIMODAL TRANSPORTATION OPTIONS FUND" MEANS THE MULTIMODAL TRANSPORTATION OPTIONS FUND CREATED IN SECTION 43-4-1103 (1).

(h) "STATE HIGHWAY FUND" MEANS THE STATE HIGHWAY FUND CREATED IN SECTION 43-1-219.

(5) (a) ON JULY 1, 2018, THE STATE TREASURER SHALL TRANSFER A TOTAL AMOUNT OF FOUR HUNDRED NINETY-FIVE MILLION DOLLARS FROM THE GENERAL FUND FOR THE PURPOSES OF FUNDING STATE AND LOCAL TRANSPORTATION NEEDS AS FOLLOWS:

(I) THREE HUNDRED FORTY-SIX MILLION FIVE HUNDRED THOUSAND DOLLARS TO THE STATE HIGHWAY FUND;

(II) SEVENTY-FOUR MILLION TWO HUNDRED FIFTY THOUSAND DOLLARS TO THE HIGHWAY USERS TAX FUND FOR ALLOCATION TO COUNTIES AND MUNICIPALITIES AS SPECIFIED IN SECTION 43-4-205 (6.4); AND

(III) SEVENTY-FOUR MILLION TWO HUNDRED FIFTY THOUSAND

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DOLLARS TO THE MULTIMODAL TRANSPORTATION OPTIONS FUND.

(b) ON JULY 1, 2019, THE STATE TREASURER SHALL TRANSFER A TOTAL AMOUNT OF ONE HUNDRED FIFTY MILLION DOLLARS FROM THE GENERAL FUND FOR THE PURPOSES OF FUNDING STATE AND LOCAL TRANSPORTATION NEEDS AS FOLLOWS:

(I) ONE HUNDRED FIVE MILLION DOLLARS TO THE STATE HIGHWAY FUND;

(II) TWENTY-TWO MILLION FIVE HUNDRED THOUSAND DOLLARS TO THE HIGHWAY USERS TAX FUND FOR ALLOCATION TO COUNTIES AND MUNICIPALITIES AS SPECIFIED IN SECTION 43-4-205 (6.4); AND

(III) TWENTY-TWO MILLION FIVE HUNDRED THOUSAND DOLLARS TO THE MULTIMODAL TRANSPORTATION OPTIONS FUND.

(c) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (5)(d) OF THIS SECTION AND SECTION 43-4-714 (2)(a), ON JUNE 30, 2020, AND ON EACH SUCCEEDING JUNE 30 THROUGH JUNE 30, 2039, THE STATE TREASURER SHALL TRANSFER MONEY FROM THE GENERAL FUND TO THE STATE HIGHWAY FUND AS FOLLOWS:

(I) (A) IF A CITIZEN-INITIATED BALLOT ISSUE THAT AUTHORIZES THE STATE TO ISSUE TRANSPORTATION REVENUE ANTICIPATION NOTES BUT DOES NOT AUTHORIZE THE STATE TO COLLECT ADDITIONAL TAX REVENUE FOR THE PURPOSE OF PROVIDING A REVENUE SOURCE FOR REPAYMENT OF THE NOTES IS SUBMITTED TO THE REGISTERED ELECTORS OF THE STATE FOR THEIR APPROVAL OR REJECTION AT THE NOVEMBER 2018 GENERAL ELECTION AND A MAJORITY OF THE ELECTORS VOTING ON THE BALLOT ISSUE VOTE "Yes/For", THEN, EVEN IF ANOTHER CITIZEN-INITIATED BALLOT ISSUE THAT AUTHORIZES THE STATE TO ISSUE TRANSPORTATION REVENUE ANTICIPATION NOTES AND ALSO AUTHORIZES THE STATE TO COLLECT ADDITIONAL TAX REVENUE FOR THE PURPOSE OF PROVIDING A REVENUE SOURCE FOR REPAYMENT OF THE NOTES IS SUBMITTED TO THE REGISTERED ELECTORS OF THE STATE FOR THEIR APPROVAL OR REJECTION AT THE NOVEMBER 2018 GENERAL ELECTION AND A MAJORITY OF THE ELECTORS VOTING ON THE BALLOT ISSUE VOTE "Yes/For", ZERO DOLLARS;

(B) THIS SUBSECTION (5)(c)(I) IS REPEALED, EFFECTIVE JANUARY 1,

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2019, IF A CITIZEN-INITIATED BALLOT ISSUE THAT AUTHORIZES THE STATE TO ISSUE TRANSPORTATION REVENUE ANTICIPATION NOTES BUT DOES NOT AUTHORIZE THE STATE TO COLLECT ADDITIONAL TAX REVENUE FOR THE PURPOSE OF PROVIDING A REVENUE SOURCE FOR REPAYMENT OF THE NOTES IS NOT SUBMITTED TO THE REGISTERED ELECTORS OF THE STATE FOR THEIR APPROVAL OR REJECTION AT THE NOVEMBER 2018 GENERAL ELECTION OR IF SUCH A BALLOT ISSUE IS SUBMITTED AND A MAJORITY OF THE ELECTORS VOTING ON THE BALLOT ISSUE VOTE "No/AGAINST";

(C) THIS SUBSECTION (5)(c)(I)(C) AND SUBSECTION (5)(c)(I)(B) OF THIS SECTION ARE REPEALED, EFFECTIVE JANUARY 1, 2019, IF A CITIZEN-INITIATED BALLOT ISSUE THAT AUTHORIZES THE STATE TO ISSUE TRANSPORTATION REVENUE ANTICIPATION NOTES BUT DOES NOT AUTHORIZE THE STATE TO COLLECT ADDITIONAL TAX REVENUE FOR THE PURPOSE OF PROVIDING A REVENUE SOURCE FOR REPAYMENT OF THE NOTES IS SUBMITTED TO THE REGISTERED ELECTORS OF THE STATE FOR THEIR APPROVAL OR REJECTION AT THE NOVEMBER 2018 GENERAL ELECTION AND A MAJORITY OF THE ELECTORS VOTING ON THE BALLOT ISSUE VOTE "Yes/For";

(II) (A) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (5)(c)(I)(A) OF THIS SECTION, IF A CITIZEN-INITIATED BALLOT ISSUE THAT AUTHORIZES THE STATE TO ISSUE TRANSPORTATION REVENUE ANTICIPATION NOTES AND ALSO AUTHORIZES THE STATE TO COLLECT ADDITIONAL TAX REVENUE FOR THE PURPOSE OF PROVIDING A REVENUE SOURCE FOR REPAYMENT OF THE NOTES IS SUBMITTED TO THE REGISTERED ELECTORS OF THE STATE FOR THEIR APPROVAL OR REJECTION AT THE NOVEMBER 2018 GENERAL ELECTION AND A MAJORITY OF THE ELECTORS VOTING ON THE BALLOT ISSUE VOTE "Yes/For", FIFTY MILLION DOLLARS;

(B) THIS SUBSECTION (5)(c)(II) IS REPEALED, EFFECTIVE JANUARY 1, 2019, IF A CITIZEN-INITIATED BALLOT ISSUE THAT AUTHORIZES THE STATE TO ISSUE TRANSPORTATION REVENUE ANTICIPATION NOTES AND ALSO AUTHORIZES THE STATE TO COLLECT ADDITIONAL TAX REVENUE FOR THE PURPOSE OF PROVIDING A REVENUE SOURCE FOR REPAYMENT OF THE NOTES IS NOT SUBMITTED TO THE REGISTERED ELECTORS OF THE STATE FOR THEIR APPROVAL OR REJECTION AT THE NOVEMBER 2018 GENERAL ELECTION, IF SUCH A BALLOT ISSUE IS SUBMITTED AND A MAJORITY OF THE ELECTORS VOTING ON THE BALLOT ISSUE VOTE "No/AGAINST", OR IF A CITIZEN-INITIATED BALLOT ISSUE THAT AUTHORIZES THE STATE TO ISSUE

TRANSPORTATION REVENUE ANTICIPATION NOTES BUT DOES NOT AUTHORIZE THE STATE TO COLLECT ADDITIONAL TAX REVENUE FOR THE PURPOSE OF PROVIDING A REVENUE SOURCE FOR REPAYMENT OF THE NOTES IS SUBMITTED TO THE REGISTERED ELECTORS OF THE STATE FOR THEIR APPROVAL OR REJECTION AT THE NOVEMBER 2018 GENERAL ELECTION AND A MAJORITY OF THE ELECTORS VOTING ON THE BALLOT ISSUE VOTE "Yes/For";

(C) THIS SUBSECTION (5)(c)(II)(C) AND SUBSECTION (5)(c)(II)(B) OF THIS SECTION ARE REPEALED, EFFECTIVE JANUARY 1, 2019, IF A CITIZEN-INITIATED BALLOT ISSUE THAT AUTHORIZES THE STATE TO ISSUE TRANSPORTATION REVENUE ANTICIPATION NOTES AND ALSO AUTHORIZES THE STATE TO COLLECT ADDITIONAL TAX REVENUE FOR THE PURPOSE OF PROVIDING A REVENUE SOURCE FOR REPAYMENT OF THE NOTES IS SUBMITTED TO THE REGISTERED ELECTORS OF THE STATE FOR THEIR APPROVAL OR REJECTION AT THE NOVEMBER 2018 GENERAL ELECTION AND A MAJORITY OF THE ELECTORS VOTING ON THE BALLOT ISSUE VOTE "Yes/For" AND EITHER A CITIZEN-INITIATED BALLOT ISSUE THAT AUTHORIZES THE STATE TO ISSUE TRANSPORTATION REVENUE ANTICIPATION NOTES BUT DOES NOT AUTHORIZE THE STATE TO COLLECT ADDITIONAL TAX REVENUE FOR THE PURPOSE OF PROVIDING A REVENUE SOURCE FOR REPAYMENT OF THE NOTES IS NOT SUBMITTED TO THE REGISTERED ELECTORS OF THE STATE FOR THEIR APPROVAL OR REJECTION AT THE NOVEMBER 2018 GENERAL ELECTION OR, IF SUCH A BALLOT ISSUE IS SUBMITTED, A MAJORITY OF THE ELECTORS VOTING ON THE BALLOT ISSUE VOTE "No/AGAINST";

(III) (A) IF A BALLOT ISSUE THAT AUTHORIZES THE STATE TO ISSUE TRANSPORTATION REVENUE ANTICIPATION NOTES IS SUBMITTED TO THE REGISTERED ELECTORS OF THE STATE FOR THEIR APPROVAL OR REJECTION AT THE NOVEMBER 2019 STATEWIDE ELECTION PURSUANT TO SECTION 43-4-705 (13)(b) AND A MAJORITY OF THE ELECTORS VOTING ON THE BALLOT ISSUE VOTE "No/AGAINST", FIFTY MILLION DOLLARS;

(B) THIS SUBSECTION (5)(c)(III) IS REPEALED, EFFECTIVE JANUARY 1, 2019, IF ANY CITIZEN-INITIATED BALLOT ISSUE THAT AUTHORIZES THE STATE TO ISSUE TRANSPORTATION REVENUE ANTICIPATION NOTES IS SUBMITTED TO THE REGISTERED ELECTORS OF THE STATE FOR THEIR APPROVAL OR REJECTION AT THE NOVEMBER 2018 GENERAL ELECTION OR AND A MAJORITY OF THE ELECTORS VOTING ON THE BALLOT ISSUE VOTE "Yes/For";

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(C) THIS SUBSECTION (5)(c)(III) IS REPEALED, EFFECTIVE JANUARY 1, 2020, IF A BALLOT ISSUE THAT AUTHORIZES THE STATE TO ISSUE TRANSPORTATION REVENUE ANTICIPATION NOTES IS SUBMITTED TO THE REGISTERED ELECTORS OF THE STATE FOR THEIR APPROVAL OR REJECTION AT THE NOVEMBER 2019 STATEWIDE ELECTION PURSUANT TO SECTION 43-4-705 (13)(b) AND A MAJORITY OF THE ELECTORS VOTING ON THE BALLOT ISSUE VOTE "YES/FOR";

(D) THIS SUBSECTION (5)(c)(III)(D) AND SUBSECTIONS (5)(c)(III)(B) AND (5)(c)(III)(C) OF THIS SECTION ARE REPEALED, EFFECTIVE JANUARY 1, 2020, IF A BALLOT ISSUE THAT AUTHORIZES THE STATE TO ISSUE TRANSPORTATION REVENUE ANTICIPATION NOTES IS SUBMITTED TO THE REGISTERED ELECTORS OF THE STATE FOR THEIR APPROVAL OR REJECTION AT THE NOVEMBER 2019 STATEWIDE ELECTION PURSUANT TO SECTION 43-4-705 (13)(b) AND A MAJORITY OF THE ELECTORS VOTING ON THE BALLOT ISSUE VOTE "NO/AGAINST"; OR

(IV) (A) IF A BALLOT ISSUE THAT AUTHORIZES THE STATE TO ISSUE TRANSPORTATION REVENUE ANTICIPATION NOTES IS SUBMITTED TO THE REGISTERED ELECTORS OF THE STATE FOR THEIR APPROVAL OR REJECTION AT THE NOVEMBER 2019 STATEWIDE ELECTION PURSUANT TO SECTION 43-4-705 (13)(b) AND A MAJORITY OF THE ELECTORS VOTING ON THE BALLOT ISSUE VOTE "YES/FOR", ONE HUNDRED TWENTY-TWO MILLION SIX HUNDRED THOUSAND DOLLARS;

(B) THIS SUBSECTION (5)(c)(IV) IS REPEALED, EFFECTIVE JANUARY 1, 2019, IF ANY CITIZEN-INITIATED BALLOT ISSUE THAT AUTHORIZES THE STATE TO ISSUE TRANSPORTATION REVENUE ANTICIPATION NOTES IS SUBMITTED TO THE REGISTERED ELECTORS OF THE STATE FOR THEIR APPROVAL OR REJECTION AT THE NOVEMBER 2018 GENERAL ELECTION AND A MAJORITY OF THE ELECTORS VOTING ON THE BALLOT ISSUE VOTE "YES/FOR";

(C) THIS SUBSECTION (5)(c)(IV) IS REPEALED, EFFECTIVE JANUARY 1, 2020, IF A BALLOT ISSUE THAT AUTHORIZES THE STATE TO ISSUE TRANSPORTATION REVENUE ANTICIPATION NOTES IS SUBMITTED TO THE REGISTERED ELECTORS OF THE STATE FOR THEIR APPROVAL OR REJECTION AT THE NOVEMBER 2019 STATEWIDE ELECTION PURSUANT TO SECTION 43-4-705 (13)(b) AND A MAJORITY OF THE ELECTORS VOTING ON THE BALLOT ISSUE VOTE "NO/AGAINST";

(D) THIS SUBSECTION (5)(c)(IV)(D) AND SUBSECTIONS (5)(c)(IV)(B) AND (5)(c)(IV)(C) OF THIS SECTION ARE REPEALED, EFFECTIVE JANUARY 1, 2020, IF A BALLOT ISSUE THAT AUTHORIZES THE STATE TO ISSUE TRANSPORTATION REVENUE ANTICIPATION NOTES IS SUBMITTED TO THE REGISTERED ELECTORS OF THE STATE FOR THEIR APPROVAL OR REJECTION AT THE NOVEMBER 2019 STATEWIDE ELECTION PURSUANT TO SECTION 43-4-705 (13)(b) AND A MAJORITY OF THE ELECTORS VOTING ON THE BALLOT ISSUE VOTE "Yes/For"; OR

(d) (I) IF THE TRANSPORTATION COMMISSION ALLOCATES MONEY FROM THE TRANSPORTATION REVENUE ANTICIPATION NOTES RESERVE ACCOUNT OF THE STATE HIGHWAY FUND PURSUANT TO SECTION 43-4-714 (2) DURING ANY STATE FISCAL YEAR, THE AMOUNT OF ANY TRANSFER REQUIRED BY SUBSECTION (5)(c)(IV)(A) OF THIS SECTION IS REDUCED BY AN AMOUNT EQUAL TO THE AMOUNT OF THE ALLOCATION FROM THE ACCOUNT.

(II) THIS SUBSECTION (5)(d) IS REPEALED:

(A) EFFECTIVE JANUARY 1, 2019, IF A CITIZEN-INITIATED BALLOT ISSUE THAT AUTHORIZES THE STATE TO ISSUE TRANSPORTATION REVENUE ANTICIPATION NOTES IS SUBMITTED TO THE REGISTERED ELECTORS OF THE STATE FOR THEIR APPROVAL OR REJECTION AT THE NOVEMBER 2018 GENERAL ELECTION AND A MAJORITY OF THE ELECTORS VOTING ON THE BALLOT ISSUE VOTE "Yes/For";

(B) EFFECTIVE JANUARY 1, 2020, IF A BALLOT ISSUE THAT AUTHORIZES THE STATE TO ISSUE TRANSPORTATION REVENUE ANTICIPATION NOTES IS SUBMITTED TO THE REGISTERED ELECTORS OF THE STATE FOR THEIR APPROVAL OR REJECTION AT THE NOVEMBER 2019 STATEWIDE ELECTION PURSUANT TO SECTION 43-4-705 (13)(b) AND A MAJORITY OF THE ELECTORS VOTING ON THE BALLOT ISSUE VOTE "No/AGAINST".

(III) THIS SUBSECTION (5)(d)(III) AND SUBSECTION (5)(d)(II) OF THIS SECTION ARE REPEALED, EFFECTIVE JANUARY 1, 2020, IF A BALLOT ISSUE THAT AUTHORIZES THE STATE TO ISSUE TRANSPORTATION REVENUE ANTICIPATION NOTES IS SUBMITTED TO THE REGISTERED ELECTORS OF THE STATE FOR THEIR APPROVAL OR REJECTION AT THE NOVEMBER 2019 STATEWIDE ELECTION PURSUANT TO SECTION 43-4-705 (13)(b) AND A MAJORITY OF THE ELECTORS VOTING ON THE BALLOT ISSUE VOTE "Yes/For".

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SECTION 3. In Colorado Revised Statutes, 24-82-1303, **amend** (2)(a), (2)(b), and (2)(d)(II); and **repeal** (1) as follows:

24-82-1303. Lease-purchase agreements for capital construction and transportation projects. (1) ~~On or before December 31, 2017, the state architect, the director of the office of state planning and budgeting or his or her designee, and the state institutions of higher education shall identify and prepare a collaborative list of eligible state facilities that can be collateralized as part of the lease-purchase agreements for capital construction and transportation projects authorized in this part 13. The total current replacement value of the identified buildings must equal at least two billion dollars.~~

(2) (a) Notwithstanding the provisions of sections 24-82-102 (1)(b) and 24-82-801, and pursuant to section 24-36-121, no sooner than July 1, 2018, the state, acting by and through the state treasurer, shall execute lease-purchase agreements, each for no more than twenty years of annual payments, for the projects described in subsection (4) of this section. The state shall execute the lease-purchase agreements ~~only in accordance with the following schedule:~~ DURING THE 2018-19 STATE FISCAL YEAR IN AN AMOUNT UP TO FIVE HUNDRED MILLION DOLLARS.

~~(I) During the 2018-19 state fiscal year, the state shall execute lease-purchase agreements in an amount up to five hundred million dollars;~~

~~(II) During the 2019-20 state fiscal year, the state shall execute lease-purchase agreements in an amount up to five hundred million dollars;~~

~~(III) During the 2020-21 state fiscal year, the state shall execute lease-purchase agreements in an amount up to five hundred million dollars; and~~

~~(IV) During the 2021-22 fiscal year, the state shall execute lease-purchase agreements in an amount up to five hundred million dollars.~~

(b) The anticipated annual state-funded payments for the principal and interest components of the amount payable under all lease-purchase agreements entered into pursuant to subsection (2)(a) of this section shall not exceed ~~one hundred fifty~~ THIRTY-SEVEN million FIVE HUNDRED THOUSAND dollars.

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(d) Any lease-purchase agreement executed as required by subsection (2)(a) of this section shall provide that all of the obligations of the state under the agreement are subject to the action of the general assembly in annually making money available for all payments thereunder. Payments under any lease-purchase agreement must be made, subject to annual allocation pursuant to section 43-1-113 by the transportation commission created in section 43-1-106 (1) or subject to annual appropriation by the general assembly, as applicable, from the following sources of money:

(II) (A) Next, ~~fifty~~ FOR STATE FISCAL YEAR 2018-19 ONLY, TWENTY-EIGHT million FIVE HUNDRED THOUSAND dollars, ~~annually~~, or any lesser amount that is sufficient to make each full payment due, shall be paid from any legally available money under the control of the transportation commission solely for the purpose of allowing the construction, supervision, and maintenance of state highways to be funded with the proceeds of lease-purchase agreements as specified in subsection (4)(b) of this section and section 43-4-206 (1)(b)(V); ~~and~~ OR

(B) NEXT, FOR EACH SUCCEEDING STATE FISCAL YEAR FOR WHICH A PAYMENT UNDER ANY LEASE-PURCHASE AGREEMENT MUST BE MADE, TEN MILLION ONE HUNDRED THOUSAND DOLLARS ANNUALLY, OR ANY LESSER AMOUNT THAT IS SUFFICIENT TO MAKE EACH FULL PAYMENT DUE, SHALL BE PAID FROM ANY LEGALLY AVAILABLE MONEY UNDER THE CONTROL OF THE TRANSPORTATION COMMISSION SOLELY FOR THE PURPOSE OF ALLOWING THE CONSTRUCTION, SUPERVISION, AND MAINTENANCE OF STATE HIGHWAYS TO BE FUNDED WITH THE PROCEEDS OF LEASE-PURCHASE AGREEMENTS AS SPECIFIED IN SUBSECTION (4)(b) OF THIS SECTION AND SECTION 43-4-206 (1)(b)(V); AND

SECTION 4. In Colorado Revised Statutes, add 43-2-151 as follows:

43-2-151. Managed lanes - study by department of transportation - repeal. (1) THE DEPARTMENT OF TRANSPORTATION SHALL CONDUCT OR CONTRACT WITH AN INDEPENDENT THIRD PARTY TO CONDUCT A DATA DRIVEN STUDY OF THE USE OF MANAGED LANES THROUGHOUT THE STATE. THE STUDY SHALL, AT A MINIMUM:

(a) REPORT ON THE NUMBER OF MANAGED LANES AND THE TOTAL

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LANE MILES OF MANAGED LANES IN THE STATE;

(b) DESCRIBE HOW MANAGED LANES ARE BEING USED TO FINANCE HIGHWAY PROJECTS AND, WITH RESPECT TO ANY PROJECT FINANCED IN WHOLE OR IN PART THROUGH THE USE OF MANAGED LANES, WHETHER THE PROJECT WOULD OR COULD HAVE BEEN COMPLETED WITHOUT THE USE OF MANAGED LANES;

(c) IDENTIFY AND QUANTIFY THE STATEWIDE, REGIONAL AND TRANSPORTATION CORRIDOR-SPECIFIC IMPACTS OF MANAGED LANES ON TRAFFIC CONGESTION; AND

(d) QUANTIFY THE NUMBER OF TRIPS MADE ON MANAGED LANES BY DIFFERENT TYPES OF MOTOR VEHICLES INCLUDING BUT NOT LIMITED TO TRANSIT VEHICLES, COMMERCIAL VEHICLES, HIGH-OCCUPANCY VEHICLES, AND SINGLE OCCUPANT VEHICLES.

(2) THE DEPARTMENT SHALL REPORT THE RESULTS OF THE STUDY AS PART OF ITS 2018 PRESENTATION TO THE JOINT LEGISLATIVE COMMITTEE OF REFERENCE THAT IS ASSIGNED TO OVERSEE THE DEPARTMENT MADE PURSUANT TO SECTION 2-7-203 (2)(a).

(3) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2019.

SECTION 5. In Colorado Revised Statutes, 43-4-205, **add** (6.4) as follows:

43-4-205. Allocation of fund. (6.4) MONEY TRANSFERRED FROM THE GENERAL FUND TO THE HIGHWAY USERS TAX FUND PURSUANT TO SECTION 24-75-219 (5)(a)(II) AND (5)(b)(II) IS ALLOCATED AND EXPENDED AS FOLLOWS:

(a) FIFTY PERCENT OF THE MONEY IS PAID TO THE COUNTY TREASURERS OF THE RESPECTIVE COUNTIES, SUBJECT TO ANNUAL APPROPRIATION BY THE GENERAL ASSEMBLY, AND ALLOCATED AND EXPENDED AS PROVIDED IN SECTION 43-4-207; AND

(b) FIFTY PERCENT OF THE MONEY IS PAID TO THE CITIES AND INCORPORATED TOWNS, SUBJECT TO ANNUAL APPROPRIATION BY THE GENERAL ASSEMBLY, AND ALLOCATED AND EXPENDED AS PROVIDED IN

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SECTIONS 43-4-208 (2) AND (6)(a).

SECTION 6. In Colorado Revised Statutes, 43-4-206, **amend** (1) introductory portion, (2)(b) introductory portion, (2)(b)(III), and (2)(b)(IV) as follows:

43-4-206. State allocation. (1) Except as otherwise provided in ~~subsections (1)(a)(V),~~ SUBSECTIONS (1)(b)(V), (2), and (3) of this section, after paying the costs of the Colorado state patrol and any other costs of the department, exclusive of highway construction, highway improvements, or highway maintenance, that are appropriated by the general assembly, money in the highway users tax fund shall be paid to the state highway fund and expended for the following purposes:

(2) (b) Beginning in 1998, the department of transportation shall report annually to the transportation committee of the senate and the transportation and energy committee of the house of representatives concerning the revenue expended by the department pursuant to subsection (2)(a) of this section and, beginning in ~~2018,~~ any 2019, ANY STATE GENERAL FUND MONEY THAT IS CREDITED TO THE STATE HIGHWAY FUND PURSUANT TO SECTION 24-75-219 (5), ANY NET proceeds of lease-purchase agreements executed as required by section 24-82-1303 (2)(a) that are credited to the state highway fund pursuant to section 24-82-1303 (4)(b) and expended by the department pursuant to subsection (1)(b)(V) of this section, AND ANY NET PROCEEDS OF TRANSPORTATION REVENUE ANTICIPATION NOTES ISSUED AS AUTHORIZED BY A BALLOT ISSUE SUBMITTED TO AND APPROVED BY THE REGISTERED ELECTORS OF THE STATE AT THE 2019 STATEWIDE ELECTION PURSUANT TO SECTION 43-4-705 (13)(b) THAT ARE CREDITED TO THE STATE HIGHWAY FUND PURSUANT TO THIS SECTION. The department shall present the report at the joint meeting required under section 43-1-113 (9)(a), and the report shall describe for each fiscal year, if applicable:

(III) The projected amounts of revenue and net proceeds that the department expects to receive under this subsection (2), ~~and subsection (1)(b)(V) of this section~~ SECTION 24-75-219 (5), SECTION 24-82-1303 (4)(b), AND SECTION 43-4-714 (1)(a) during the fiscal year;

(IV) The amount of revenue and net proceeds that the department has already received under this subsection (2), ~~and subsection (1)(b)(V) of this section~~ SECTION 24-75-219 (5), SECTION 24-82-1303 (4)(b), AND

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SECTION 43-4-714 (1)(a) during the fiscal year; and

SECTION 7. In Colorado Revised Statutes, 43-4-207, **amend** (1), (2) introductory portion, and (2)(b) introductory portion as follows:

43-4-207. County allocation. (1) After paying the costs of the Colorado state patrol and ~~such~~ ANY other costs of the department, exclusive of highway construction, highway improvements, or highway maintenance, ~~as THAT are appropriated by the general assembly, twenty-six percent of the balance of the highway users tax fund~~ THE MONEY, INCLUDING MONEY TRANSFERRED FROM THE GENERAL FUND TO THE HIGHWAY USERS TAX FUND PURSUANT TO SECTION 24-75-219 (5)(a)(II) AND (5)(b)(II), THAT SECTION 43-4-205 REQUIRES TO BE PAID FROM THE HIGHWAY USERS TAX FUND TO THE COUNTY TREASURERS OF THE RESPECTIVE COUNTIES shall be paid to the county treasurers of the respective counties, subject to annual appropriation by the general assembly, and shall be allocated and expended as provided in this section. The ~~moneys~~ thus MONEY received ~~shall be~~ IS allocated to the counties as provided by law and shall be expended by the counties only on the construction, engineering, reconstruction, maintenance, repair, equipment, improvement, and administration of the county highway systems and any other public highways, including any state highways, together with acquisition of rights-of-way and access rights for the same, for the planning, designing, engineering, acquisition, installation, construction, repair, reconstruction, maintenance, operation, or administration of transit-related projects, including, but not limited to, designated bicycle or pedestrian lanes of highway and infrastructure needed to integrate different transportation modes within a multimodal transportation system, and for no other purpose; ~~except that a county may expend no more than fifteen percent of the total amount expended under this subsection (1) for transit-related operational purposes and except that moneys~~ MONEY received pursuant to section 43-4-205 (6.3) shall be expended by the counties only for road safety projects, as defined in section 43-4-803 (21). The amount ~~to be~~ expended for administrative purposes shall not exceed five percent of each county's share of the funds available.

(2) For the fiscal year commencing July 1, 1989, and each fiscal year thereafter, for the purpose of allocating ~~moneys~~ MONEY in the highway users tax fund to the various counties throughout the state, the following method is ~~hereby~~ adopted:

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(b) All ~~moneys~~ MONEY credited to the fund in excess of eighty-six million seven hundred thousand dollars ~~shall be~~ AND ALL MONEY TRANSFERRED TO THE FUND PURSUANT TO SECTION 24-75-219 (5)(a)(II) AND (5)(b)(II) THAT IS REQUIRED BY SECTION 43-4-205 (6.4)(a) AND SUBSECTION (1) OF THIS SECTION TO BE PAID TO THE COUNTY TREASURERS OF THE RESPECTIVE COUNTIES IS allocated to the counties in the following manner:

SECTION 8. In Colorado Revised Statutes, 43-4-208, **amend** (1), (2) introductory portion, (2)(a), and (6)(a) as follows:

43-4-208. Municipal allocation. (1) After paying the costs of the Colorado state patrol and ~~such~~ ANY other costs of the department, exclusive of highway construction, highway improvements, or highway maintenance, ~~as THAT are appropriated by the general assembly, and making allocation as provided by sections 43-4-206 and 43-4-207, the remaining nine percent of the highway users tax fund~~ THE MONEY, INCLUDING MONEY TRANSFERRED FROM THE GENERAL FUND TO THE HIGHWAY USERS TAX FUND PURSUANT TO SECTION 24-75-219 (5)(a)(II) AND (5)(b)(II), THAT SECTION 43-4-205 REQUIRES TO BE PAID FROM THE HIGHWAY USERS TAX FUND TO CITIES AND INCORPORATED TOWNS shall be paid to the cities and incorporated towns within the limits of the respective counties, subject to annual appropriation by the general assembly, and shall be allocated and expended as provided in this section. Each city treasurer shall account for the ~~moneys thus~~ MONEY received as provided in this part 2. ~~Moneys~~ MONEY so allocated shall be expended by the cities and incorporated towns for the construction, engineering, reconstruction, maintenance, repair, equipment, improvement, and administration of the system of streets of such city or incorporated town or of any public highways located within such city or incorporated town, including any state highways, together with the acquisition of rights-of-way and access rights for the same, and for the planning, designing, engineering, acquisition, installation, construction, repair, reconstruction, maintenance, operation, or administration of transit-related projects, including, but not limited to, designated bicycle or pedestrian lanes of highway and infrastructure needed to integrate different transportation modes within a multimodal transportation system, and for no other purpose; ~~except that a city or an incorporated town may expend no more than fifteen percent of the total amount expended under this subsection (1) for transit-related operational purposes and except that moneys~~ MONEY paid to the cities and incorporated towns pursuant to section 43-4-205 (6.3) shall be expended by the cities and incorporated towns only for road safety projects, as defined

in section 43-4-803 (21). The amount ~~to be~~ expended for administrative purposes shall not exceed five percent of each city's share of the funds available.

(2) For the purpose of allocating ~~moneys~~ MONEY in the highway users tax fund to the various cities and incorporated towns throughout the state, the following method is adopted:

(a) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (6) OF THIS SECTION, eighty percent shall be allocated to the cities and incorporated towns in proportion to the adjusted urban motor vehicle registration in each city and incorporated town. The term "urban motor vehicle registration" includes all passenger, truck, truck-tractor, and motorcycle registrations. The number of registrations used in computing the percentage shall be those certified to the state treasurer by the department of revenue as constituting the urban motor vehicle registration for the last preceding year. The adjusted registration shall be computed by applying a factor to the actual number of such registrations to reflect the increased standards and costs of construction resulting from the concentration of vehicles in cities and incorporated places. For this purpose the following table of actual registration numbers and factors shall be employed:

Actual registrations	Factor
1 -- 500	1.0
501 -- 1,250	1.1
1,251 -- 2,500	1.2
2,501 -- 5,000	1.3
5,001 -- 12,500	1.4
12,501 -- 25,000	1.5
25,001 -- 50,000	1.6
50,001 -- 85,000	1.7
85,001 -- 130,000	1.8
130,001 -- 185,000	1.9
185,001 and over	2.0

(6) (a) In addition to the provisions of subsection (2)(a) of this section, on or after July 1, 1979, eighty percent of all additional ~~funds~~ MONEY becoming available to cities and incorporated towns from the highway users tax fund pursuant to sections 24-75-215 ~~C.R.S.~~, and 43-4-205 (6)(b)(III) ~~shall be~~ AND, ON AND AFTER JULY 1, 2018, EIGHTY

PERCENT OF THE GENERAL FUND MONEY TRANSFERRED FROM THE GENERAL FUND TO THE HIGHWAY USERS TAX FUND PURSUANT TO SECTION 24-75-219 (5)(a)(II) AND (5)(b)(II) THAT IS REQUIRED BY SECTION 43-4-205 (6.4)(b) AND SUBSECTION (1) OF THIS SECTION TO BE ALLOCATED TO THE CITIES AND INCORPORATED TOWNS IS allocated to the cities and incorporated towns in proportion to the adjusted urban motor vehicle registration in each city and incorporated town. The term "urban motor vehicle registration", as used in this section, includes all passenger, truck, truck-tractor, and motorcycle registrations. The number of registrations used in computing the percentage shall be those certified to the state treasurer by the department of revenue as constituting the urban motor vehicle registration for the last preceding year. The adjusted registration shall be computed by applying a factor to the actual number of such registrations to reflect the increased standards and costs of construction resulting from the concentration of vehicles in cities and incorporated places. For this purpose the following table of actual registration numbers and factors shall be employed:

Actual registrations	Factor
1 -- 500	1.0
501 -- 1,250	1.1
1,251 -- 2,500	1.2
2,501 -- 5,000	1.3
5,001 -- 12,500	1.4
12,501 -- 25,000	1.5
25,001 -- 50,000	1.6
50,001 -- 85,000	1.7
85,001 -- 125,000	1.8
125,001 -- 165,000	1.9
165,001 -- 205,000	2.0
205,001 -- 245,000	2.1
245,001 -- 285,000	2.2
285,001 -- 325,000	2.3
325,001 -- 365,000	2.4
365,001 -- 405,000	2.5
405,001 -- 445,000	2.6
445,001 -- 485,000	2.7
485,001 -- 525,000	2.8
525,001 -- 565,000	2.9
565,001 -- 605,000	3.0

SECTION 9. In Colorado Revised Statutes, 43-4-702, **repeal** (7); and **add** (9) as follows:

43-4-702. Definitions. As used in this part 7, unless the context otherwise requires:

(7) ~~"Revenue anticipation notes" or "notes" means revenue anticipation notes authorized by and issued in accordance with this part 7.~~

(9) "TRANSPORTATION REVENUE ANTICIPATION NOTES", "REVENUE ANTICIPATION NOTES", OR "NOTES" MEANS REVENUE ANTICIPATION NOTES AUTHORIZED BY AND ISSUED IN ACCORDANCE WITH THIS PART 7.

SECTION 10. In Colorado Revised Statutes, 43-4-705, **amend** (2)(a)(II) and (13); and **add** (2)(a)(II.5) as follows:

43-4-705. Revenue anticipation notes - repeal. (2) (a) Subject to the provisions of this subsection (2), the principal of and interest on revenue anticipation notes and any costs associated with the issuance and administration of such notes shall be payable solely from:

(II) Any proceeds of such notes and any earnings from the investment of such note proceeds pledged for such purpose; ~~and~~

(II.5) MONEY TRANSFERRED FROM THE GENERAL FUND TO THE STATE HIGHWAY FUND PURSUANT TO SECTION 24-75-219 (5)(c); AND

(13) (a) Notwithstanding any other provision of this part 7 to the contrary, the executive director shall have the authority to issue revenue anticipation notes pursuant to this part 7 only if voters statewide approve the ballot question submitted at the November 1999 statewide election pursuant to section 43-4-703 (1) and only then to the extent allowed under the maximum amounts of debt and repayment cost so approved.

(b) (I) SUBJECT TO VOTER APPROVAL OF THE BALLOT ISSUE SUBMITTED AT THE NOVEMBER 2019 STATEWIDE ELECTION PURSUANT TO SUBSECTION (13)(b)(III) OF THIS SECTION AND THE REPAYMENT FUNDING COMMITMENT REQUIREMENT SPECIFIED IN SUBSECTION (13)(b)(II) OF THIS SECTION, THE EXECUTIVE DIRECTOR SHALL ISSUE ADDITIONAL TRANSPORTATION REVENUE ANTICIPATION NOTES IN A MAXIMUM AMOUNT

OF TWO BILLION THREE HUNDRED THIRTY-SEVEN MILLION DOLLARS AND WITH A MAXIMUM REPAYMENT COST OF THREE BILLION TWO HUNDRED FIFTY MILLION DOLLARS. THE MAXIMUM REPAYMENT TERM FOR ANY NOTES ISSUED PURSUANT TO THIS SUBSECTION (13)(b) IS TWENTY YEARS, AND THE CERTIFICATE, TRUST INDENTURE, OR OTHER INSTRUMENT AUTHORIZING THEIR ISSUANCE SHALL PROVIDE THAT THE STATE MAY PAY THE NOTES IN FULL WITHOUT PENALTY NO LATER THAN TEN YEARS FOLLOWING THE DATE OF ISSUANCE.

(II) NOTWITHSTANDING SECTION 43-1-113 (19) AND SUBSECTION (12)(a) OF THIS SECTION, BEFORE ISSUING ANY REVENUE ANTICIPATION NOTES AS AUTHORIZED BY SUBSECTION (13)(b)(I) OF THIS SECTION, THE TRANSPORTATION COMMISSION SHALL ADOPT A RESOLUTION IN WHICH IT AGREES, SUBJECT TO THE REQUIREMENTS OF SECTION 43-4-706 (2), THAT IT INTENDS TO ANNUALLY ALLOCATE FROM LEGALLY AVAILABLE MONEY UNDER ITS CONTROL ANY AMOUNT NEEDED FOR PAYMENT OF THE NOTES UNTIL THE NOTES ARE FULLY REPAID. THE COMMISSION SHALL FIRST ALLOCATE FOR PAYMENT OF THE NOTES MONEY TRANSFERRED FROM THE GENERAL FUND TO THE STATE HIGHWAY FUND PURSUANT TO SECTION 24-75-219 (5)(b) AND ANY MONEY ALLOCATED BY THE COMMISSION FROM THE TRANSPORTATION REVENUE ANTICIPATION NOTES RESERVE ACCOUNT CREATED IN SECTION 43-4-714 (2) AND THEREAFTER SHALL ALLOCATE FOR PAYMENT OF THE NOTES ANY OTHER LEGALLY AVAILABLE MONEY UNDER ITS CONTROL.

(III) THE SECRETARY OF STATE SHALL SUBMIT TO THE REGISTERED ELECTORS OF THE STATE FOR THEIR APPROVAL OR REJECTION AT THE NOVEMBER 2019 STATEWIDE ELECTION THE FOLLOWING BALLOT ISSUE: "SHALL STATE OF COLORADO DEBT BE INCREASED \$2,337,000,000, WITH A MAXIMUM REPAYMENT COST OF \$3,250,000,000, WITHOUT RAISING TAXES, THROUGH THE ISSUANCE OF TRANSPORTATION REVENUE ANTICIPATION NOTES FOR THE PURPOSE OF ADDRESSING CRITICAL PRIORITY TRANSPORTATION NEEDS IN THE STATE BY FINANCING TRANSPORTATION PROJECTS, SHALL NOTE PROCEEDS AND INVESTMENT EARNINGS ON NOTE PROCEEDS BE EXCLUDED FROM STATE FISCAL YEAR SPENDING LIMITS, AND SHALL THE AMOUNT OF LEASE-PURCHASE AGREEMENTS REQUIRED BY CURRENT LAW TO BE ISSUED FOR THE PURPOSE OF FINANCING TRANSPORTATION PROJECTS BE REDUCED?"

(IV) NO LATER THAN MAY 1, 2019, THE DEPARTMENT SHALL

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PROVIDE TO THE DIRECTOR OF RESEARCH OF THE LEGISLATIVE COUNCIL THE MOST RECENT AVAILABLE LIST OF QUALIFIED FEDERAL AID TRANSPORTATION PROJECTS, INCLUDING MULTIMODAL CAPITAL PROJECTS, THAT ARE DESIGNATED FOR TIER 1 FUNDING AS TEN-YEAR DEVELOPMENT PROGRAM PROJECTS ON THE DEPARTMENT'S 2019 DEVELOPMENT PROGRAM PROJECT LIST AND THAT THE DEPARTMENT WILL FUND WITH PROCEEDS OF ANY TRANSPORTATION REVENUE ANTICIPATION NOTES ISSUED AS AUTHORIZED BY THIS SUBSECTION (13)(b). IN ORDER TO FULLY INFORM THE VOTERS OF THE STATE CONCERNING THE PROJECTS TO BE FUNDED WITH PROCEEDS OF ANY SUCH ADDITIONAL TRANSPORTATION REVENUE ANTICIPATION NOTES BEFORE THE VOTERS VOTE ON THE BALLOT QUESTION SPECIFIED IN SUBSECTION (13)(b)(III) OF THIS SECTION, THE DIRECTOR OF RESEARCH SHALL PUBLISH THE LIST, INCLUDING ANY SUBSEQUENT UPDATES TO THE LIST MADE BEFORE FINAL APPROVAL BY THE LEGISLATIVE COUNCIL OF THE 2019 BALLOT INFORMATION BOOKLET PREPARED PURSUANT TO SECTION 1-40-124.5, WHICH UPDATES THE DEPARTMENT SHALL EXPEDITIOUSLY PROVIDE TO THE DIRECTOR OF RESEARCH, IN THE BALLOT INFORMATION BOOKLET.

(V) (A) THIS SUBSECTION (13)(b) IS REPEALED, EFFECTIVE JANUARY 1, 2019, IF A CITIZEN-INITIATED BALLOT ISSUE THAT AUTHORIZES THE STATE TO ISSUE TRANSPORTATION REVENUE ANTICIPATION NOTES IS SUBMITTED TO THE REGISTERED ELECTORS OF THE STATE FOR THEIR APPROVAL OR REJECTION AT THE NOVEMBER 2018 GENERAL ELECTION AND A MAJORITY OF THE ELECTORS VOTING ON THE BALLOT ISSUE VOTE "YES/FOR".

(B) THIS SUBSECTION (13)(b) IS REPEALED, EFFECTIVE JANUARY 1, 2020, IF A MAJORITY OF THE ELECTORS VOTING ON THE BALLOT ISSUE IN SUBSECTION (13)(b)(III) OF THIS SECTION VOTE "NO/AGAINST".

(C) THIS SUBSECTION (13)(b)(V) IS REPEALED, EFFECTIVE JANUARY 1, 2020, IF A MAJORITY OF THE ELECTORS VOTING ON THE BALLOT ISSUE IN SUBSECTION (13)(b)(III) OF THIS SECTION VOTE "YES/FOR".

SECTION 11. In Colorado Revised Statutes, **amend** 43-4-714 as follows:

43-4-714. Use of note proceeds - repeal. (1) ~~If the executive director issues any revenue anticipation notes in accordance with the provisions of this part 7, the proceeds from the sale of such notes that are not otherwise pledged for the payment of such notes shall be used for the~~

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~~qualified federal aid transportation projects included in the strategic transportation project investment program of the department of transportation.~~ NET PROCEEDS FROM THE SALE OF ANY TRANSPORTATION REVENUE ANTICIPATION NOTES THAT THE EXECUTIVE DIRECTOR ISSUES PURSUANT TO SECTION 43-4-705 (13)(b) THAT ARE NOT OTHERWISE PLEDGED FOR THE PAYMENT OF THE NOTES SHALL BE ALLOCATED AS FOLLOWS:

(a) EIGHTY-FIVE PERCENT OF THE NET PROCEEDS SHALL BE CREDITED TO THE STATE HIGHWAY FUND CREATED IN SECTION 43-1-219 AND EXPENDED BY THE DEPARTMENT ONLY FOR QUALIFIED FEDERAL AID TRANSPORTATION PROJECTS THAT ARE INCLUDED IN THE STRATEGIC TRANSPORTATION PROJECT INVESTMENT PROGRAM OF THE DEPARTMENT OF TRANSPORTATION AND THAT ARE DESIGNATED FOR TIER 1 FUNDING AS TEN-YEAR DEVELOPMENT PROGRAM PROJECTS ON THE DEPARTMENT'S DEVELOPMENT PROGRAM PROJECT LIST, WITH AT LEAST TWENTY-FIVE PERCENT OF THE NET PROCEEDS OF TRANSPORTATION REVENUE ANTICIPATION NOTES THAT ARE CREDITED TO THE STATE HIGHWAY FUND BEING USED FOR PROJECTS THAT ARE LOCATED IN COUNTIES WITH POPULATIONS OF FIFTY THOUSAND OR LESS AS OF JULY 2015 AS REPORTED BY THE STATE DEMOGRAPHY OFFICE OF THE DEPARTMENT OF LOCAL AFFAIRS.

(b) FIFTEEN PERCENT OF THE NET PROCEEDS SHALL BE CREDITED TO THE TRANSPORTATION REVENUE ANTICIPATION NOTES PROCEEDS ACCOUNT OF THE MULTIMODAL TRANSPORTATION OPTIONS FUND CREATED IN SECTION 43-4-1103 (1).

(2) (a) THE TRANSPORTATION REVENUE ANTICIPATION NOTES RESERVE ACCOUNT IS HEREBY CREATED IN THE STATE HIGHWAY FUND. THE STATE TREASURER SHALL CREDIT A PORTION OF THE MONEY TRANSFERRED FROM THE GENERAL FUND TO THE STATE HIGHWAY FUND PURSUANT TO SECTION 24-75-219 (5)(c)(IV)(A) TO THE RESERVE ACCOUNT AS FOLLOWS:

(I) ON JUNE 30, 2020, SEVENTY-FIVE MILLION NINE HUNDRED FIFTY-TWO THOUSAND FIVE HUNDRED DOLLARS; AND

(II) ON JUNE 30, 2021, SEVENTY-FIVE MILLION NINE HUNDRED FIFTY-TWO THOUSAND FIVE HUNDRED DOLLARS.

(b) DURING ANY STATE FISCAL YEAR FOR WHICH THERE IS A GENERAL

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FUND REVENUE SHORTFALL AND THE GOVERNOR FORMULATES AND IMPLEMENTS A PLAN TO REDUCE GENERAL FUND EXPENDITURES AS REQUIRED BY SECTION 24-75-201.5, THE TRANSPORTATION COMMISSION, IN CONSULTATION WITH THE GOVERNOR, MAY ALLOCATE MONEY FROM THE ACCOUNT FOR THE SOLE PURPOSE OF PAYING ALL OR A PORTION OF ANY PAYMENT ON TRANSPORTATION REVENUE ANTICIPATION NOTES DUE DURING THE STATE FISCAL YEAR. IN ADDITION, THE COMMISSION MAY ALLOCATE MONEY FROM THE ACCOUNT AT ANY TIME IF DOING SO WILL ALLOW THE COMMISSION TO FULLY REPAY THE NOTES. ONCE ALL TRANSPORTATION REVENUE ANTICIPATION NOTES ARE REPAID IN FULL, THE STATE TREASURER SHALL TRANSFER ANY MONEY REMAINING IN THE ACCOUNT TO THE STATE HIGHWAY FUND.

(3) (a) THIS SECTION IS REPEALED:

(I) EFFECTIVE JANUARY 1, 2019, IF A BALLOT ISSUE INITIATED BY PRIVATE CITIZENS THAT AUTHORIZES THE STATE TO ISSUE TRANSPORTATION REVENUE ANTICIPATION NOTES IS SUBMITTED TO THE REGISTERED ELECTORS OF THE STATE FOR THEIR APPROVAL OR REJECTION AT THE NOVEMBER 2018 GENERAL ELECTION AND A MAJORITY OF THE ELECTORS VOTING ON THE BALLOT ISSUE VOTE "Yes/For".

(II) EFFECTIVE JANUARY 1, 2020, IF A BALLOT ISSUE THAT AUTHORIZES THE STATE TO ISSUE TRANSPORTATION REVENUE ANTICIPATION NOTES IS SUBMITTED TO THE REGISTERED ELECTORS OF THE STATE FOR THEIR APPROVAL OR REJECTION AT THE NOVEMBER 2019 STATEWIDE ELECTION PURSUANT TO SECTION 43-4-705 (13)(b) AND A MAJORITY OF THE ELECTORS VOTING ON THE BALLOT ISSUE VOTE "No/AGAINST".

(b) THIS SUBSECTION (3) IS REPEALED, EFFECTIVE JANUARY 1, 2020, IF A BALLOT ISSUE THAT AUTHORIZES THE STATE TO ISSUE TRANSPORTATION REVENUE ANTICIPATION NOTES IS SUBMITTED TO THE REGISTERED ELECTORS OF THE STATE FOR THEIR APPROVAL OR REJECTION AT THE NOVEMBER 2019 STATEWIDE ELECTION PURSUANT TO SECTION 43-4-705 (13)(b) AND A MAJORITY OF THE ELECTORS VOTING ON THE BALLOT ISSUE VOTE "Yes/For".

SECTION 12. In Colorado Revised Statutes, add part 11 to article 4 of title 43 as follows:

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PART 11
MULTIMODAL TRANSPORTATION OPTIONS FUNDING

43-4-1101. Legislative declaration. (1) THE GENERAL ASSEMBLY HEREBY FINDS AND DECLARES THAT IT IS NECESSARY, APPROPRIATE, AND IN THE BEST INTEREST OF THE STATE TO USE A PORTION OF THE GENERAL FUND MONEY THAT IS DEDICATED FOR TRANSPORTATION PURPOSES PURSUANT TO SECTION 24-75-219 (5) TO FUND MULTIMODAL TRANSPORTATION PROJECTS AND OPERATIONS THROUGHOUT THE STATE AS AUTHORIZED BY THIS PART 11 BECAUSE, IN ADDITION TO THE GENERAL BENEFITS THAT IT PROVIDES TO ALL COLORADANS, A COMPLETE AND INTEGRATED MULTIMODAL TRANSPORTATION SYSTEM:

(a) BENEFITS SENIORS BY MAKING AGING IN PLACE MORE FEASIBLE FOR THEM;

(b) BENEFITS RESIDENTS OF RURAL AREAS BY PROVIDING THEM WITH FLEXIBLE PUBLIC TRANSPORTATION SERVICES;

(c) PROVIDES ENHANCED MOBILITY FOR PERSONS WITH DISABILITIES;
AND

(d) PROVIDES SAFE ROUTES TO SCHOOLS FOR CHILDREN.

43-4-1102. Definitions. AS USED IN THIS PART 11, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(1) "ACCOUNT" MEANS THE TRANSPORTATION REVENUE ANTICIPATION NOTES PROCEEDS ACCOUNT OF THE MULTIMODAL TRANSPORTATION OPTIONS FUND CREATED IN SECTION 43-4-1103 (1)(b).

(2) "COMMISSION" MEANS THE TRANSPORTATION COMMISSION CREATED IN SECTION 43-1-106 (1).

(3) "DEPARTMENT" MEANS THE DEPARTMENT OF TRANSPORTATION.

(4) "FUND" MEANS THE MULTIMODAL TRANSPORTATION OPTIONS FUND CREATED IN SECTION 43-4-1103 (1)(a).

(5) "MULTIMODAL PROJECTS" MEANS CAPITAL OR OPERATING COSTS

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FOR FIXED ROUTE AND ON-DEMAND TRANSIT, TRANSPORTATION DEMAND MANAGEMENT PROGRAMS, MULTIMODAL MOBILITY PROJECTS ENABLED BY NEW TECHNOLOGY, MULTIMODAL TRANSPORTATION STUDIES, AND BICYCLE OR PEDESTRIAN PROJECTS.

43-4-1103. Multimodal transportation options fund and transportation revenue anticipation notes proceeds account of fund - creation - revenue sources for fund - use of fund - limitations on use of tax-exempt note proceeds. (1) (a) THE MULTIMODAL TRANSPORTATION OPTIONS FUND IS HEREBY CREATED IN THE STATE TREASURY. THE FUND CONSISTS OF MONEY TRANSFERRED FROM THE GENERAL FUND TO THE FUND PURSUANT TO SECTION 24-75-219 (5)(a)(III) AND (5)(b)(III) AND ANY OTHER MONEY THAT THE GENERAL ASSEMBLY MAY APPROPRIATE OR TRANSFER TO THE FUND. THE STATE TREASURER SHALL CREDIT ALL INTEREST AND INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE FUND TO THE FUND.

(b) THE TRANSPORTATION REVENUE ANTICIPATION NOTES PROCEEDS ACCOUNT IS HEREBY CREATED IN THE FUND. ANY NET PROCEEDS OF TRANSPORTATION REVENUE ANTICIPATION NOTES THAT THE STATE ISSUES SHALL BE CREDITED TO THE ACCOUNT. THE STATE TREASURER SHALL CREDIT ALL INTEREST AND INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE ACCOUNT TO THE ACCOUNT.

(2) (a) (I) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (2)(a)(II) OF THIS SECTION, SUBJECT TO ANNUAL APPROPRIATION BY THE GENERAL ASSEMBLY, MONEY MUST BE EXPENDED FROM THE FUND AS FOLLOWS:

(A) EIGHTY-FIVE PERCENT TO THE COMMISSION FOR LOCAL MULTIMODAL PROJECTS; AND

(B) FIFTEEN PERCENT TO THE COMMISSION FOR STATE MULTIMODAL PROJECTS THAT ARE SELECTED BY THE COMMISSION.

(II) ON JULY 1, 2018, THE STATE TREASURER SHALL TRANSFER TWO MILLION FIVE HUNDRED THOUSAND DOLLARS FROM THE FUND TO THE FUND CREATED IN SECTION 43-4-1002 (1).

(b) (I) SUBJECT TO THE LIMITATIONS SET FORTH IN SUBSECTION (2)(b)(II) OF THIS SECTION, MONEY MUST BE EXPENDED FROM THE ACCOUNT

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AS FOLLOWS:

(A) EIGHTY-FIVE PERCENT TO THE COMMISSION FOR LOCAL MULTIMODAL PROJECTS; AND

(B) FIFTEEN PERCENT TO THE COMMISSION FOR STATE MULTIMODAL PROJECTS THAT ARE SELECTED BY THE COMMISSION.

(II) THE COMMISSION SHALL ENSURE, IN COOPERATION WITH EACH RECIPIENT OF SUCH MONEY FROM THE ACCOUNT, THAT ANY NET PROCEEDS OF TAX-EXEMPT TRANSPORTATION REVENUE ANTICIPATION NOTES CREDITED TO THE ACCOUNT AND ANY INTEREST AND INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF ANY SUCH PROCEEDS ARE EXPENDED ONLY IN COMPLIANCE WITH ALL APPLICABLE FEDERAL LAWS AND REGULATIONS GOVERNING THE USE OF TAX-EXEMPT NOTE PROCEEDS.

(c) WITH RESPECT TO THE DISTRIBUTION OF MONEY FOR LOCAL MULTIMODAL PROJECTS REQUIRED BY SUBSECTION (2)(a)(I)(A) OF THIS SECTION AND, FOR NET PROCEEDS OF TAXABLE TRANSPORTATION REVENUE ANTICIPATION NOTES AND INTEREST AND INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF SUCH PROCEEDS ONLY, THE DISTRIBUTION OF MONEY FOR LOCAL MULTIMODAL PROJECTS REQUIRED BY SUBSECTION (2)(b)(I)(A) OF THIS SECTION, THE COMMISSION SHALL ESTABLISH A FORMULA FOR DISBURSEMENT OF THE AMOUNT ALLOCATED FOR LOCAL MULTIMODAL PROJECTS, BASED ON POPULATION AND TRANSIT RIDERSHIP, IN CONSULTATION WITH THE TRANSPORTATION ADVISORY COMMITTEE CREATED IN SECTION 43-1-1104, THE TRANSIT AND RAIL ADVISORY COMMITTEE OF THE DEPARTMENT, TRANSIT ADVOCACY ORGANIZATIONS, AND BICYCLE AND PEDESTRIAN ADVOCACY ORGANIZATIONS. RECIPIENTS SHALL PROVIDE A MATCH EQUAL TO THE AMOUNT OF THE AWARD; EXCEPT THAT THE COMMISSION MAY CREATE A FORMULA FOR REDUCING OR EXEMPTING THE MATCH REQUIREMENT FOR LOCAL GOVERNMENTS OR AGENCIES DUE TO THEIR SIZE OR ANY OTHER SPECIAL CIRCUMSTANCES.

(3) (a) THE DEPARTMENT SHALL ANNUALLY REPORT TO THE TRANSPORTATION LEGISLATION REVIEW COMMITTEE OF THE GENERAL ASSEMBLY CREATED IN SECTION 43-2-145(1) REGARDING ITS EXPENDITURES FROM THE FUND AND THE ACCOUNT INCLUDING, AT A MINIMUM:

(I) AN AGGREGATE ACCOUNTING OF ALL MONEY EXPENDED FROM

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THE FUND AND THE ACCOUNT DURING THE PRIOR FISCAL YEAR; AND

(II) A LISTING OF ALL PROJECTS RECEIVING FUNDING FROM THE FUND AND THE ACCOUNT DURING THE PRIOR FISCAL YEAR THAT INCLUDES FOR EACH PROJECT:

(A) IDENTIFICATION OF THE ENTITY RECEIVING FUNDING FOR THE PROJECT;

(B) THE AMOUNT OF FUNDING PROVIDED FOR THE PROJECT; AND

(C) THE AMOUNT OF LOCAL MATCHING MONEY PROVIDED FOR THE PROJECT.

(b) NOTWITHSTANDING SECTION 24-1-136 (11)(a), THE REPORTING REQUIREMENT SPECIFIED IN SUBSECTION (3)(a) OF THIS SECTION CONTINUES INDEFINITELY.

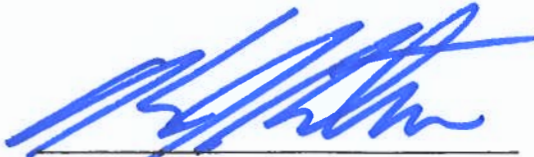
SECTION 13. Effective date. (1) Except as otherwise provided in subsection (2) of this section, this act takes effect upon passage.

(2) Section 3 of this act takes effect only if either:

(a) A citizen-initiated ballot issue that authorizes the state to issue transportation revenue anticipation notes but does not authorize the state to collect additional tax revenue for the purpose of providing a revenue source for repayment of the notes is submitted to the registered electors of the state for their approval or rejection at the November 2018 general election and a majority of the electors voting on the ballot issue vote "Yes/For", and, in such case, section 3 of this act takes effect on the date of the official declaration of the vote thereon by the governor; or

(b) A ballot issue that authorizes the state to issue transportation revenue anticipation notes is submitted to the registered electors of the state for their approval or rejection at the November 2019 statewide election pursuant to section 43-4-705 (13)(b), Colorado Revised Statutes, enacted in section 10 of this act, and a majority of the electors voting on the ballot issue vote "Yes/For", and, in such case, section 3 of this act takes effect on the date of the official declaration of the vote thereon by the governor.

SECTION 14. Safety clause. The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.



Kevin J. Grantham
PRESIDENT OF
THE SENATE



Crisanta Duran
SPEAKER OF THE HOUSE
OF REPRESENTATIVES



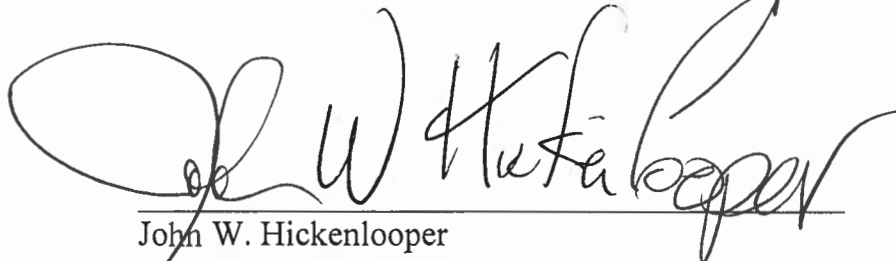
Effie Ameen
SECRETARY OF
THE SENATE



Marilyn Eddins
CHIEF CLERK OF THE HOUSE
OF REPRESENTATIVES

APPROVED

11:52 AM 5/31/18



John W. Hickenlooper
GOVERNOR OF THE STATE OF COLORADO

An Act

SENATE BILL 18-067

BY SENATOR(S) Zenzinger and Priola, Cooke, Coram, Donovan, Fenberg, Garcia, Guzman, Holbert, Jahn, Kefalas, Kerr, Martinez Humenik, Merrifield, Moreno, Smallwood, Tate, Todd, Williams A., Baumgardner, Court, Crowder, Fields, Jones, Lambert, Marble, Neville T., Scott, Sonnenberg, Grantham;
also REPRESENTATIVE(S) Kraft-Tharp and Van Winkle, Becker J., Benavidez, Bridges, Esgar, Garnett, Ginal, Gray, Hooton, Jackson, Kennedy, Lawrence, Leonard, McKean, McLachlan, Michaelson Jenet, Roberts, Sias, Thurlow, Winter, Wist, Becker K., Beckman, Buckner, Coleman, Hansen, Herod, Lebsock, Liston, Melton, Neville P., Reyher, Rosenthal, Valdez, Williams D.

CONCERNING THE ABILITY OF CERTAIN ORGANIZATIONS CONDUCTING A SPECIAL EVENT TO AUCTION ALCOHOL BEVERAGES IN SEALED CONTAINERS FOR FUNDRAISING PURPOSES UNDER SPECIFIED CIRCUMSTANCES.

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

SECTION 1. In Colorado Revised Statutes, **amend** 12-47-107 as follows:

12-47-107. Permitted acts - auctions at special events -

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

definition. (1) Any person who has an interest in a liquor license may also be listed as an officer or director on a license owned by a municipality or governmental entity if such person does not individually manage or receive any direct financial benefit from the operation of such license.

(2) (a) AN ORGANIZATION THAT IS HOLDING A SPECIAL EVENT PURSUANT TO ARTICLE 48 OF THIS TITLE 12 MAY, SUBJECT TO THE REQUIREMENTS OF SUBSECTION (2)(b) OF THIS SECTION:

(I) BRING ONTO AND REMOVE FROM THE LICENSED PREMISES OR UNLICENSED PREMISES WHERE THE SPECIAL EVENT IS HELD ALCOHOL BEVERAGES IN SEALED CONTAINERS THAT WERE DONATED TO OR OTHERWISE LAWFULLY OBTAINED BY THE ORGANIZATION FOR FUNDRAISING PURPOSES; AND

(II) AUCTION THE ALCOHOL BEVERAGES IN SEALED CONTAINERS FOR FUNDRAISING PURPOSES WHILE ON THE LICENSED PREMISES OR UNLICENSED PREMISES WHERE THE SPECIAL EVENT IS HELD.

(b) (I) AN ORGANIZATION HOLDING A SPECIAL EVENT AND, IF THE SPECIAL EVENT IS HELD ON A LICENSED PREMISES, THE LICENSEE ON WHOSE LICENSED PREMISES THE SPECIAL EVENT IS HELD, OR, IF THE SPECIAL EVENT IS HELD ON UNLICENSED PREMISES, THE PERSON ON WHOSE UNLICENSED PREMISES THE SPECIAL EVENT IS HELD, SHALL ENSURE THAT ANY ALCOHOL BEVERAGES IN SEALED CONTAINERS BROUGHT ONTO, AUCTIONED AT, OR REMOVED FROM THE PREMISES REMAIN SEALED AT ALL TIMES WHILE ON THE PREMISES.

(II) THE LICENSEE ON WHOSE LICENSED PREMISES THE SPECIAL EVENT IS HELD OR THE PERSON ON WHOSE UNLICENSED PREMISES THE SPECIAL EVENT IS HELD, AS APPLICABLE, SHALL NOT REQUIRE OR ACCEPT ANY FEE FOR, PERCENTAGE OR PORTION OF THE PROCEEDS FROM, OR OTHER FINANCIAL BENEFIT SPECIFICALLY RELATED TO THE AUCTION OF ALCOHOL BEVERAGES IN SEALED CONTAINERS ON THE PREMISES.

(c) THE RETAIL VALUE OF ALCOHOL BEVERAGES DONATED TO AN ORGANIZATION PURSUANT TO THIS SECTION BY A RETAILER LICENSED UNDER SECTION 12-46-104 (1)(c), 12-47-407, OR 12-47-408 TO SELL ALCOHOL BEVERAGES AT RETAIL FOR CONSUMPTION OFF THE LICENSED PREMISES DOES NOT COUNT AGAINST THE ANNUAL LIMIT ON PURCHASES FROM THOSE

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RETAILERS SPECIFIED IN SECTION 12-47-409 (2), 12-47-411 (6)(b), 12-47-412 (2), 12-47-414 (2), 12-47-415 (3), 12-47-416 (2), 12-47-417 (4), 12-47-418 (2), 12-47-420 (3), 12-47-424 (4)(b), OR 12-47-426 (2).

(d) (I) A RETAILER LICENSED UNDER THIS ARTICLE 47 OR ARTICLE 46 OF THIS TITLE 12 THAT DONATES ALCOHOL BEVERAGES TO AN ORGANIZATION PURSUANT TO THIS SECTION IS NOT LIABLE FOR ANY VIOLATION OF SECTION 12-47-901 COMMITTED BY THE ORGANIZATION OR OTHER PERSON ON THE PREMISES WHERE THE SPECIAL EVENT IS HELD OR INVOLVING THE DONATED ALCOHOL BEVERAGES IF THE LICENSED RETAILER THAT DONATED THE ALCOHOL BEVERAGES WAS NOT INVOLVED IN THE VIOLATION AND DID NOT ENGAGE IN ANY ACT OR OMISSION THAT CONSTITUTES AN UNLAWFUL ACT UNDER SECTION 12-47-901.

(II) THE STATE AND LOCAL LICENSING AUTHORITIES SHALL CONSIDER MITIGATING FACTORS, INCLUDING A LICENSEE'S LACK OF KNOWLEDGE OF A VIOLATION, IN DETERMINING WHETHER TO HOLD A LICENSEE ON WHOSE LICENSED PREMISES THE SPECIAL EVENT WAS HELD RESPONSIBLE FOR ANY VIOLATION OF SECTION 12-47-901 THAT OCCURRED ON THE LICENSED PREMISES AND THAT WAS COMMITTED BY THE ORGANIZATION HOLDING THE SPECIAL EVENT.

(e) AS USED IN THIS SUBSECTION (2), "ORGANIZATION" MEANS AN ORGANIZATION DESCRIBED IN SECTION 12-48-102 (1):

(I) THAT OBTAINS A SPECIAL EVENT PERMIT UNDER ARTICLE 48 OF THIS TITLE 12 TO HOLD A SPECIAL EVENT ON A PREMISES LICENSED UNDER SECTION 12-47-403, 12-47-403.5, 12-47-411 (2.5), 12-47-416, 12-47-417, OR 12-47-422;

(II) THAT IS HOLDING A SPECIAL EVENT AT A RETAIL PREMISES LICENSED UNDER THIS ARTICLE 47 TO SELL ALCOHOL BEVERAGES FOR CONSUMPTION ON THE LICENSED PREMISES; OR

(III) THAT IS OTHERWISE EXEMPT FROM ARTICLE 48 OF THIS TITLE 12 PURSUANT TO SECTION 12-48-108.

SECTION 2. In Colorado Revised Statutes, 12-47-407, amend (1)(a)(I) as follows:

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12-47-407. Retail liquor store license. (1) (a) (I) A retail liquor store license shall be issued to persons selling only malt, vinous, and spirituous liquors in sealed containers not to be consumed at the place where sold. Malt, vinous, and spirituous liquors in sealed containers shall not be sold at retail other than in retail liquor stores except as provided in section 12-47-408 OR EXCEPT AS ALLOWED UNDER THIS ARTICLE 47.

SECTION 3. In Colorado Revised Statutes, 12-47-901, amend (1) introductory portion, (1)(f), (1)(m), and (5)(e) as follows:

12-47-901. Unlawful acts - exceptions - definitions. (1) Except as provided in section 18-13-122, ~~C.R.S.~~, it is unlawful for any person:

(f) To sell at retail any malt, vinous, or spirituous liquors in sealed containers without holding a retail liquor store or liquor-licensed drugstore license, except as permitted by ~~section~~ SECTION 12-47-107 (2) OR 12-47-301 (6)(b) or any other provision of this ~~article~~ ARTICLE 47;

(m) To remove an alcohol beverage from a licensed premises where the liquor license for the licensed premises allows only on-premises consumption of alcohol beverages, except as permitted under ~~subparagraph (VI) of paragraph (h) of this subsection (1)~~ SUBSECTION (1)(h)(VI) OF THIS SECTION OR SECTION 12-47-107 (2).

(5) It is unlawful for any person licensed to sell at retail pursuant to this article 47 or article 46 of this title 12:

(e) EXCEPT AS PROVIDED IN SECTION 12-47-107 (2), to have in possession or upon the licensed premises any alcohol beverage, the sale of which is not permitted by said license;

SECTION 4. Safety clause. The general assembly hereby finds,

determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.



Kevin J. Grantham
PRESIDENT OF
THE SENATE



Crisanta Duran
SPEAKER OF THE HOUSE
OF REPRESENTATIVES

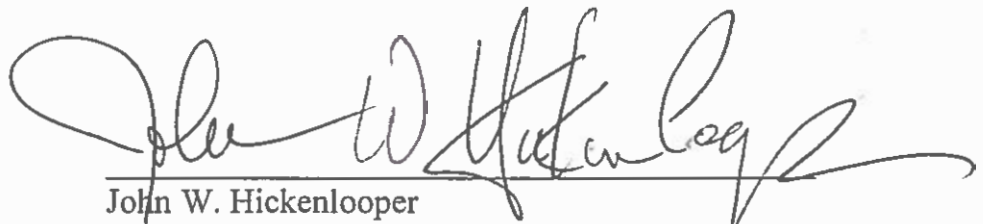


Effie Ameen
SECRETARY OF
THE SENATE



Marilyn Eddins
CHIEF CLERK OF THE HOUSE
OF REPRESENTATIVES

APPROVED Mar 1 2018 2:56 PM



John W. Hickenlooper
GOVERNOR OF THE STATE OF COLORADO

An Act

SENATE BILL 18-167

BY SENATOR(S) Scott and Donovan, Martinez Humenik, Cooke, Coram, Crowder, Fenberg, Holbert, Jahn, Kagan, Kefalas, Lambert, Marble, Merrifield, Neville T., Priola, Smallwood, Sonnenberg, Tate, Grantham; also REPRESENTATIVE(S) Winter and Saine, Becker J., Covarrubias, Esgar, Exum, Gray, Hansen, Kraft-Tharp, McLachlan, Michaelson Jenet, Neville P., Pettersen, Roberts, Rosenthal, Valdez, Wist, Duran.

CONCERNING INCREASED ENFORCEMENT OF REQUIREMENTS RELATED TO THE LOCATION OF UNDERGROUND FACILITIES, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.

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

SECTION 1. In Colorado Revised Statutes, 9-1.5-102, **amend** the introductory portion, (1), and (3); and **add** (1.5), (3.4), (3.7), (6.7), (6.8), and (6.9) as follows:

9-1.5-102. Definitions. As used in this ~~article~~ **ARTICLE 1.5**, unless the context otherwise requires:

(1) ~~"Damage" includes the penetration or destruction of any protective coating, housing, or other protective device of an underground facility, the partial or complete severance of an underground facility, or the~~

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

~~rendering of any underground facility inaccessible~~ "ASCE 38" MEANS THE STANDARD FOR DEFINING THE QUALITY OF AN UNDERGROUND FACILITY LOCATION AS DEFINED IN THE CURRENT EDITION OF THE AMERICAN SOCIETY OF CIVIL ENGINEERS' "STANDARD GUIDELINE FOR THE COLLECTION AND DEPICTION OF EXISTING SUBSURFACE UTILITY DATA (CI/ASCE 38-02)" OR AN ANALOGOUS SUCCESSOR STANDARD AS DETERMINED BY THE SAFETY COMMISSION.

(1.5) "DAMAGE" INCLUDES THE PENETRATION OR DESTRUCTION OF ANY PROTECTIVE COATING, HOUSING, OR OTHER PROTECTIVE DEVICE OF AN UNDERGROUND FACILITY, THE DENTING OR PARTIAL OR COMPLETE SEVERANCE OF AN UNDERGROUND FACILITY, OR THE RENDERING OF ANY UNDERGROUND FACILITY INACCESSIBLE.

(3) "Excavation" means any operation in which earth is moved or removed by means of any tools, equipment, or explosives and includes augering, backfilling, boring, ditching, drilling, grading, plowing-in, pulling-in, ripping, scraping, trenching, HYDRO EXCAVATING, POSTHOLING, and tunneling. "Excavation" ~~shall~~ DOES not include:

(a) Routine maintenance on existing planted landscapes; OR

(b) AN EXCAVATION BY A RANCHER OR A FARMER, AS DEFINED IN SECTION 42-20-108.5, OCCURRING ON A RANCH OR FARM WHEN THE EXCAVATION INVOLVES:

(I) ANY FORM OF EXISTING AGRICULTURAL ACTIVITY THAT IS ROUTINE FOR THAT RANCH OR FARM;

(II) LAND CLEARING IF THE ACTIVITY DOES NOT INVOLVE DEEP RIPPING OR DEEP ROOT REMOVAL OF TREES OR SHRUBS; OR

(III) ROUTINE MAINTENANCE OF:

(A) AN EXISTING IRRIGATION FACILITY IF THE FACILITY HAS BEEN SUBJECTED TO MAINTENANCE IN THE PREVIOUS TWENTY-FOUR MONTHS; OR

(B) EXISTING FENCE LINES.

(3.4) "GRAVITY-FED SYSTEM" MEANS ANY UNDERGROUND FACILITY

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THAT IS NOT PRESSURIZED AND THAT UTILIZES GRAVITY AS THE ONLY MEANS TO TRANSPORT ITS CONTENTS. THESE SYSTEMS INCLUDE SANITARY SEWER LINES, STORM SEWER LINES, AND OPEN-AIR IRRIGATION DITCHES.

(3.7) "LICENSED PROFESSIONAL ENGINEER" MEANS A PROFESSIONAL ENGINEER AS DEFINED IN SECTION 12-25-102.

(6.7) "SUBSURFACE UTILITY ENGINEERING NOTIFICATION" MEANS A NOTICE TO THE NOTIFICATION ASSOCIATION THAT A PROJECT IS BEING DESIGNED BY A LICENSED PROFESSIONAL ENGINEER AND THAT THE PROJECT WILL INCLUDE THE INVESTIGATION AND DEPICTION OF EXISTING UNDERGROUND FACILITIES THAT MEET OR EXCEED THE ASCE 38 STANDARD.

(6.8) "SUBSURFACE UTILITY ENGINEERING-REQUIRED PROJECT" MEANS A PROJECT THAT MEETS ALL OF THE FOLLOWING CONDITIONS:

(a) THE PROJECT INVOLVES A CONSTRUCTION CONTRACT WITH A PUBLIC ENTITY, AS THAT TERM IS DEFINED IN SECTION 24-91-102;

(b) THE PROJECT INVOLVES PRIMARILY HORIZONTAL CONSTRUCTION AND DOES NOT INVOLVE PRIMARILY THE CONSTRUCTION OF BUILDINGS;

(c) (I) THE PROJECT:

(A) HAS AN ANTICIPATED EXCAVATION FOOTPRINT THAT EXCEEDS TWO FEET IN DEPTH AND THAT IS A CONTIGUOUS ONE THOUSAND SQUARE FEET; OR

(B) INVOLVES UTILITY BORING.

(II) FOR PURPOSES OF THIS SUBSECTION (6.8)(c), THE TERM "TWO FEET IN DEPTH" DOES NOT INCLUDE ROTOMILLING, AND THE CONTIGUOUS ONE THOUSAND SQUARE FEET DOES NOT INCLUDE FENCING AND SIGNING PROJECTS.

(d) THE PROJECT REQUIRES THE DESIGN SERVICES OF A LICENSED PROFESSIONAL ENGINEER.

(6.9) "UNDERGROUND DAMAGE PREVENTION SAFETY COMMISSION" OR "SAFETY COMMISSION" MEANS THE ENFORCEMENT AUTHORITY

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ESTABLISHED IN SECTION 9-1.5-104.2.

SECTION 2. In Colorado Revised Statutes, 9-1.5-103, **amend** (3)(a), (3)(c), (3)(d), (4)(a), (4)(b), (4)(c)(I), (4)(c)(II), and (6); **repeal** (7)(c)(V); and **add** (2.4), (2.7), (6.5), (7)(e), (9), (10), and (11) as follows:

9-1.5-103. Plans and specifications - notice of excavation - duties of excavators - duties of owners and operators - fee - repeal. (2.4) AT THE PROJECT OWNER'S EXPENSE, A LICENSED PROFESSIONAL ENGINEER DESIGNING FOR A SUBSURFACE UTILITY ENGINEERING-REQUIRED PROJECT SHALL:

(a) NOTIFY THE NOTIFICATION ASSOCIATION WITH A SUBSURFACE UTILITY ENGINEERING NOTIFICATION;

(b) EITHER:

(I) MEET OR EXCEED THE ASCE 38 STANDARD FOR DEFINING THE UNDERGROUND FACILITY LOCATION IN THE STAMPED PLANS FOR ALL UNDERGROUND FACILITIES WITHIN THE PROPOSED EXCAVATION AREA; OR

(II) DOCUMENT THE REASONS WHY ANY UNDERGROUND FACILITIES DEPICTED IN THE STAMPED PLANS DO NOT MEET OR EXCEED ASCE 38 UTILITY QUALITY LEVEL B OR ITS SUCCESSOR UTILITY QUALITY LEVEL;

(c) ATTEMPT TO ACHIEVE ASCE 38 UTILITY QUALITY LEVEL B OR ITS SUCCESSOR UTILITY QUALITY LEVEL ON ALL UTILITIES WITHIN THE PROPOSED EXCAVATION AREA UNLESS A REASONABLE RATIONALE BY A LICENSED PROFESSIONAL ENGINEER IS GIVEN FOR NOT DOING SO; AND

(d) DOCUMENT THE REASONS WHY ANY UNDERGROUND FACILITIES DEPICTED IN THE STAMPED PLANS DO NOT MEET OR EXCEED ASCE 38 UTILITY QUALITY LEVEL A OR ITS SUCCESSOR UTILITY QUALITY LEVEL FOR UNDERGROUND FACILITIES AT THE POINT OF A POTENTIAL CONFLICT WITH THE INSTALLATION OF A GRAVITY-FED SYSTEM.

(2.7) AN UNDERGROUND FACILITY OWNER THAT RECEIVES A SUBSURFACE UTILITY ENGINEERING NOTIFICATION OR OTHER REQUEST FOR INFORMATION FROM A DESIGNER SHALL RESPOND TO THE REQUEST WITHIN TEN BUSINESS DAYS AFTER THE REQUEST, NOT INCLUDING THE DAY OF

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ACTUAL NOTICE, IN ONE OR MORE OF THE FOLLOWING WAYS:

(a) PROVIDE UNDERGROUND FACILITY LOCATION RECORDS THAT GIVE THE AVAILABLE INFORMATION ON THE LOCATION, NOT TO INCLUDE DEPTH, OF UNDERGROUND FACILITIES WITHIN THE PROJECT LIMITS;

(b) PROVIDE A MARK ON THE GROUND THAT GIVES THE APPROXIMATE LOCATION, NOT TO INCLUDE DEPTH, OF ITS UNDERGROUND FACILITIES WITHIN THE PROJECT LIMITS; OR

(c) PROVIDE THE AVAILABLE INFORMATION AS TO THE APPROXIMATE LOCATION, NOT TO INCLUDE DEPTH, OF ITS UNDERGROUND FACILITIES WITHIN THE PROJECT LIMITS.

(3) (a) (I) (A) Except in emergency situations and except as to an employee OR AN EMPLOYER'S CONTRACTOR with respect to the employer's underground facilities or as otherwise provided in an agreement with an owner or operator, ~~no~~ A person shall NOT make or begin excavation without first notifying the notification association and, if necessary, the tier two members having underground facilities in the area of ~~such~~ THE excavation. Notice may be given in person, by telephone, BY ELECTRONIC METHODS APPROVED BY THE NOTIFICATION ASSOCIATION, or in writing if delivered.

(B) THIS SUBSECTION (3)(a)(I) IS REPEALED, EFFECTIVE JANUARY 1, 2021.

(II) EFFECTIVE JANUARY 1, 2021, EXCEPT IN EMERGENCY SITUATIONS AND EXCEPT AS TO AN EMPLOYEE OR AN EMPLOYER'S CONTRACTOR WITH RESPECT TO THE EMPLOYER'S UNDERGROUND FACILITIES, A PERSON SHALL NOT MAKE OR BEGIN EXCAVATION WITHOUT FIRST NOTIFYING THE NOTIFICATION ASSOCIATION. NOTICE MAY BE GIVEN BY ELECTRONIC METHODS APPROVED BY THE NOTIFICATION ASSOCIATION OR BY TELEPHONE.

(c) (I) Any notice given pursuant to ~~paragraph (b) of this subsection~~ ~~(3) shall~~ SUBSECTION (3)(b) OF THIS SECTION MUST include the following:

(~~H~~) (A) The name and telephone number of the person who is giving the notice;

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(H) (B) The name and telephone number of the excavator; and

(H) (C) The specific location, starting date, and description of the intended excavation activity.

(II) IF AN AREA OF EXCAVATION CANNOT BE ACCURATELY DESCRIBED ON THE LOCATE REQUEST, THE EXCAVATOR SHALL NOTIFY THE OWNER OR OPERATOR OF THE AREA OF EXCAVATION USING ONE OR MORE OF THE FOLLOWING METHODS:

(A) PHYSICAL DELINEATION WITH WHITE MARKS ON A HARD SURFACE AREA;

(B) ELECTRONIC DELINEATION ON A MAP, PLAN SHEET, OR AERIAL PHOTOGRAPH THAT CAN BE TRANSMITTED ELECTRONICALLY FROM THE EXCAVATOR TO THE FACILITY OWNER OR OPERATOR THROUGH THE NOTIFICATION ASSOCIATION; OR

(C) SCHEDULING AN ON-SITE MEETING BETWEEN THE EXCAVATOR AND THE OWNER OR OPERATOR.

(d) ~~An excavator may request a written record of any information from an owner or operator of an underground facility regarding the location of specific underground facilities~~ AN EXCAVATOR REQUIRING EXISTING MARKED UNDERGROUND FACILITIES TO BE EXPOSED MAY LIST A SINGLE SECONDARY EXCAVATOR ON ITS NOTICE TO THE NOTIFICATION ASSOCIATION AND EMPLOY THE SERVICES OF THE LISTED SECONDARY EXCAVATOR TO EXPOSE MARKED UNDERGROUND FACILITIES USING REASONABLE CARE TO NOT DAMAGE THE FACILITIES. THE SECONDARY EXCAVATOR MAY EXPOSE MARKED UNDERGROUND FACILITIES UNDER THE EXCAVATOR'S NOTICE TO THE NOTIFICATION ASSOCIATION ONLY IF THE EXCAVATOR HAS COMPLIED WITH THIS SUBSECTION (3).

(4) (a) (I) Any owner or operator receiving notice pursuant to subsection (3) of this section shall, at no cost to the excavator AND WITHIN TWO BUSINESS DAYS, NOT INCLUDING THE DAY OF ACTUAL NOTICE, use reasonable care to advise the excavator of the location, NUMBER, and size of any underground facilities in the proposed excavation area, INCLUDING LATERALS IN THE PUBLIC RIGHT-OF-WAY, by marking the location of the facilities with clearly identifiable markings within eighteen inches

horizontally from the exterior sides of ~~any such~~ THE facilities. ~~Such~~ THE markings ~~shall~~ MUST include the depth, if known, and shall be made pursuant to the uniform color code as approved by ~~the utility location and coordinating council of~~ the American Public Works Association. THE MARKINGS MUST MEET THE MARKING STANDARDS AS ESTABLISHED BY THE SAFETY COMMISSION PURSUANT TO SECTION 9-1.5-104.2 (1)(a)(I). THE DOCUMENTATION REQUIRED BY THIS SUBSECTION (4)(a)(I) SHALL BE PROVIDED TO THE EXCAVATOR THROUGH THE NOTIFICATION ASSOCIATION AND MUST MEET OR EXCEED ANY QUALITY STANDARDS ESTABLISHED BY THE SAFETY COMMISSION PURSUANT TO SECTION 9-1.5-104.2 (1)(a)(I). IN ADDITION TO THE MARKINGS, THE OWNER OR OPERATOR SHALL PROVIDE FOR EACH OF ITS UNDERGROUND FACILITIES:

(A) DOCUMENTATION LISTING THE OWNER'S OR OPERATOR'S NAME AND THE SIZE AND TYPE OF EACH MARKED UNDERGROUND FACILITY; AND

(B) DOCUMENTATION OF THE LOCATION OF THE UNDERGROUND FACILITIES IN THE FORM OF A DIGITAL SKETCH, A HAND-DRAWN SKETCH, OR A PHOTOGRAPH THAT INCLUDES A READILY IDENTIFIABLE LANDMARK, WHERE PRACTICABLE.

(II) A SEWER SYSTEM OWNER OR OPERATOR SHALL PROVIDE ITS BEST AVAILABLE INFORMATION WHEN MARKING THE LOCATION OF SEWER LATERALS IN THE PUBLIC RIGHT-OF-WAY WITH CLEARLY IDENTIFIABLE MARKINGS. "BEST AVAILABLE INFORMATION" INCLUDES TAP MEASUREMENTS AND HISTORIC RECORDS. IF THE SEWER LATERAL CAN BE ELECTRONICALLY LOCATED, THE SEWER SYSTEM OWNER OR OPERATOR SHALL MARK AND DOCUMENT THE LOCATION OF THE SEWER LATERALS IN ACCORDANCE WITH THIS SUBSECTION (4)(a). IF A SEWER SYSTEM OWNER OR OPERATOR OF A SEWER LATERAL CANNOT ELECTRONICALLY LOCATE THE SEWER LATERAL, THE EXCAVATOR SHALL FIND THE SEWER LATERAL.

(III) THE MARKING OF CUSTOMER-OWNED LATERALS IN THE PUBLIC RIGHT-OF-WAY IS FOR INFORMATIONAL PURPOSES ONLY, AND AN OWNER OR OPERATOR IS NOT LIABLE TO ANY PARTY FOR DAMAGES OR INJURIES RESULTING FROM DAMAGE DONE TO CUSTOMER-OWNED LATERALS.

(IV) ~~In the event any~~ IF A person is involved in excavating across a preexisting underground facility, the owner of such facility shall, upon a predetermined agreement at the request of the excavator or the owner,

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provide on-site assistance. Any owner or operator receiving notice concerning an excavator's intent to excavate shall use reasonable care to advise the excavator of the absence of any underground facilities in the proposed excavation area by ~~communicating directly with the excavator and providing documentation thereof, if requested, or by clearly marking that no underground facilities exist in the proposed excavation area.~~ Owners and operators PROVIDING POSITIVE RESPONSE DOCUMENTATION TO THE EXCAVATOR THROUGH THE NOTIFICATION ASSOCIATION THAT NO UNDERGROUND FACILITIES EXIST IN THE PROPOSED EXCAVATION AREA. AN OWNER OR OPERATOR shall, within the time limits specified in subsection (6) of this section, provide to the excavator evidence, if any, of UNDERGROUND facilities abandoned after January 1, 2001, known to the owner or operator to be in the proposed excavation area.

(b) The marking of underground facilities shall be considered valid so long as the markings are clearly visible, but not for more than thirty calendar days FOLLOWING THE DUE DATE OF THE LOCATE REQUEST INITIATED PURSUANT TO SUBSECTION (3) OF THIS SECTION; EXCEPT THAT, IF AN EXCAVATION NOTICE IS LIMITED TO ONLY ANNUAL ROAD MAINTENANCE THAT DOES NOT EXCEED SIX INCHES IN DEPTH CONDUCTED BY A GOVERNMENTAL AGENCY ON AN EXISTING UNPAVED ROAD, THE MARKING SHALL BE CONSIDERED VALID FOR UP TO ONE HUNDRED EIGHTY DAYS. UPON RECEIPT OF THE NOTIFICATION, AN OWNER OR OPERATOR HAS TEN BUSINESS DAYS TO COORDINATE THE EXCAVATION ACTIVITY WITH THE GOVERNMENTAL AGENCY. If an excavation has not been completed within the ~~thirty-day~~ APPLICABLE period, the excavator shall notify ~~the affected owner or operator and~~ the notification association at least two business days, not including the day of actual notice, before the end of ~~such thirty-day~~ THE APPLICABLE period.

(c) (I) (A) When a person excavates within eighteen inches horizontally from the exterior sides of any MARKED underground facility, ~~such~~ THE person shall USE NONDESTRUCTIVE MEANS OF EXCAVATION TO IDENTIFY UNDERGROUND FACILITIES AND SHALL OTHERWISE exercise ~~such~~ reasonable care ~~as necessary~~ to protect any underground facility in or near the excavation area. ~~It shall be the responsibility of~~ WHEN UTILIZING TRENCHLESS EXCAVATION METHODS, THE EXCAVATOR SHALL EXPOSE UNDERGROUND FACILITIES AND VISUALLY OBSERVE THE SAFE CROSSING OF MARKED UNDERGROUND FACILITIES WHEN REQUESTED TO DO SO BY THE UNDERGROUND FACILITY OWNER OR OPERATOR OR THE GOVERNMENT

AGENCY THAT ISSUED A PERMIT FOR THE EXCAVATION.

(B) The excavator ~~to~~ SHALL maintain adequate and accurate documentation, including ~~but not limited to~~ photographs, video, or sketches AND DOCUMENTATION OBTAINED THROUGH THE NOTIFICATION ASSOCIATION, at the excavation site on the location and identification OF ANY UNDERGROUND FACILITY AND SHALL MAINTAIN ADEQUATE MARKINGS of any underground facility throughout the excavation period. A PERSON SHALL NOT USE A SUBSURFACE UTILITY ENGINEERING NOTIFICATION FOR EXCAVATION PURPOSES.

(II) (A) If the documentation OR MARKINGS maintained pursuant to ~~subparagraph (I) of this paragraph (c) becomes~~ SUBSECTION (4)(c)(I) OF THIS SECTION BECOME lost or invalid, the excavator shall notify the notification association or the affected owner or operator THROUGH THE NOTIFICATION ASSOCIATION and request an immediate reverification of the location of any underground facility. Upon receipt of ~~such~~ THE notification, ~~such~~ THE affected owner or operator shall respond as quickly as is practicable. The excavator shall cease excavation activities at the affected location until the location of any underground facilities has been reverified.

(B) If the documentation OR MARKINGS maintained pursuant to ~~subparagraph (I) of this paragraph (c) is~~ SUBSECTION (4)(c)(I) OF THIS SECTION ARE determined to be inaccurate, the excavator shall immediately notify the affected owner or operator THROUGH THE NOTIFICATION ASSOCIATION and shall request an immediate reverification of the location of any underground facility. Upon receipt of ~~such~~ THE notification, ~~such~~ THE affected owner or operator shall respond as quickly as practicable. The excavator may continue excavation activity if ~~such~~ THE excavator exercises due caution and care to prevent damaging any underground facility.

(6) If documentation OR MARKINGS requested and needed by an excavator pursuant to subsection (4) of this section ~~is~~ ARE not provided by the owner or operator ~~pursuant thereto~~ within two business days, not including the day of actual notice, or such later time as agreed upon by the excavator and the owner or operator, or, if the documentation OR MARKINGS provided ~~fails~~ FAIL to identify the location of the underground facilities, the excavator shall immediately give notice ~~to~~ THROUGH the notification association ~~or~~ TO the owner or operator, ~~and~~ may proceed WITH THE EXCAVATION, and ~~shall~~ IS not be liable for such damage except upon proof

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of ~~such~~ THE excavator's lack of reasonable care.

(6.5) IF POSITIVE RESPONSE REQUIRED PURSUANT TO SUBSECTION (4) OF THIS SECTION IS NOT PROVIDED BY THE OWNER OR OPERATOR WITHIN TWO BUSINESS DAYS, NOT INCLUDING THE DAY OF ACTUAL NOTICE, OR BY A LATER TIME AS OTHERWISE AGREED UPON IN WRITING, THE NOTIFICATION ASSOCIATION SHALL SEND AN ADDITIONAL RENOTIFICATION TO THAT OWNER OR OPERATOR. THE NOTIFICATION ASSOCIATION SHALL CONTINUE TO SEND OUT RENOTIFICATIONS DAILY UNTIL THE NOTIFICATION ASSOCIATION RECEIVES THE POSITIVE RESPONSE.

(7) (c) The notification association shall create and publicize to its members a reporting process, including the availability of electronic reporting and a threshold at which reporting is required, to compile the following information:

(V) ~~The number of persons whose service may have been interrupted;~~

(e) (I) ON OR BEFORE JULY 1 OF EACH YEAR, THE NOTIFICATION ASSOCIATION SHALL PREPARE AND SUBMIT TO THE SAFETY COMMISSION AN ANNUAL REPORT FOR EACH OWNER OR OPERATOR SUMMARIZING THE FOLLOWING DATA FROM THE PRIOR CALENDAR YEAR:

(A) THE NUMBER OF LOCATE REQUESTS SUBMITTED TO THE OWNER OR OPERATOR PURSUANT TO SUBSECTION (4) OF THIS SECTION;

(B) THE NUMBER OF NOTICES SUBMITTED TO THE OWNER OR OPERATOR PURSUANT TO SUBSECTION (6) OF THIS SECTION;

(C) THE PERCENTAGE OF LOCATE REQUESTS RESULTING IN NOTICES SUBMITTED TO THE OWNER OR OPERATOR PURSUANT TO SUBSECTION (6) OF THIS SECTION;

(D) THE NUMBER OF RENOTIFICATIONS SUBMITTED TO THE OWNER OR OPERATOR PURSUANT TO SUBSECTION (6.5) OF THIS SECTION; AND

(E) THE PERCENTAGE OF LOCATE REQUESTS RESULTING IN RENOTIFICATIONS SUBMITTED TO THE OWNER OR OPERATOR PURSUANT TO SUBSECTION (6.5) OF THIS SECTION.

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(II) THE NOTIFICATION ASSOCIATION SHALL MAKE THE DATA IN THE ANNUAL REPORT ELECTRONICALLY ACCESSIBLE TO THE SAFETY COMMISSION FOR CUSTOMIZED REPORTS OR RESEARCH.

(9) IF DAMAGE RESULTS IN THE ESCAPE OF ANY INTERSTATE OR INTRASTATE NATURAL GAS OR OTHER GAS OR HAZARDOUS LIQUID, THE EXCAVATOR OR PERSON THAT CAUSED THE DAMAGE SHALL PROMPTLY REPORT TO THE OWNER AND OPERATOR AND THE APPROPRIATE AUTHORITIES BY CALLING THE 911 EMERGENCY TELEPHONE NUMBER OR ANOTHER EMERGENCY TELEPHONE NUMBER. THE REPORTING IS IN ADDITION TO ANY REPORTING REQUIRED TO BE MADE TO ANY STATE OR LOCAL AGENCY.

(10) ALL NEW UNDERGROUND FACILITIES, INCLUDING LATERALS UP TO THE STRUCTURE OR BUILDING BEING SERVED, INSTALLED ON OR AFTER THE EFFECTIVE DATE OF THIS SUBSECTION (10) MUST BE ELECTRONICALLY LOCATABLE WHEN INSTALLED.

(11) NOTHING IN THIS ARTICLE 1.5 AFFECTS OR IMPAIRS ANY LOCAL ORDINANCES OR OTHER PROVISIONS OF LAW REQUIRING PERMITS TO BE OBTAINED BEFORE AN EXCAVATION. A PERMIT ISSUED BY A GOVERNMENT AGENCY DOES NOT RELIEVE AN EXCAVATOR FROM COMPLYING WITH THIS ARTICLE 1.5.

SECTION 3. In Colorado Revised Statutes, add 9-1.5-104.2, 9-1.5-104.4, 9-1.5-104.7, and 9-1.5-104.8 as follows:

9-1.5-104.2. Underground damage prevention safety commission - creation - review of violations - enforcement - rules. (1) (a) THERE IS HEREBY CREATED THE UNDERGROUND DAMAGE PREVENTION SAFETY COMMISSION IN THE DEPARTMENT OF LABOR AND EMPLOYMENT. THE SAFETY COMMISSION IS TRANSFERRED TO THE DEPARTMENT BY A **TYPE 2** TRANSFER AS THAT TERM IS DEFINED IN SECTION 24-1-105. THE SAFETY COMMISSION SHALL:

(I) ADVISE THE NOTIFICATION ASSOCIATION AND OTHER STATE AGENCIES, THE GENERAL ASSEMBLY, AND LOCAL GOVERNMENTS ON:

(A) BEST PRACTICES AND TRAINING TO PREVENT DAMAGE TO UNDERGROUND UTILITIES;

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(B) POLICIES TO ENHANCE PUBLIC SAFETY, INCLUDING THE ESTABLISHMENT AND PERIODIC UPDATING OF INDUSTRY BEST STANDARDS, INCLUDING MARKING AND DOCUMENTATION BEST PRACTICES AND TECHNOLOGY ADVANCEMENTS; AND

(C) POLICIES AND BEST PRACTICES TO IMPROVE EFFICIENCY AND COST SAVINGS TO THE 811 PROGRAM, INCLUDING THE REVIEW, ESTABLISHMENT, AND PERIODIC UPDATING OF INDUSTRY BEST STANDARDS, TO ENSURE THE HIGHEST LEVEL OF PRODUCTIVITY AND SERVICE FOR THE BENEFIT OF BOTH EXCAVATORS AND OWNERS AND OPERATORS; AND

(II) REVIEW COMPLAINTS ALLEGING VIOLATIONS OF THIS ARTICLE 1.5 INVOLVING PRACTICES RELATED TO UNDERGROUND FACILITIES AND ORDER APPROPRIATE REMEDIAL ACTION OR PENALTIES.

(b) THE SAFETY COMMISSION AND THE NOTIFICATION ASSOCIATION SHALL ENTER INTO A MEMORANDUM OF UNDERSTANDING TO FACILITATE IMPLEMENTATION AND ADMINISTRATION OF THIS SECTION AND SECTIONS 9-1.5-104.4, 9-1.5-104.7, AND 9-1.5-104.8. THE MEMORANDUM OF UNDERSTANDING MUST INCLUDE PROVISIONS OUTLINING THE ROLES AND RESPONSIBILITIES OF THE SAFETY COMMISSION REGARDING STATEWIDE ENFORCEMENT AND THE ROLES AND RESPONSIBILITIES OF THE NOTIFICATION ASSOCIATION IN ADMINISTERING THE NOTIFICATION ASSOCIATION AS OUTLINED IN SECTION 9-1.5-105.

(c) NOTWITHSTANDING THE POWERS AND DUTIES ASSIGNED TO THE SAFETY COMMISSION, THIS SECTION AND SECTION 9-1.5-104.4 DO NOT APPLY TO A HOME RULE COUNTY, CITY AND COUNTY, MUNICIPALITY, OR POWER AUTHORITY ESTABLISHED PURSUANT TO SECTION 29-1-204 (1), AND NOTHING IN THIS ARTICLE 1.5 AUTHORIZES THE SAFETY COMMISSION TO IMPOSE A PENALTY ON OR ENFORCE A RECOMMENDATION OR REMEDIAL ACTION REGARDING AN ALLEGED VIOLATION OF THIS ARTICLE 1.5 AGAINST A HOME RULE COUNTY, CITY AND COUNTY, MUNICIPALITY, OR POWER AUTHORITY; EXCEPT THAT:

(I) THE SAFETY COMMISSION SHALL:

(A) INFORM A HOME RULE COUNTY, CITY AND COUNTY, MUNICIPALITY, OR POWER AUTHORITY OF AN ALLEGED VIOLATION OF THIS ARTICLE 1.5; AND

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(B) AT THE REQUEST OF THE APPLICABLE HOME RULE COUNTY, CITY AND COUNTY, MUNICIPALITY, OR POWER AUTHORITY, SUGGEST CORRECTIVE ACTION; AND

(II) NOTHING IN THIS SUBSECTION (1)(c) PROHIBITS A HOME RULE COUNTY, CITY AND COUNTY, MUNICIPALITY, OR POWER AUTHORITY FROM PARTICIPATING IN PROCEEDINGS OF THE SAFETY COMMISSION.

(d) THE GOVERNING BODY OF A HOME RULE COUNTY, CITY AND COUNTY, MUNICIPALITY, OR POWER AUTHORITY ESTABLISHED PURSUANT TO SECTION 29-1-204 (1) SHALL ADOPT BY RESOLUTION, ORDINANCE, OR OTHER OFFICIAL ACTION EITHER:

(I) ITS OWN DAMAGE PREVENTION SAFETY PROGRAM SIMILAR TO THAT ESTABLISHED PURSUANT TO THIS ARTICLE 1.5; OR

(II) A WAIVER THAT DELEGATES ITS DAMAGE PREVENTION SAFETY PROGRAM TO THE SAFETY COMMISSION.

(2) (a) THE GOVERNOR SHALL APPOINT THE FOLLOWING FIFTEEN MEMBERS OF THE SAFETY COMMISSION, TAKING INTO CONSIDERATION NOMINATIONS MADE PURSUANT TO THIS SUBSECTION (2)(a), SUBJECT TO CONSENT BY THE SENATE:

(I) ONE INDIVIDUAL NOMINATED BY COLORADO COUNTIES, INC., TO REPRESENT COUNTIES;

(II) ONE INDIVIDUAL NOMINATED BY THE COLORADO MUNICIPAL LEAGUE TO REPRESENT MUNICIPALITIES;

(III) ONE INDIVIDUAL NOMINATED BY THE SPECIAL DISTRICT ASSOCIATION OF COLORADO TO REPRESENT SPECIAL DISTRICTS;

(IV) ONE INDIVIDUAL NOMINATED BY COLORADO'S ENERGY INDUSTRY TO REPRESENT ENERGY PRODUCERS;

(V) ONE INDIVIDUAL NOMINATED BY THE COLORADO CONTRACTORS ASSOCIATION TO REPRESENT CONTRACTORS;

(VI) TWO INDIVIDUALS NOMINATED BY THE EXCAVATOR MEMBERS

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OF THE NOTIFICATION ASSOCIATION TO REPRESENT EXCAVATORS;

(VII) ONE INDIVIDUAL NOMINATED BY THE AMERICAN COUNCIL OF ENGINEERING COMPANIES OF COLORADO TO REPRESENT ENGINEERS;

(VIII) ONE INDIVIDUAL NOMINATED BY INVESTOR-OWNER UTILITIES TO REPRESENT INVESTOR-OWNER UTILITIES;

(IX) ONE INDIVIDUAL NOMINATED BY THE COLORADO RURAL ELECTRIC ASSOCIATION TO REPRESENT RURAL ELECTRIC COOPERATIVES;

(X) ONE INDIVIDUAL NOMINATED BY THE COLORADO PIPELINE ASSOCIATION TO REPRESENT PIPELINE COMPANIES;

(XI) ONE INDIVIDUAL NOMINATED BY THE COLORADO TELECOMMUNICATIONS AND BROADBAND INDUSTRY TO REPRESENT TELECOMMUNICATIONS AND BROADBAND COMPANIES;

(XII) ONE INDIVIDUAL NOMINATED BY THE COLORADO WATER UTILITY COUNCIL TO REPRESENT WATER UTILITIES;

(XIII) ONE INDIVIDUAL NOMINATED BY THE DEPARTMENT OF TRANSPORTATION TO REPRESENT TRANSPORTATION; AND

(XIV) ONE INDIVIDUAL NOMINATED BY THE COMMISSIONER OF AGRICULTURE WHO IS ACTIVELY ENGAGED IN FARMING OR RANCHING.

(b) THE GOVERNOR SHALL MAKE INITIAL APPOINTMENTS BY JANUARY 1, 2019. THE MEMBERS' TERMS OF OFFICE ARE THREE YEARS; EXCEPT THAT THE INITIAL TERM OF ONE OF THE MEMBERS APPOINTED PURSUANT TO:

(I) SUBSECTIONS (2)(a)(I) TO (2)(a)(V) OF THIS SECTION IS ONE YEAR; AND

(II) SUBSECTIONS (2)(a)(VI) TO (2)(a)(X) OF THIS SECTION IS TWO YEARS.

(c) WITHIN SIX MONTHS AFTER ITS CREATION, THE SAFETY COMMISSION SHALL ADOPT BYLAWS AND PROVIDE FOR THOSE

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ORGANIZATIONAL PROCESSES THAT ARE NECESSARY TO COMPLETE THE SAFETY COMMISSION'S TASKS.

(d) THE SAFETY COMMISSION MAY PROMULGATE RULES TO IMPLEMENT THIS SECTION AND SECTIONS 9-1.5-104.4, 9-1.5-104.7, AND 9-1.5-104.8 AND MAY REVISE THE RULES AS NEEDED.

(3) THE SAFETY COMMISSION SHALL MEET AT LEAST ONCE EVERY THREE MONTHS. THE SAFETY COMMISSION SHALL OPERATE INDEPENDENTLY OF THE NOTIFICATION ASSOCIATION; HOWEVER, THE NOTIFICATION ASSOCIATION AND THE DEPARTMENT OF LABOR AND EMPLOYMENT SHALL PROVIDE ADMINISTRATIVE SUPPORT TO THE SAFETY COMMISSION IN PERFORMING ITS DUTIES AS OUTLINED IN THIS SECTION.

(4) THE SAFETY COMMISSION MAY REVIEW COMPLAINTS OF ALLEGED VIOLATIONS OF THIS ARTICLE 1.5. ANY PERSON MAY BRING A COMPLAINT TO THE SAFETY COMMISSION REGARDING AN ALLEGED VIOLATION. A PERSON WHO BRINGS A FRIVOLOUS COMPLAINT, AS DETERMINED BY THE SAFETY COMMISSION, COMMITS A MINOR VIOLATION AND IS SUBJECT TO A FINE AS AUTHORIZED BY SECTION 9-1.5-104.4.

(5) TO REVIEW A COMPLAINT OF AN ALLEGED VIOLATION, THE SAFETY COMMISSION SHALL APPOINT AT LEAST THREE AND NOT MORE THAN FIVE OF ITS MEMBERS AS A REVIEW COMMITTEE. THE REVIEW COMMITTEE MUST INCLUDE THE SAME NUMBER OF MEMBERS REPRESENTING EXCAVATORS AND OWNERS OR OPERATORS AND AT LEAST ONE MEMBER THAT DOES NOT REPRESENT EXCAVATORS OR OWNERS OR OPERATORS. A SAFETY COMMISSION MEMBER WHO HAS A CONFLICT OF INTEREST WITH REGARD TO A PARTICULAR MATTER SHALL RECUSE HIMSELF OR HERSELF FROM SERVING ON A REVIEW COMMITTEE WITH REGARD TO THAT MATTER.

(6) (a) BEFORE REVIEWING A COMPLAINT, THE REVIEW COMMITTEE SHALL NOTIFY THE PERSON MAKING THE COMPLAINT AND THE ALLEGED VIOLATOR OF ITS INTENT TO REVIEW THE COMPLAINT AND OF THE OPPORTUNITY FOR BOTH PARTIES TO PARTICIPATE. THE NOTIFICATION MUST INCLUDE THE HEARING DATE FOR THE COMPLAINT, WHICH MUST BE SCHEDULED FOR A DATE WITHIN NINETY DAYS AFTER THE DATE ON WHICH THE SAFETY COMMISSION RECEIVED THE COMPLAINT, AND A STATEMENT THAT THE PARTIES MAY SUBMIT WRITTEN OR ORAL COMMENTS AT THE HEARING. THE HEARING DATE CAN BE POSTPONED BY MUTUAL AGREEMENT

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OF THE PARTIES TO A DATE THAT IS ACCEPTABLE TO THE REVIEW COMMITTEE. THE COMPLAINING PARTY MAY VOLUNTARILY WITHDRAW THE COMPLAINT PRIOR TO A HEARING BY THE REVIEW COMMITTEE. THE SAFETY COMMISSION SHALL PROMULGATE RULES GOVERNING THE CONDUCT OF HEARINGS UNDER THIS SECTION.

(b) THE REVIEW COMMITTEE SHALL DETERMINE WHETHER A VIOLATION OF THE LAW HAS OCCURRED AND, IF APPROPRIATE, RECOMMEND REMEDIAL ACTION CONSISTENT WITH THE GUIDANCE DEVELOPED PURSUANT TO SECTION 9-1.5-104.4 (2). A RECOMMENDATION OF REMEDIAL ACTION THAT INCLUDES A FINE REQUIRES A UNANIMOUS VOTE OF THE REVIEW COMMITTEE. THE REVIEW COMMITTEE SHALL NOT RECOMMEND REMEDIAL ACTION OR A FINE AGAINST A HOMEOWNER, RANCHER, OR FARMER, AS DEFINED IN SECTION 42-20-108.5, UNLESS THE REVIEW COMMITTEE FINDS BY CLEAR AND CONVINCING EVIDENCE THAT A VIOLATION OF THE LAW HAS OCCURRED. WITHIN SEVEN BUSINESS DAYS AFTER THE COMPLETION OF THE HEARING, THE REVIEW COMMITTEE SHALL PROVIDE TO THE SAFETY COMMISSION IN WRITING A REPORT OF ITS FINDINGS OF FACTS, ITS DETERMINATION OF WHETHER A VIOLATION OF THE LAW HAS OCCURRED, AND ANY RECOMMENDATION OF REMEDIAL ACTION OR PENALTY.

(7) THE SAFETY COMMISSION IS BOUND BY THE REVIEW COMMITTEE'S FINDINGS OF FACT AND DECISION, BUT THE SAFETY COMMISSION MAY ADJUST THE REVIEW COMMITTEE'S RECOMMENDATION OF REMEDIAL ACTION OR PENALTY IF AN ADJUSTMENT IS SUPPORTED BY AT LEAST TWELVE MEMBERS OF THE SAFETY COMMISSION. WITHIN TEN BUSINESS DAYS AFTER THE SAFETY COMMISSION MEETING TO REVIEW THE FINDINGS AND RECOMMENDATIONS OF THE REVIEW COMMITTEE, THE SAFETY COMMISSION SHALL PROVIDE IN WRITING TO THE PERSON MAKING THE COMPLAINT AND THE ALLEGED VIOLATOR A SUMMARY OF THE REVIEW COMMITTEE'S FINDINGS AND THE SAFETY COMMISSION'S FINAL DETERMINATION WITH RESPECT TO ANY REQUIRED REMEDIAL ACTION OR PENALTY. THE DECISION OF THE SAFETY COMMISSION IS FINAL AGENCY ACTION SUBJECT TO REVIEW BY THE DISTRICT COURT PURSUANT TO SECTION 24-4-106.

(8) IF A DECISION BY THE SAFETY COMMISSION INVOLVES A FINE AUTHORIZED BY SECTION 9-1.5-104.4, THE SAFETY COMMISSION SHALL INVOICE FOR AND COLLECT THE FINE INDICATING THAT A VIOLATION OF THIS ARTICLE 1.5 HAS BEEN COMMITTED BY A PERSON OR INVOLVING THE UNDERGROUND FACILITIES OF A PERSON. THE SAFETY COMMISSION MAY

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ENFORCE THE FINE ASSESSED UNDER THIS ARTICLE 1.5 AS PROVIDED IN SECTION 24-30-202.4.

(9) (a) IF A PERSON DOES NOT COMPLY WITH THE SAFETY COMMISSION'S DECISION, THE SAFETY COMMISSION, REPRESENTED BY THE ATTORNEY GENERAL, MAY ENFORCE THIS ARTICLE 1.5 BY BRINGING AN ACTION IN THE DENVER DISTRICT COURT. IN AN ACTION BROUGHT BY THE SAFETY COMMISSION PURSUANT TO THIS SECTION, THE COURT MAY AWARD THE SAFETY COMMISSION ALL COSTS OF INVESTIGATION AND TRIAL, INCLUDING REASONABLE ATTORNEY FEES FIXED BY THE COURT.

(b) ANY COSTS INCURRED BY THE SAFETY COMMISSION AS A RESULT OF ADMINISTERING THIS ARTICLE 1.5, INCLUDING LEGAL SERVICES, SHALL BE PAID FROM THE SAFETY COMMISSION FUND CREATED IN SECTION 9-1.5-104.8. ANY COSTS AND FEES AWARDED BY THE COURT PURSUANT TO THIS SUBSECTION (9) SHALL BE DEPOSITED IN THE SAFETY COMMISSION FUND CREATED IN SECTION 9-1.5-104.8.

9-1.5-104.4. Penalties - guidance. (1) A PERSON WHO VIOLATES THIS ARTICLE 1.5 IS SUBJECT TO A FINE OF NOT MORE THAN FIVE THOUSAND DOLLARS FOR AN INITIAL VIOLATION AND NOT MORE THAN SEVENTY-FIVE THOUSAND DOLLARS FOR EACH SUBSEQUENT VIOLATION WITHIN A TWELVE-MONTH PERIOD.

(2) IN THE PERFORMANCE OF ITS DUTIES REGARDING ANY COMPLAINT, THE SAFETY COMMISSION IS ENCOURAGED TO CONSIDER TRAINING, SUPPORT SERVICES, OR OTHER REMEDIATION MEASURES THAT WILL IMPROVE THE BEHAVIOR OF THE PARTY AND FURTHER THE GOALS OF THIS ARTICLE 1.5 TO ENSURE THE SAFETY OF ALL PARTICIPANTS AND COLORADANS. THE SAFETY COMMISSION SHALL DEVELOP GUIDANCE FOR THE RECOMMENDATION OF REMEDIAL ACTIONS THAT ARE CONSISTENT WITH THE FOLLOWING PRINCIPLES:

(a) GUIDANCE SHALL BE DEVELOPED TO HELP THE REVIEW COMMITTEE IN DETERMINING WHETHER AN ALLEGED VIOLATION SHOULD BE CLASSIFIED AS A MINOR, MODERATE, OR MAJOR VIOLATION;

(b) ALTERNATIVES TO FINES MAY BE CONSIDERED, ESPECIALLY FOR A PARTY THAT THE SAFETY COMMISSION HAS NOT FOUND TO BE RESPONSIBLE FOR A VIOLATION IN THE PREVIOUS TWELVE MONTHS; AND

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(c) IN CONSIDERING THE APPROPRIATE REMEDIAL ACTION, THE SAFETY COMMISSION MAY CONSIDER THE NUMBER OF VIOLATIONS RELATIVE TO THE NUMBER OF NOTIFICATIONS RECEIVED.

(3) THE MAXIMUM FINES FOR THE THREE DIFFERENT CLASSIFICATIONS OF VIOLATIONS ARE AS FOLLOWS:

NUMBER OF VIOLATIONS WITHIN THE PREVIOUS TWELVE MONTHS

	ONE	TWO	THREE	FOUR
MINOR	\$ 250	\$ 500	\$ 1,000	\$ 5,000
MODERATE	\$1,000	\$ 2,500	\$ 5,000	\$25,000
MAJOR	\$5,000	\$25,000	\$50,000	\$75,000

(4) THE FOLLOWING ARE NOT SUBJECT TO A FINE OTHERWISE AUTHORIZED PURSUANT TO THIS SECTION:

(a) WITH REGARD TO AN EXCAVATION OCCURRING ON A RANCH OR FARM, A RANCHER OR A FARMER, AS DEFINED IN SECTION 42-20-108.5, UNLESS THE EXCAVATION IS FOR A NONAGRICULTURAL PURPOSE; AND

(b) WITH REGARD TO A FAILURE TO NOTIFY THE NOTIFICATION ASSOCIATION OR THE AFFECTED OWNER OR OPERATOR AND TO DAMAGE TO AN UNDERGROUND FACILITY DURING EXCAVATION, A HOMEOWNER, RANCHER, OR FARMER, AS DEFINED IN SECTION 42-20-108.5, WORKING ON THE HOMEOWNER'S, RANCHER'S, OR FARMER'S PROPERTY.

9-1.5-104.7. Damage prevention fund. (1) THE DAMAGE PREVENTION FUND, REFERRED TO IN THIS SECTION AS THE "FUND", IS HEREBY CREATED IN THE STATE TREASURY. THE FUND CONSISTS OF:

(a) ALL RECEIPTS FROM MONEY DIRECTED BY LAW TO BE DEPOSITED TO THE FUND;

(b) ALL FINES COLLECTED PURSUANT TO SECTION 9-1.5-104.4; AND

(c) ANY OTHER MONEY THAT THE GENERAL ASSEMBLY MAY APPROPRIATE OR TRANSFER TO THE FUND.

(2) THE STATE TREASURER SHALL CREDIT ALL INTEREST AND INCOME

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DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE FUND TO THE FUND.

(3) ONLY THE SAFETY COMMISSION MAY AUTHORIZE EXPENDITURES FROM THE FUND. SUBJECT TO ANNUAL APPROPRIATION BY THE GENERAL ASSEMBLY, THE SAFETY COMMISSION MAY USE MONEY DEPOSITED IN THE FUND ONLY TO:

(a) DEVELOP AND DISSEMINATE EDUCATIONAL PROGRAMMING DESIGNED TO IMPROVE WORKER AND PUBLIC SAFETY RELATING TO EXCAVATION AND UNDERGROUND FACILITIES; AND

(b) PROVIDE GRANTS TO PERSONS WHO HAVE DEVELOPED EDUCATIONAL PROGRAMMING THAT THE NOTIFICATION ASSOCIATION AND THE SAFETY COMMISSION DEEM APPROPRIATE FOR IMPROVING WORKER AND PUBLIC SAFETY RELATING TO EXCAVATION AND UNDERGROUND FACILITIES.

9-1.5-104.8. Safety commission fund. (1) THE SAFETY COMMISSION FUND, REFERRED TO IN THIS SECTION AS THE "FUND", IS HEREBY CREATED IN THE STATE TREASURY. THE FUND CONSISTS OF:

(a) ALL RECEIPTS FROM MONEY DIRECTED BY LAW TO BE DEPOSITED TO THE FUND, INCLUDING COSTS AND FEES AWARDED BY A COURT PURSUANT TO SECTION 9-1.5-104.2 (9)(b); AND

(b) ANY OTHER MONEY THAT THE GENERAL ASSEMBLY MAY APPROPRIATE OR TRANSFER TO THE FUND.

(2) THE STATE TREASURER SHALL CREDIT ALL INTEREST AND INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE FUND TO THE FUND.

(3) ONLY THE SAFETY COMMISSION MAY AUTHORIZE EXPENDITURES FROM THE FUND. SUBJECT TO ANNUAL APPROPRIATION BY THE GENERAL ASSEMBLY, THE SAFETY COMMISSION MAY USE MONEY DEPOSITED IN THE FUND ONLY TO PAY FOR ITS EXPENSES IN ADMINISTERING THIS ARTICLE 1.5.

SECTION 4. In Colorado Revised Statutes, **amend** 9-1.5-104.3 as follows:

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9-1.5-104.3. Alternative dispute resolution. The notification association shall create a voluntary alternative dispute resolution program in consultation with its members and all affected parties. The alternative dispute resolution program ~~shall~~ **MUST** be available to all owners or operators, excavators, and other interested parties regarding disputes arising from damage to underground facilities, including, ~~but not limited to,~~ any cost or damage incurred by the owner or operator or the excavator as a result of any delay in the excavation project while the underground facility is restored, repaired, or replaced, exclusive of civil penalties set forth in AND FINES ASSESSED PURSUANT TO section 9-1.5-104.5 OR ~~9-1.5-104.4~~, that cannot be resolved through consultation and negotiation. The alternative dispute resolution program ~~shall~~ **MUST** include mediation, arbitration, or other appropriate processes of dispute resolution. The issue of liability and amount of damages under Colorado law may be decided by an appointed arbitrator or by the parties in mediation. Nothing in this section ~~shall be construed to change~~ **CHANGES** the basis for civil liability for damages.

SECTION 5. In Colorado Revised Statutes, 9-1.5-104.5, **amend** (3)(c) as follows:

9-1.5-104.5. Civil penalties - applicability. (3) (c) The penalties AND REMEDIES provided in this article ~~1.5~~ are in addition to any other remedy at law or equity available to an excavator or to the owner or operator of a damaged underground facility, AND SECTIONS 9-1.5-104.2 AND 9-1.5-104.4, REGARDING THE SAFETY COMMISSION'S ENFORCEMENT AUTHORITY, DO NOT LIMIT OR RESTRICT ANY OTHER REMEDY AT LAW OR EQUITY AVAILABLE TO AN EXCAVATOR OR TO THE OWNER OR OPERATOR OF A DAMAGED UNDERGROUND FACILITY.

SECTION 6. In Colorado Revised Statutes, 9-1.5-105, **amend** (1), (2) introductory portion, (3), (4), and (6); **repeal** (2.3); and **add** (2.1) and (2.4) as follows:

9-1.5-105. Notification association - structure and funding requirements - duties of owners and operators - report - repeal. (1) There is hereby created a nonprofit corporation in the state of Colorado, referred to in this ~~article~~ **ARTICLE 1.5** as the "notification association", which ~~shall consist~~ **CONSISTS** of all owners or operators of underground facilities. All ~~such~~ owners and operators shall join the notification association and shall participate in a statewide program ~~which~~ **THAT** utilizes

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a single, toll-free telephone ~~number which~~ NUMBER (811) THAT excavators can use to notify the notification association of pending excavation plans. ~~Upon its organization and incorporation, the association shall file a letter to such effect with the public utilities commission so that the commission may refer inquiries arising under this article to an appropriate person.~~

(2) All underground facility owners and operators ~~except the Colorado department of transportation shall be~~ ARE members of the notification association. ~~which shall be~~ THE NOTIFICATION ASSOCIATION SHALL PROVIDE MEMBERS THAT WERE NOT TIER ONE MEMBERS ON OR BEFORE THE EFFECTIVE DATE OF THIS SUBSECTION (2), AS AMENDED, WITH ELECTRONIC NOTIFICATIONS BEGINNING ON JANUARY 1, 2019, AT NO COST FOR TWENTY-FOUR MONTHS. ON OR BEFORE JANUARY 1, 2021, ALL OWNERS AND OPERATORS BECOME FULL MEMBERS OF THE NOTIFICATION ASSOCIATION AND ARE ENTITLED TO RECEIVE FULL SERVICE BENEFITS AS PART OF MEMBERSHIP AS SPECIFIED IN THIS ARTICLE 1.5. NOTHING PRECLUDES A TIER TWO MEMBER FROM BECOMING A TIER ONE MEMBER WITH THE TWO-YEAR WAIVER OF NO-COST NOTIFICATIONS AT ANY TIME BEFORE JANUARY 1, 2021. UNTIL DECEMBER 31, 2020, MEMBERSHIP IS organized as follows:

(2.1) (a) SUBSECTION (2) OF THIS SECTION AND THIS SUBSECTION (2.1) ARE REPEALED, EFFECTIVE JANUARY 1, 2021.

(b) ON OR BEFORE MARCH 1, 2020, THE NOTIFICATION ASSOCIATION SHALL PROVIDE A REPORT TO THE SENATE TRANSPORTATION COMMITTEE AND THE HOUSE OF REPRESENTATIVES TRANSPORTATION AND ENERGY COMMITTEE, OR THEIR SUCCESSOR COMMITTEES, ABOUT ITS EFFORTS TO PREPARE FOR TIER TWO MEMBERS TRANSITIONING TO TIER ONE MEMBERSHIP. THE REPORT MUST INCLUDE, BUT NEED NOT BE LIMITED TO, THE STEPS THAT HAVE BEEN IMPLEMENTED TO ENSURE EFFICIENCIES IN NOTIFICATION PROCEDURES AND OPERATIONS, A COST ANALYSIS OF THE TRANSITION, AND INFORMATION REGARDING ANY NEW TECHNOLOGICAL ADVANCES ADOPTED TO IMPROVE EFFICIENCIES. IN PREPARING THE REPORT, THE NOTIFICATION ASSOCIATION SHALL SOLICIT INPUT FROM MEMBERS.

(2.3) ~~Any association member may alter the status of its membership and move from tier one to tier two or from tier two to tier one at any time that such member chooses; except that every tier one member shall remain a tier one member for at least two years after becoming a tier one member.~~

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(2.4) EFFECTIVE JANUARY 1, 2021, ALL UNDERGROUND FACILITY OWNERS AND OPERATORS ARE MEMBERS OF THE NOTIFICATION ASSOCIATION. ALL MEMBERS ARE FULL MEMBERS OF THE NOTIFICATION ASSOCIATION AND ARE ENTITLED TO RECEIVE FULL SERVICE BENEFITS AS PART OF MEMBERSHIP AS SPECIFIED IN THIS ARTICLE 1.5.

(3) (a) (I) Except as provided in subsection (2) of this section, each member of the notification association shall provide all of the locations of any underground facilities ~~which such~~ THAT THE member owns or operates to the notification association, and the association shall maintain ~~such~~ THE information on file for use by excavators.

(II) THIS SUBSECTION (3)(a) IS REPEALED, EFFECTIVE JANUARY 1, 2021.

(b) EFFECTIVE JANUARY 1, 2021, EACH MEMBER OF THE NOTIFICATION ASSOCIATION SHALL PROVIDE GENERAL INFORMATION REGARDING ALL OF THE LOCATIONS OF ANY UNDERGROUND FACILITIES THAT THE MEMBER OWNS OR OPERATES, FOR EXCAVATION NOTIFICATION PURPOSES ONLY, AND THE MEMBER'S CONTACT INFORMATION, BOTH OF WHICH SHALL BE UPDATED ANNUALLY, TO THE NOTIFICATION ASSOCIATION, AND THE ASSOCIATION SHALL MAINTAIN THE INFORMATION ON FILE IN A MANNER THAT ENSURES THE CONFIDENTIALITY AND SECURITY OF THE INFORMATION.

(c) INFORMATION REGARDING THE LOCATION OF UNDERGROUND FACILITIES PROVIDED TO THE NOTIFICATION ASSOCIATION BY AN OWNER OR OPERATOR OR TO THE SAFETY COMMISSION BY THE NOTIFICATION ASSOCIATION IS EXEMPT FROM THE "COLORADO OPEN RECORDS ACT", PART 2 OF ARTICLE 72 OF TITLE 24, PURSUANT TO SECTION 24-72-204 (2)(a)(VIII)(A) REGARDING SPECIALIZED DETAILS OF CRITICAL INFRASTRUCTURE.

(4) (a) (I) The notification association ~~shall be~~ IS governed by a board of directors, which ~~is~~ MUST BE representative of the membership of the association.

(II) (A) ~~and shall~~ UNTIL DECEMBER 31, 2020, THE BOARD MUST have at least one director that is a tier two member.

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(B) THIS SUBSECTION (4)(a)(II) IS REPEALED, EFFECTIVE JANUARY 1, 2021.

(b) The board of directors shall be elected by the membership of the association pursuant to the bylaws of the association.

(6) This section ~~shall~~ DOES not apply to:

(a) Any owner or occupant of real property under which underground facilities are buried if ~~such~~ THE facilities are used solely to furnish service or commodities to ~~such~~ THE real property and no part of ~~such~~ THE facilities is located in a public street, county road, alley, or right-of-way dedicated to public use; OR

(b) ANY HOMEOWNER.

SECTION 7. In Colorado Revised Statutes, 9-1.5-106, **amend** (3) as follows:

9-1.5-106. Notice requirements - repeal. (3) (a) (I) The notification association shall provide prompt notice of any proposed excavation to each affected tier one member that has any underground facilities in the area of the proposed excavation site. The notification association shall also provide the excavator with the name and telephone number of each tier two member that has any underground facilities in the area of the proposed excavation.

(II) THIS SUBSECTION (3)(a) IS REPEALED, EFFECTIVE JANUARY 1, 2021.

(b) EFFECTIVE JANUARY 1, 2021, THE NOTIFICATION ASSOCIATION SHALL PROVIDE PROMPT NOTICE OF ANY PROPOSED EXCAVATION TO EACH AFFECTED MEMBER THAT HAS ANY UNDERGROUND FACILITIES IN THE AREA OF THE PROPOSED EXCAVATION SITE.

SECTION 8. In Colorado Revised Statutes, **add** 9-1.5-108 as follows:

9-1.5-108. Repeal - sunset review. (1) THIS SECTION AND SECTIONS 9-1.5-104.2, 9-1.5-104.4, 9-1.5-104.7, AND 9-1.5-104.8 ARE REPEALED,

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EFFECTIVE SEPTEMBER 1, 2028.

(2) BEFORE THE REPEAL, THE FUNCTIONS OF THE UNDERGROUND DAMAGE PREVENTION SAFETY COMMISSION RELATED TO UNDERGROUND FACILITIES SPECIFIED IN SECTIONS 9-1.5-104.2, 9-1.5-104.4, 9-1.5-104.7, AND 9-1.5-104.8 ARE SCHEDULED FOR REVIEW IN ACCORDANCE WITH SECTION 24-34-104.

SECTION 9. In Colorado Revised Statutes, 24-34-104, add (29)(a)(IV) as follows:

24-34-104. General assembly review of regulatory agencies and functions for repeal, continuation, or reestablishment - legislative declaration - repeal. (29) (a) The following agencies, functions, or both, are scheduled for repeal on September 1, 2028:

(IV) THE FUNCTIONS OF THE UNDERGROUND DAMAGE PREVENTION SAFETY COMMISSION RELATED TO UNDERGROUND FACILITIES SPECIFIED IN SECTIONS 9-1.5-104.2, 9-1.5-104.4, 9-1.5-104.7, AND 9-1.5-104.8.

SECTION 10. In Colorado Revised Statutes, 24-1-121, add (3)(j) as follows:

24-1-121. Department of labor and employment - creation. (3) The department of labor and employment consists of the following divisions and programs:

(j) THE UNDERGROUND DAMAGE PREVENTION SAFETY COMMISSION CREATED BY SECTION 9-1.5-104.2. THE COMMISSION AND ITS POWERS, DUTIES, AND FUNCTIONS ARE TRANSFERRED BY A **TYPE 2** TRANSFER TO THE DEPARTMENT OF LABOR AND EMPLOYMENT.

SECTION 11. Appropriation. (1) For the 2018-19 state fiscal year, \$81,841 is appropriated to the department of labor and employment. This appropriation is from the general fund. To implement this act, the department may use this appropriation as follows:

(a) \$69,054 for use by the division of oil and public safety for the underground damage safety commission, which amount is based on an assumption that the division will require an additional 0.8 FTE; and

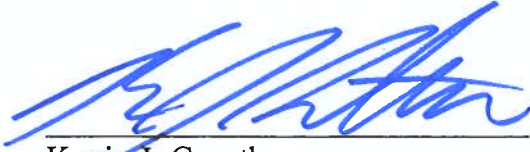
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(b) \$12,787 for the purchase of legal services.

(2) For the 2018-19 state fiscal year, \$12,787 is appropriated to the department of law. This appropriation is from reappropriated funds received from the department of labor and employment under subsection (1)(b) of this section and is based on an assumption that the department of law will require an additional 0.1 FTE. To implement this act, the department of law may use this appropriation to provide legal services for the department of labor and employment.

SECTION 12. Act subject to petition - effective date - applicability. (1) This act takes effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly (August 8, 2018, if adjournment sine die is on May 9, 2018); except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within such period, then the act, item, section, or part will not take effect unless approved by the people at the general election to be held in November 2018 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.

(2) This act applies to conduct occurring on or after the applicable effective date of this act.



Kevin J. Grantham
PRESIDENT OF
THE SENATE



Crisanta Duran
SPEAKER OF THE HOUSE
OF REPRESENTATIVES

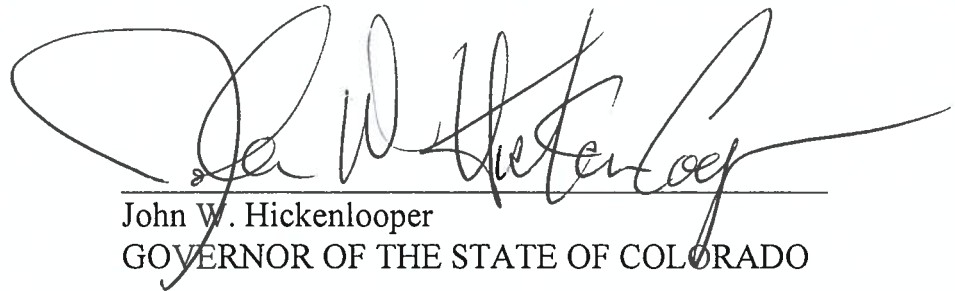


Effie Ameen
SECRETARY OF
THE SENATE



Marilyn Eddins
CHIEF CLERK OF THE HOUSE
OF REPRESENTATIVES

APPROVED 1:12 PM 5/25/18



John W. Hickenlooper
GOVERNOR OF THE STATE OF COLORADO

An Act

SENATE BILL 18-200

BY SENATOR(S) Tate and Priola, Jahn, Cooke, Coram, Crowder, Gardner, Hill, Holbert, Lambert, Lundberg, Marble, Neville T., Scott, Smallwood, Sonnenberg, Grantham;
also REPRESENTATIVE(S) Becker K. and Pabon, Buckner, Coleman, Ginal, Kennedy, Benavidez, Covarrubias, Sias, Van Winkle.

CONCERNING MODIFICATIONS TO THE PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION HYBRID DEFINED BENEFIT PLAN NECESSARY TO ELIMINATE WITH A HIGH PROBABILITY THE UNFUNDED LIABILITY OF THE PLAN WITHIN THE NEXT THIRTY YEARS.

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) The general assembly bears fiduciary responsibility for the association and its long-term financial sustainability;

(b) Providing retirement security and benefits are an important value of the general assembly;

(c) According to its own published reports referencing the

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

governmental accounting standards board, the public employees' retirement association (association) is underfunded by over fifty billion dollars and has a funded ratio of less than fifty percent;

(d) In its current financial condition, the association is at risk for insolvency in the coming years should certain negative economic events occur that would threaten the retirement security of retired public sector workers;

(e) The sooner the general assembly meaningfully addresses this dire situation, the more likely that the state will be able to meet its obligations to provide retirement security to association participants across economic cycles;

(f) The general assembly bears responsibility to maintain retirement security by acting in the best interests of today's and tomorrow's public sector employees, association beneficiaries, association employers, and the taxpayers who are ultimately responsible for funding the employers and thus the benefits provided to retirees;

(g) Colorado's credit rating was recently placed on a negative outlook by the standard and poors rating agency because of the association's low funded ratios as well as annual contribution rates below the actuarially determined contribution rate;

(h) If Colorado's pension funding ratio continues to decline or if no significant plan is adopted to improve funding of the pension program, the state's credit rating will likely be downgraded; and

(i) A downgrade in the state's credit rating will affect both the state's financial position and operations by increasing the cost of accessing capital markets for both the state and the other institutions that rely on the state's credit rating.

(2) The general assembly further finds and declares that the changes in this act are reasonable and necessary to serve the important public purpose of ensuring the association's long-term financial sustainability.

SECTION 2. In Colorado Revised Statutes, 24-51-101, **amend** the introductory portion, (25)(a), (25)(b)(V), (42)(a), (42)(b), and (46); and **add**

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(25)(b)(VI) and (25)(b)(VII) as follows:

24-51-101. Definitions. As used in this ~~article~~ ARTICLE 51, unless the context otherwise requires and except as otherwise defined in part 17 of this ~~article~~ ARTICLE 51:

(25) (a) "Highest average salary" means:

(I) (A) FOR A MEMBER OR INACTIVE MEMBER WHO HAS FIVE YEARS OF SERVICE CREDIT ON DECEMBER 31, 2019, OR A RETIREE WHO WAS RETIRED ON DECEMBER 31, 2019, one-twelfth of the average of the highest annual salaries upon which contributions were paid, whether earned from one or more employers, that are associated with three periods of twelve consecutive months of service credit;

(B) FOR A MEMBER OR INACTIVE MEMBER WHO DOES NOT HAVE FIVE YEARS OF SERVICE CREDIT ON DECEMBER 31, 2019, OR A MEMBER WHO WAS NOT A MEMBER, INACTIVE MEMBER, OR RETIREE ON DECEMBER 31, 2019, ONE-TWELFTH OF THE AVERAGE OF THE HIGHEST ANNUAL SALARIES UPON WHICH CONTRIBUTIONS WERE PAID, WHETHER EARNED FROM ONE OR MORE EMPLOYERS, THAT ARE ASSOCIATED WITH FIVE PERIODS OF TWELVE CONSECUTIVE MONTHS OF SERVICE CREDIT;

(II) For a member who does not have the requisite ~~three~~ years of service credit, one-twelfth of the average of the total annual salaries earned during membership upon which contributions were paid;

(III) For benefits ~~which~~ THAT become effective on or after January 1, 1982, where the individual earned less than one year of service credit after December 31, 1980, one-twelfth of the average of the highest annual salaries upon which contributions were paid which were associated with five consecutive years of service credit; ~~or~~

(IV) Notwithstanding any other provision of this ~~paragraph (a)~~ SUBSECTION (25)(a) to the contrary, for members of the judicial division WHO HAVE FIVE YEARS OF SERVICE CREDIT ON DECEMBER 31, 2019, retiring on or after July 1, 1997, one-twelfth of the highest annual salary upon which contributions were paid for twelve consecutive months; OR

(V) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SUBSECTION

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(25)(a) TO THE CONTRARY, FOR MEMBERS OF THE JUDICIAL DIVISION WHO DO NOT HAVE FIVE YEARS OF SERVICE CREDIT ON DECEMBER 31, 2019, OR FOR MEMBERS OF THE JUDICIAL DIVISION WHO WERE NOT MEMBERS, INACTIVE MEMBERS, OR RETIREES ON DECEMBER 31, 2019, ONE-TWELFTH OF THE AVERAGE OF THE HIGHEST ANNUAL SALARIES UPON WHICH CONTRIBUTIONS WERE PAID THAT ARE ASSOCIATED WITH THREE PERIODS OF TWELVE CONSECUTIVE MONTHS OF SERVICE CREDIT.

(b) (V) Notwithstanding any other provision of this ~~paragraph (b)~~ SUBSECTION (25)(b), in calculating highest average salary for a member or inactive member not eligible for service or reduced service retirement on January 1, 2011, AND WHO WAS A MEMBER OR INACTIVE MEMBER WITH FIVE YEARS OF SERVICE CREDIT ON DECEMBER 31, 2019, OR A RETIREE ON DECEMBER 31, 2019, the association shall determine the highest annual salaries associated with four periods of twelve consecutive months of service credit. The lowest of such annual salaries shall be the base salary. The first annual salary to be used in the highest average salary calculation shall be the actual salary reported up to one hundred eight percent of the base salary. The second annual salary to be used in the highest average salary calculation shall be the actual salary reported up to one hundred eight percent of the first annual salary used in the highest average salary calculation. The third annual salary to be used in the highest average salary calculation shall be the actual salary reported up to one hundred eight percent of the second annual salary used in the highest average salary calculation. This ~~subparagraph (V)~~ SUBSECTION (25)(b)(V) shall not apply to members of the judicial division, except for DPS members of the judicial division who have exercised portability pursuant to section 24-51-1747 and selected the Denver public schools benefit structure. This ~~subparagraph (V)~~ SUBSECTION (25)(b)(V) shall apply to DPS members in accordance with section 24-51-1702 (17).

(VI) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SUBSECTION (25)(b), IN CALCULATING HIGHEST AVERAGE SALARY FOR A MEMBER OR INACTIVE MEMBER WHO DOES NOT HAVE FIVE YEARS OF SERVICE CREDIT ON DECEMBER 31, 2019, OR WHO WAS NOT A MEMBER, INACTIVE MEMBER, OR RETIREE ON DECEMBER 31, 2019, THE ASSOCIATION SHALL DETERMINE THE HIGHEST ANNUAL SALARIES ASSOCIATED WITH SIX PERIODS OF TWELVE CONSECUTIVE MONTHS OF SERVICE CREDIT. THE LOWEST OF SUCH ANNUAL SALARIES SHALL BE THE BASE SALARY. THE FIRST ANNUAL SALARY TO BE USED IN THE HIGHEST AVERAGE SALARY CALCULATION SHALL BE THE

ACTUAL SALARY REPORTED UP TO ONE HUNDRED EIGHT PERCENT OF THE BASE SALARY. THE SECOND ANNUAL SALARY TO BE USED IN THE HIGHEST AVERAGE SALARY CALCULATION SHALL BE THE ACTUAL SALARY REPORTED UP TO ONE HUNDRED EIGHT PERCENT OF THE FIRST ANNUAL SALARY USED IN THE HIGHEST AVERAGE SALARY CALCULATION. THE THIRD ANNUAL SALARY TO BE USED IN THE HIGHEST AVERAGE SALARY CALCULATION SHALL BE THE ACTUAL SALARY REPORTED UP TO ONE HUNDRED EIGHT PERCENT OF THE SECOND ANNUAL SALARY USED IN THE HIGHEST AVERAGE SALARY CALCULATION. THE FOURTH ANNUAL SALARY TO BE USED IN THE HIGHEST AVERAGE SALARY CALCULATION SHALL BE THE ACTUAL SALARY REPORTED UP TO ONE HUNDRED EIGHT PERCENT OF THE THIRD ANNUAL SALARY USED IN THE HIGHEST AVERAGE SALARY CALCULATION. THE FIFTH ANNUAL SALARY TO BE USED IN THE HIGHEST AVERAGE SALARY CALCULATION SHALL BE THE ACTUAL SALARY REPORTED UP TO ONE HUNDRED EIGHT PERCENT OF THE FOURTH ANNUAL SALARY USED IN THE HIGHEST AVERAGE SALARY CALCULATION. THIS SUBSECTION (25)(b)(VI) DOES NOT APPLY TO MEMBERS OF THE JUDICIAL DIVISION, EXCEPT FOR DPS MEMBERS OF THE JUDICIAL DIVISION WHO HAVE EXERCISED PORTABILITY PURSUANT TO SECTION 24-51-1747 AND SELECTED THE DPS BENEFIT STRUCTURE. THIS SUBSECTION (25)(b)(VI) APPLIES TO DPS MEMBERS IN ACCORDANCE WITH SECTION 24-51-1702 (17).

(VII) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SUBSECTION (25)(b), FOR MEMBERS OF THE JUDICIAL DIVISION WHO DO NOT HAVE FIVE YEARS OF SERVICE CREDIT ON DECEMBER 31, 2019, OR FOR MEMBERS OF THE JUDICIAL DIVISION WHO WERE NOT MEMBERS, INACTIVE MEMBERS, OR RETIREES ON DECEMBER 31, 2019, THE ASSOCIATION SHALL DETERMINE THE HIGHEST ANNUAL SALARIES ASSOCIATED WITH FOUR PERIODS OF TWELVE CONSECUTIVE MONTHS OF SERVICE CREDIT. THE LOWEST OF SUCH ANNUAL SALARIES SHALL BE THE BASE SALARY. THE FIRST ANNUAL SALARY TO BE USED IN THE HIGHEST AVERAGE SALARY CALCULATION SHALL BE THE ACTUAL SALARY REPORTED UP TO ONE HUNDRED EIGHT PERCENT OF THE BASE SALARY. THE SECOND ANNUAL SALARY TO BE USED IN THE HIGHEST AVERAGE SALARY CALCULATION SHALL BE THE ACTUAL SALARY REPORTED UP TO ONE HUNDRED EIGHT PERCENT OF THE FIRST ANNUAL SALARY USED IN THE HIGHEST AVERAGE SALARY CALCULATION. THE THIRD ANNUAL SALARY TO BE USED IN THE HIGHEST AVERAGE SALARY CALCULATION SHALL BE THE ACTUAL SALARY REPORTED UP TO ONE HUNDRED EIGHT PERCENT OF THE SECOND ANNUAL SALARY USED IN THE HIGHEST AVERAGE SALARY CALCULATION.

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(42) (a) (I) "Salary" means, FOR MEMBERS WHO WERE MEMBERS, INACTIVE MEMBERS, OR RETIREES OF THE ASSOCIATION ON JUNE 30, 2019, compensation for services rendered to an employer and includes: Regular salary or pay; any pay for administrative, sabbatical, annual, sick, vacation, or personal leave AND COMPENSATION FOR UNUSED LEAVE CONVERTED TO CASH PAYMENTS; pay for compensatory time or holidays; payments by an employer from grants; amounts deducted from pay pursuant to tax-sheltered savings or retirement programs; amounts deducted from pay for a health savings account as defined in 26 U.S.C. sec. 223, as amended, or any other type of retirement health savings account program; performance or merit payments, if approved by the board; special pay for work-related injuries paid by the employer prior to termination of membership; and retroactive salary payments pursuant to court orders, arbitration awards, or litigation and grievance settlements.

(b) (II) FOR MEMBERS WHO WERE MEMBERS, INACTIVE MEMBERS, OR RETIREES OF THE ASSOCIATION ON JUNE 30, 2019, "salary" does not include: ~~Commissions; compensation for unused sick leave converted at any time to cash payments;~~ compensation for unused sick, annual, vacation, administrative, or other accumulated paid leave contributed to a health savings account as defined in 26 U.S.C. sec. 223, as amended, or a retirement health savings program; housing allowances; uniform allowances; automobile usage; insurance premiums; dependent care assistance; reimbursement for expenses incurred; tuition or any other fringe benefits, regardless of federal taxation; bonuses for services not actually rendered, including, but not limited to, early retirement inducements, Christmas bonuses, cash awards, honorariums and severance pay, damages, except for retroactive salary payments paid pursuant to court orders or arbitration awards or litigation and grievance settlements, or payments beyond the date of a member's death.

(b) (I) "SALARY" MEANS, FOR MEMBERS WHO WERE NOT MEMBERS, INACTIVE MEMBERS, OR RETIREES OF THE ASSOCIATION ON JUNE 30, 2019, COMPENSATION FOR SERVICES RENDERED TO AN EMPLOYER AND INCLUDES: REGULAR SALARY OR PAY; ANY PAY FOR ADMINISTRATIVE, SABBATICAL, ANNUAL, SICK, VACATION, OR PERSONAL LEAVE AND COMPENSATION FOR UNUSED LEAVE CONVERTED TO CASH PAYMENTS; PAY FOR COMPENSATORY TIME OR HOLIDAYS; PAYMENTS BY AN EMPLOYER FROM GRANTS; AMOUNTS DEDUCTED FROM PAY PURSUANT TO TAX-SHELTERED SAVINGS OR RETIREMENT PROGRAMS; AMOUNTS DEDUCTED FROM PAY FOR A HEALTH

SAVINGS ACCOUNT AS DEFINED IN 26 U.S.C. SEC. 223, AS AMENDED, OR ANY OTHER TYPE OF RETIREMENT HEALTH SAVINGS ACCOUNT PROGRAM; AMOUNTS DEDUCTED FROM PAY PURSUANT TO A CAFETERIA PLAN AS DEFINED IN 26 U.S.C. SEC. 125, AS AMENDED; A QUALIFIED TRANSPORTATION FRINGE BENEFIT PLAN AS DEFINED IN 26 U.S.C. SEC. 132, AS AMENDED; PERFORMANCE OR MERIT PAYMENTS, IF APPROVED BY THE BOARD; SPECIAL PAY FOR WORK-RELATED INJURIES PAID BY THE EMPLOYER PRIOR TO TERMINATION OF MEMBERSHIP; AND RETROACTIVE SALARY PAYMENTS PURSUANT TO COURT ORDERS, ARBITRATION AWARDS, OR LITIGATION AND GRIEVANCE SETTLEMENTS.

(II) FOR MEMBERS WHO WERE NOT MEMBERS, INACTIVE MEMBERS, OR RETIREES OF THE ASSOCIATION ON JUNE 30, 2019, "SALARY" DOES NOT INCLUDE: COMMISSIONS; COMPENSATION FOR UNUSED SICK, ANNUAL, VACATION, ADMINISTRATIVE, OR OTHER ACCUMULATED PAID LEAVE CONTRIBUTED TO A HEALTH SAVINGS ACCOUNT AS DEFINED IN 26 U.S.C. SEC. 223, AS AMENDED, OR A RETIREMENT HEALTH SAVINGS PROGRAM; HOUSING ALLOWANCES; UNIFORM ALLOWANCES; AUTOMOBILE USAGE; INSURANCE PREMIUMS PAID BY EMPLOYERS; REIMBURSEMENT FOR EXPENSES INCURRED; TUITION OR ANY OTHER FRINGE BENEFITS, REGARDLESS OF FEDERAL TAXATION; BONUSES FOR SERVICES NOT ACTUALLY RENDERED, INCLUDING, BUT NOT LIMITED TO, EARLY RETIREMENT INDUCEMENTS, CHRISTMAS BONUSES, CASH AWARDS, HONORARIUMS AND SEVERANCE PAY, DAMAGES, EXCEPT FOR RETROACTIVE SALARY PAYMENTS PAID PURSUANT TO COURT ORDERS OR ARBITRATION AWARDS OR LITIGATION AND GRIEVANCE SETTLEMENTS, OR PAYMENTS BEYOND THE DATE OF A MEMBER'S DEATH.

(46) "State trooper" means an employee of the Colorado state patrol, Colorado bureau of investigation, or successors to these agencies, who is vested with the powers of peace officers as provided for in section 24-33.5-409. IN ADDITION, FOR MEMBERS WHO WERE NOT MEMBERS, INACTIVE MEMBERS, OR RETIREES ON DECEMBER 31, 2019, "STATE TROOPER" INCLUDES A COUNTY SHERIFF, UNDERSHERIFF, DEPUTY SHERIFF, NONCERTIFIED DEPUTY SHERIFF, OR DETENTION OFFICER HIRED BY A LOCAL GOVERNMENT DIVISION EMPLOYER ON OR AFTER JANUARY 1, 2020, AND A CORRECTIONS OFFICER CLASSIFIED AS I THROUGH IV HIRED BY A STATE DIVISION EMPLOYER ON OR AFTER JANUARY 1, 2020.

SECTION 3. In Colorado Revised Statutes, 24-51-204, **add** (7.5) as follows:

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24-51-204. Duties of the board. (7.5) (a) THE BOARD OR ITS DESIGNATED AGENT SHALL PERFORM AN ANNUAL SENSITIVITY ANALYSIS TO DETERMINE WHEN, FROM AN ACTUARIAL PERSPECTIVE, MODEL ASSUMPTIONS ARE MEETING TARGETS AND ACHIEVING SUSTAINABILITY. IN FURTHERANCE OF MAKING THIS DETERMINATION, THE BOARD OR ITS DESIGNATED AGENT SHALL EXAMINE THE DATA THAT THE ASSOCIATION CURRENTLY COLLECTS. THE BOARD OR ITS DESIGNATED AGENT SHALL DELIVER AN ANNUAL REPORT DETAILING THE FINDINGS OF THE ANALYSIS TO THE OFFICE OF THE GOVERNOR, THE JOINT BUDGET COMMITTEE, THE LEGISLATIVE AUDIT COMMITTEE, AND THE FINANCE COMMITTEES OF THE SENATE AND THE HOUSE OF REPRESENTATIVES, OR ANY SUCCESSOR COMMITTEES.

(b) FOR PURPOSES OF THE ANALYSIS REQUIRED BY SUBSECTION (7.5)(a) OF THIS SECTION, THE ASSOCIATION SHALL PROVIDE ACCESS TO OFFICIAL MEMBER INFORMATION AND DATA UNDER A CONFIDENTIALITY AGREEMENT WITH ITS DESIGNATED AGENT, IF APPLICABLE.

SECTION 4. In Colorado Revised Statutes, 24-51-213, **amend** (3) as follows:

24-51-213. Confidentiality. (3) Information regarding real estate, private equity, private debt, timber, and mortgage investments by the association may be kept confidential until the transaction is completed if it is determined by the board that disclosure of such information would jeopardize the value of the investment; EXCEPT THAT THE ASSOCIATION MAY DISCLOSE SUCH INFORMATION TO LEGISLATIVE MEMBERS OF THE PENSION REVIEW COMMISSION CREATED IN ARTICLE 51.1 OF THIS TITLE 24 WHILE THE COMMISSION IS MEETING IN EXECUTIVE SESSION. IF THE ASSOCIATION CANNOT DISCLOSE SUCH INFORMATION WITHOUT VIOLATING CONFIDENTIALITY PROVISIONS, THEN THE ASSOCIATION SHALL PROVIDE ENOUGH INFORMATION TO THE LEGISLATIVE MEMBERS OF THE COMMISSION, WHILE THE COMMISSION IS MEETING IN EXECUTIVE SESSION, TO INFORM THE LEGISLATORS REGARDING WHETHER SUCH INVESTMENTS CONTINUE TO BE IN THE PUBLIC INTEREST.

SECTION 5. In Colorado Revised Statutes, **add** 24-51-221 as follows:

24-51-221. Information provided to employer - salary definition. AN EMPLOYER MAY REQUEST INFORMATION FROM THE ASSOCIATION TO

DETERMINE WHETHER TO USE "SALARY" AS DEFINED IN SECTION 24-51-101 (42)(a) OR AS DEFINED IN SECTION 24-51-101 (42)(b), WHEN THE EMPLOYER HIRES AN EMPLOYEE WHO IS A CURRENT MEMBER OR RETIREE OF THE ASSOCIATION. THE ASSOCIATION SHALL PROVIDE SUCH INFORMATION TO THE EMPLOYER UPON REQUEST.

SECTION 6. In Colorado Revised Statutes, 24-51-313, **amend** (1) as follows:

24-51-313. Termination of affiliation - employer assigned to local government division - requirements. (1) Any political subdivision within the state of Colorado or any public agency created by such a political subdivision that is an employer affiliated with the association pursuant to ~~the provisions of~~ section 24-51-309 and that is assigned to the local government division may make application to the board to terminate the affiliation of the employer with the association. The application shall be made by submitting to the board an ordinance or resolution that has been adopted by the governing body of the employer and that has been approved by at least sixty-five percent of the employees of the employer who are members. Such employee members of the employer shall be notified in writing of the provisions of section 24-51-321 prior to a vote on an ordinance or resolution to terminate the affiliation of the employer with the association. NOTWITHSTANDING THE PROVISIONS OF THIS SUBSECTION (1), ANY SUCH EMPLOYER THAT CEASES OPERATIONS OR CEASES TO PARTICIPATE IN THE ASSOCIATION FOR ANY REASON SHALL BE DEEMED TO HAVE TERMINATED ITS AFFILIATION WITH THE ASSOCIATION AND MUST COMPLY WITH THE PROVISIONS OF SECTIONS 24-51-315 THROUGH 24-51-319.

SECTION 7. In Colorado Revised Statutes, 24-51-315, **amend** (1) and (2); and **add** (5) and (6) as follows:

24-51-315. Termination of affiliation - reserves requirement. (1) The board ~~shall~~ HAS THE AUTHORITY TO determine the amount of reserves required as of the effective date of termination of affiliation to:

(a) Maintain current benefits payable by the association to benefit recipients and to preserve the vested rights of inactive members; ~~The amount of reserves shall be determined by the board utilizing certified actuarial reports prepared by the actuary. The actuarial report shall also certify that the termination of affiliation shall not have an adverse financial~~

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~~impact on the actuarial soundness of the local government division trust fund. If the actuary determines, in accordance with accepted actuarial principles, that the termination of affiliation shall have an adverse financial impact on the actuarial soundness of the local government division trust fund, the applicant shall not be permitted to terminate affiliation. AND~~

(b) FULLY FUND THE LIABILITY FOR BENEFITS PAYABLE BY THE ASSOCIATION FROM THE HEALTH CARE TRUST FUND CREATED BY SECTION 24-51-1201(1) TO CURRENT AND FUTURE BENEFIT RECIPIENTS PURSUANT TO PART 12 OF THIS ARTICLE 51.

(2) THE AMOUNT OF RESERVES REQUIRED UNDER SUBSECTIONS (1)(a) AND (1)(b) OF THIS SECTION SHALL BE DETERMINED BY THE BOARD UTILIZING CERTIFIED ACTUARIAL REPORTS PREPARED BY THE ACTUARY. THE ACTUARIAL STUDY SHALL BE CONDUCTED USING ASSUMPTIONS APPROVED BY THE BOARD. THE ACTUARIAL REPORT SHALL ALSO CERTIFY THAT THE TERMINATION OF AFFILIATION SHALL NOT HAVE AN ADVERSE FINANCIAL IMPACT ON THE ACTUARIAL SOUNDNESS OF THE LOCAL GOVERNMENT DIVISION TRUST FUND. IF THE ACTUARY DETERMINES, IN ACCORDANCE WITH ACCEPTED ACTUARIAL PRINCIPLES, THAT THE TERMINATION OF AFFILIATION SHALL HAVE AN ADVERSE FINANCIAL IMPACT ON THE ACTUARIAL SOUNDNESS OF THE LOCAL GOVERNMENT DIVISION TRUST FUND, THE APPLICANT SHALL NOT BE PERMITTED TO TERMINATE AFFILIATION. On the effective date of termination of affiliation, the actuarial reports prepared pursuant to ~~the provisions of subsection (1) of this section~~ THIS SUBSECTION (2) shall be updated to finalize the amount of reserves required for the purposes specified in ~~subsection (1) of this section~~ THIS SUBSECTION (2). The employer making the application and the employees of such employer who are members shall not be required to make any contributions to the association subsequent to the effective date of termination.

(5) THE DISCOUNT RATE USED FOR DETERMINING THE AMOUNT OF RESERVES IN SUBSECTION (1) OF THIS SECTION SHALL BE THE ACTUARIAL INVESTMENT ASSUMPTION RATE AS SET BY THE BOARD PURSUANT TO SECTIONS 24-51-101 (2) AND 24-51-204 (5) MINUS TWO HUNDRED BASIS POINTS.

(6) DETERMINATIONS MADE BY THE BOARD IN THIS SECTION AND SECTIONS 24-51-313 AND 24-51-316, SHALL BE APPEALED THROUGH THE ADMINISTRATIVE REVIEW PROCEDURES SET FORTH IN THE BOARD RULES.

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SUCH FINAL DECISION BY THE BOARD SHALL BE SUBJECT ONLY TO REVIEW BY PROPER COURT ACTION.

SECTION 8. In Colorado Revised Statutes, **amend** 24-51-316 as follows:

24-51-316. Inadequate reserves - excess reserves - nonpayment.

(1) (a) In the event that the amount of the reserves required pursuant to ~~the provisions of section 24-51-315~~ SECTION 24-51-315 (1)(a), exceeds the amount of the employer's share of the employer contribution reserve in the local government division trust fund as calculated by the actuary, then the employer shall make an additional payment as of the effective date of termination of affiliation in an amount equal to the difference between the amount of reserves required and the amount of reserves on deposit.

(b) IN THE EVENT THAT THE RESERVES REQUIRED PURSUANT TO SECTION 24-51-315 (1)(b) FOR THE HEALTH CARE TRUST FUND CREATED BY SECTION 24-51-1201 (1) EXCEEDS THE MARKET VALUE OF ASSETS ATTRIBUTABLE TO THE EMPLOYER IN THE HEALTH CARE TRUST FUND, THE EMPLOYER SHALL MAKE AN ADDITIONAL PAYMENT AS OF THE EFFECTIVE DATE OF TERMINATION OF AFFILIATION IN AN AMOUNT EQUAL TO THE DIFFERENCE BETWEEN THE AMOUNT OF RESERVES REQUIRED AND THE AMOUNT OF RESERVES ON DEPOSIT.

(c) IF THE ACTUARY DETERMINES, IN ACCORDANCE WITH ACCEPTED ACTUARIAL PRINCIPLES, THAT THE TERMINATION OF AFFILIATION OF THE EMPLOYER SHALL HAVE AN ADVERSE FINANCIAL IMPACT ON THE FUNDING OF THE HEALTH CARE TRUST FUND CREATED BY SECTION 24-51-1201 (1), THE EMPLOYER SHALL MAKE ANY ADDITIONAL PAYMENT NECESSARY TO ENSURE THAT THE IMPACT ON THE FUNDING OF THE HEALTH CARE TRUST FUND REMAINS UNCHANGED UPON THE EMPLOYER'S TERMINATION OF AFFILIATION.

(2) In the event that the amount of the reserves on deposit in the local government division trust fund as calculated by the actuary for the employer requesting termination of affiliation exceeds the amount of reserves required pursuant to ~~the provisions of section 24-51-315~~ SECTION 24-51-315 (1), such excess amount and the amount required for the transfer of member contributions as provided in section 24-51-317 shall be transferred by a direct trustee-to-trustee transfer to the alternate pension plan or system required by section 24-51-319 as of the effective date of

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termination of affiliation.

(3) If any payment required pursuant to ~~the provisions of~~ subsection (1) or (2) of this section is not made, interest shall be assessed on the amount due at the rate specified for employers in section 24-51-101 (28). INTEREST SHALL BE CALCULATED FROM THE EFFECTIVE DATE OF TERMINATION until such amount is paid in full.

SECTION 9. In Colorado Revised Statutes, **amend** 24-51-317 as follows:

24-51-317. Termination of affiliation - member contributions.

~~(1) Members who have less than five years of service credit and are employees of an employer which~~ THAT has terminated its affiliation with the association shall BECOME INACTIVE MEMBERS AS OF THE EFFECTIVE DATE OF TERMINATION OF AFFILIATION. SUCH MEMBERS MAY ELECT TO have their member contributions credited to the alternative pension plan or system required by section 24-51-319. IN THE ABSENCE OF SUCH AN ELECTION, MEMBER CONTRIBUTIONS WILL REMAIN WITH THE ASSOCIATION UNLESS THE MEMBER OTHERWISE ELECTS TO REFUND SUCH CONTRIBUTIONS IN ACCORDANCE WITH SECTION 24-51-405.

~~(2) Members who have five or more years of service credit and are employees of an employer which has terminated its affiliation with the association may elect that their accounts remain with the association by giving written notice to the association prior to the effective date of termination of affiliation. Members who make such an election shall become inactive members entitled to vested benefits as of the effective date of termination of affiliation. Members who do not make such an election shall have their member contributions credited to the alternative pension plan or system required by section 24-51-319.~~

SECTION 10. In Colorado Revised Statutes, **amend** 24-51-319 as follows:

24-51-319. Retirement plan - creation and use. An employer ~~which~~ THAT terminates its affiliation with the association shall utilize an existing, or shall establish an alternative, pension plan or system established pursuant to the provisions of article 54 of this ~~title~~ TITLE 24. FAILURE TO UTILIZE OR ESTABLISH AN ALTERNATIVE PENSION PLAN OR SYSTEM DOES NOT

EXCUSE THE EMPLOYER FROM THE ADHERENCE TO THE REMAINDER OF THE TERMINATION OF AFFILIATION PROVISIONS OF THIS PART 3.

SECTION 11. In Colorado Revised Statutes, 24-51-401, **amend** (1.7)(a); and **repeal** (1.7)(f) as follows:

24-51-401. Employer and member contributions.
 (1.7) (a) (I) Employers shall deliver a contribution report and the full amount of employer contributions, member contributions, and working retiree contributions to the association within five days after the date members and retirees are paid. Except as provided in ~~paragraph (f) of this subsection (1.7)~~ THIS SUBSECTION (1.7)(a), subsection (7) of this section, and section 24-51-408.5, such contributions shall be based upon the rates for the appropriate division as set forth in the following table multiplied by the salary, as defined in section 24-51-101 (42), paid to members and retirees for the payroll period:

**TABLE A
CONTRIBUTION RATES**

Division	Membership	Employer Rate	Member Rate
State	All Members	10.15%	8.0%
	Except		
	State Troopers	12.85%	10.0%
School	All Members	10.15%	8.0%
Local			
Government	All Members	10.0%	8.0%
Judicial	All Members	13.66%	8.0%
DPS	All Members	10.15%	8.0%

(II) EFFECTIVE JULY 1, 2019, SUBJECT TO SECTION 24-51-413, THE EMPLOYER AND MEMBER CONTRIBUTION RATES SHALL BE BASED UPON THE RATES FOR THE APPROPRIATE DIVISION AS SET FORTH IN THE FOLLOWING TABLE MULTIPLIED BY THE SALARY, AS DEFINED IN SECTION 24-51-101 (42), PAID TO MEMBERS AND RETIREES FOR THE PAYROLL PERIOD:

**TABLE B
CONTRIBUTION RATES**

DIVISION	MEMBERSHIP	EMPLOYER RATE	MEMBER RATE
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STATE	ALL MEMBERS	10.4%	8.75%
	EXCEPT		
	STATE TROOPERS	13.1%	10.75%
SCHOOL	ALL MEMBERS	10.4%	8.75%
LOCAL			
GOVERNMENT	ALL MEMBERS	10.0%	8.75%
JUDICIAL	ALL MEMBERS	13.91%	8.75%
DPS	ALL MEMBERS	10.4%	8.75%

(III) EFFECTIVE JULY 1, 2020, SUBJECT TO SECTION 24-51-413, THE EMPLOYER AND MEMBER CONTRIBUTION RATES SHALL BE BASED UPON THE RATES FOR THE APPROPRIATE DIVISION AS SET FORTH IN THE FOLLOWING TABLE MULTIPLIED BY THE SALARY, AS DEFINED IN SECTION 24-51-101 (42), PAID TO MEMBERS AND RETIREES FOR THE PAYROLL PERIOD:

**TABLE C
CONTRIBUTION RATES**

DIVISION	MEMBERSHIP	EMPLOYER RATE	MEMBER RATE
STATE	ALL MEMBERS	10.4%	9.5%
	EXCEPT		
	STATE TROOPERS	13.1%	11.5%
SCHOOL	ALL MEMBERS	10.4%	9.5%
LOCAL			
GOVERNMENT	ALL MEMBERS	10.0%	9.5%
JUDICIAL	ALL MEMBERS	13.91%	9.5%
DPS	ALL MEMBERS	10.4%	9.5%

(IV) EFFECTIVE JULY 1, 2021, SUBJECT TO SECTION 24-51-413, THE EMPLOYER AND MEMBER CONTRIBUTION RATES SHALL BE BASED UPON THE RATES FOR THE APPROPRIATE DIVISION AS SET FORTH IN THE FOLLOWING TABLE MULTIPLIED BY THE SALARY, AS DEFINED IN SECTION 24-51-101 (42), PAID TO MEMBERS AND RETIREES FOR THE PAYROLL PERIOD:

**TABLE D
CONTRIBUTION RATES**

DIVISION	MEMBERSHIP	EMPLOYER RATE	MEMBER RATE
STATE	ALL MEMBERS	10.4%	10.0%
	EXCEPT		

	STATE TROOPERS	13.1%	12.0%
SCHOOL	ALL MEMBERS	10.4%	10.0%
LOCAL			
GOVERNMENT	ALL MEMBERS	10.0%	10.0%
JUDICIAL	ALL MEMBERS	13.91%	10.0%
DPS	ALL MEMBERS	10.4%	10.0%

(f) (I) ~~For the 2010-11 and 2011-12 state fiscal years, except as provided in subsection (7) of this section and section 24-51-408.5, the amount of employer and member contributions for employers and members in the state and judicial divisions of the association shall be based upon the rates for the appropriate division as set forth in the following table multiplied by the salary, as defined in section 24-51-101 (42), paid to members and retirees for the payroll period:~~

TABLE A.5
CONTRIBUTION RATES

Division	Membership	Employer Rate	Member Rate
State	All Members	7.65%	10.5%
	Except		
	State Troopers	10.35%	12.5%
Judicial	All Members	11.16%	10.5%

(H) ~~For the 2010-11 and 2011-12 state fiscal years, the employer and member contribution rates for employers and members in the school, local government, and Denver public schools divisions of the association shall be calculated pursuant to paragraph (a) of this subsection (1.7).~~

SECTION 12. In Colorado Revised Statutes, add 24-51-413, 24-51-414, and 24-51-415 as follows:

24-51-413. Contribution and annual increase amount changes - definitions. (1) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(a) "BLENDED TOTAL CONTRIBUTION AMOUNT" MEANS THE WEIGHTED AVERAGE OF THE TOTAL AMOUNTS PAID BY THE EMPLOYER AND THE MEMBER TO THE ASSOCIATION FOR EACH OF THE FIVE DIVISIONS PURSUANT TO SECTIONS 24-51-401 (1.7) AND 24-51-411, AND THE AMOUNT

THE ASSOCIATION RECEIVES PURSUANT TO SECTION 24-51-414, BUT SHALL NOT INCLUDE THE PORTION OF THE EMPLOYER CONTRIBUTION REMITTED TO THE HEALTHCARE TRUST FUND PURSUANT TO SECTION 24-51-208 (1)(f) AND (1)(f.5) AND THE PORTION OF THE EMPLOYER CONTRIBUTION REMITTED TO THE ANNUAL INCREASE RESERVE.

(b) "BLENDED TOTAL REQUIRED CONTRIBUTION" MEANS THE WEIGHTED AVERAGE OF THE TOTAL OF THE ASSOCIATION'S REPORTED ACTUARIALLY DETERMINED CONTRIBUTION RATES AND MEMBER CONTRIBUTION RATES OF THE FIVE DIVISION TRUST FUNDS.

(c) "WEIGHTED AVERAGE" MEANS THE PROPORTION OF UNFUNDED ACTUARIAL ACCRUED LIABILITY ATTRIBUTABLE TO EACH DIVISION REPORTED AS OF THE MOST RECENT VALUATION DATE.

(2) BEGINNING JULY 1, 2019, AND EACH JULY 1 THEREAFTER, EMPLOYER CONTRIBUTION RATES, MEMBER CONTRIBUTION RATES, ANNUAL INCREASE AMOUNTS, AND THE DIRECT DISTRIBUTION AMOUNT SHALL REMAIN UNCHANGED UNTIL SUCH TIME AS CHANGES ARE REQUIRED PURSUANT TO THIS SECTION.

(3) WHEN THE BLENDED TOTAL CONTRIBUTION AMOUNT IS LESS THAN NINETY-EIGHT PERCENT OF THE BLENDED TOTAL REQUIRED CONTRIBUTION, THE FOLLOWING ADJUSTMENT SHALL OCCUR:

(a) THE ANNUAL INCREASE PERCENTAGE DETERMINED PURSUANT TO SECTIONS 24-51-1002 AND 24-51-1009 (4)(a) SHALL BE REDUCED BY UP TO ONE-QUARTER OF ONE PERCENT, BUT AT NO TIME WILL THE ANNUAL INCREASE PERCENTAGE BE REDUCED TO EQUAL LESS THAN ONE-HALF OF ONE PERCENT, EXCEPT AS PROVIDED IN SECTIONS 24-51-1002 (1.5) AND 24-51-1009 (1.5);

(b) THE EMPLOYER CONTRIBUTION RATE WILL BE INCREASED BY UP TO ONE-HALF OF ONE PERCENT, BUT AT NO TIME WILL THE EMPLOYER CONTRIBUTION RATE BE INCREASED TO EXCEED THE EMPLOYER CONTRIBUTION RATES UNDER SECTION 24-51-401 (1.7)(a)(II), PLUS TWO PERCENT;

(c) THE MEMBER CONTRIBUTION RATE WILL BE INCREASED BY UP TO ONE-HALF OF ONE PERCENT, BUT AT NO TIME WILL THE MEMBER

CONTRIBUTION RATE BE INCREASED TO EXCEED THE MEMBER CONTRIBUTION RATES UNDER SECTION 24-51-401 (1.7)(a)(IV), PLUS TWO PERCENT; AND

(d) THE AMOUNT OF THE DIRECT DISTRIBUTION PURSUANT TO SECTION 24-51-414, WILL BE INCREASED BY UP TO TWENTY MILLION DOLLARS, BUT AT NO TIME WILL THE AMOUNT OF THE DIRECT DISTRIBUTION EXCEED TWO HUNDRED TWENTY-FIVE MILLION DOLLARS IN A FISCAL YEAR.

(4) THE ADJUSTMENT IN SUBSECTION (3) OF THIS SECTION SHALL BE DETERMINED BY THE ASSOCIATION, SHALL BE EQUALLY APPORTIONED AMONG THE ANNUAL INCREASES, THE EMPLOYER CONTRIBUTIONS, THE MEMBER CONTRIBUTIONS, AND, IF APPLICABLE, THE DIRECT DISTRIBUTION AMOUNT, AND SHALL BE THE MAXIMUM YEARLY ADJUSTMENT ALLOWED UNLESS AN ADJUSTMENT LESS THAN THE MAXIMUM ADJUSTMENT IS SUFFICIENT TO BRING THE BLENDED TOTAL CONTRIBUTION AMOUNT TO ONE HUNDRED AND THREE PERCENT OF THE BLENDED TOTAL REQUIRED CONTRIBUTION. IN NO EVENT SHALL A YEARLY ADJUSTMENT CAUSE THE BLENDED TOTAL CONTRIBUTION AMOUNT TO EXCEED ONE HUNDRED AND THREE PERCENT OF THE BLENDED TOTAL REQUIRED CONTRIBUTION. THE ADJUSTMENT SHALL BE MADE ONCE IN ANY CALENDAR YEAR AND SHALL NOT EXCEED THE MAXIMUM YEARLY AMOUNTS INDICATED IN SUBSECTIONS (3)(a), (3)(b), (3)(c), AND (3)(d) OF THIS SECTION.

(5) IN THE EVENT ANY ONE OF THE FOUR COMPONENT PARTS OF THE ADJUSTMENT AS OUTLINED IN SUBSECTION (3) OF THIS SECTION HAS REACHED ITS TOTAL MAXIMUM, THEN NO FURTHER ADJUSTMENT SHALL BE MADE TO THAT COMPONENT. ONLY THE ADJUSTMENTS TO THE OTHER THREE COMPONENTS SHALL CONTINUE AS SPECIFIED IN SUBSECTIONS (3) AND (4) OF THIS SECTION, EVEN IF THE FULLY REQUIRED ADJUSTMENT TO BRING THE BLENDED TOTAL CONTRIBUTION AMOUNT TO ONE HUNDRED AND THREE PERCENT OF THE BLENDED TOTAL REQUIRED CONTRIBUTION IS NOT ACHIEVED.

(6) WHEN THE BLENDED TOTAL CONTRIBUTION AMOUNT IS GREATER THAN OR EQUAL TO ONE HUNDRED AND TWENTY PERCENT OF THE BLENDED TOTAL REQUIRED CONTRIBUTION, THE FOLLOWING ADJUSTMENT SHALL OCCUR:

(a) SUBJECT TO SECTIONS 24-51-1002 (1.5) AND 24-51-1009 (1.5), THE ANNUAL INCREASE PERCENTAGE DETERMINED PURSUANT TO SECTIONS

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24-51-1002 AND 24-51-1009 (4)(a), SHALL BE INCREASED BY UP TO ONE-QUARTER OF ONE PERCENT, BUT AT NO TIME WILL THE ANNUAL INCREASE PERCENTAGE BE GREATER THAN TWO PERCENT, EXCEPT AS PROVIDED IN SECTION 24-51-1009.5;

(b) THE EMPLOYER CONTRIBUTION RATE WILL BE REDUCED BY UP TO ONE-HALF OF ONE PERCENT, BUT AT NO TIME WILL THE EMPLOYER CONTRIBUTION RATE BE LESS THAN THE EMPLOYER CONTRIBUTION RATES UNDER SECTION 24-51-401 (1.7)(a)(I);

(c) THE MEMBER CONTRIBUTION RATE WILL BE REDUCED BY UP TO ONE-HALF OF ONE PERCENT, BUT AT NO TIME WILL THE MEMBER CONTRIBUTION RATE BE LESS THAN THE MEMBER CONTRIBUTION RATES UNDER SECTION 24-51-401 (1.7)(a)(I); AND

(d) THE AMOUNT OF THE DIRECT DISTRIBUTION PURSUANT TO SECTION 24-51-414 WILL BE REDUCED BY UP TO TWENTY MILLION DOLLARS IN A FISCAL YEAR.

(7) THE ADJUSTMENT IN SUBSECTION (6) OF THIS SECTION SHALL BE DETERMINED BY THE ASSOCIATION, SHALL BE EQUALLY APPORTIONED AMONG THE ANNUAL INCREASES, THE EMPLOYER CONTRIBUTIONS, THE MEMBER CONTRIBUTIONS, AND, IF APPLICABLE, THE DIRECT DISTRIBUTION AMOUNT, AND SHALL BE THE MAXIMUM YEARLY ADJUSTMENT ALLOWED UNLESS AN AMOUNT LOWER THAN THE MAXIMUM ADJUSTMENT IS NECESSARY TO KEEP THE BLENDED TOTAL CONTRIBUTION AMOUNT EQUAL TO ONE HUNDRED AND THREE PERCENT OF THE BLENDED TOTAL REQUIRED CONTRIBUTION. IN NO EVENT SHALL A YEARLY ADJUSTMENT CAUSE THE BLENDED TOTAL CONTRIBUTION AMOUNT TO FALL BELOW ONE HUNDRED AND THREE PERCENT OF THE BLENDED TOTAL REQUIRED CONTRIBUTION. THE ADJUSTMENT SHALL BE MADE ONCE IN ANY CALENDAR YEAR AND SHALL NOT EXCEED THE MAXIMUM YEARLY AMOUNTS SPECIFIED IN SUBSECTIONS (6)(a), (6)(b), (6)(c), AND (6)(d) OF THIS SECTION.

(8) THE ADJUSTMENTS PURSUANT TO THIS SECTION SHALL BE DETERMINED BASED ON THE BLENDED TOTAL CONTRIBUTION AMOUNT AND BLENDED TOTAL REQUIRED CONTRIBUTION AS REPORTED IN THE ANNUAL ACTUARIAL VALUATION REPORT REQUIRED UNDER SECTION 24-51-204 (7), AND SHALL BE EFFECTIVE JULY 1 OF THE NEXT CALENDAR YEAR. THE FIRST ADJUSTMENT PURSUANT TO THIS SECTION SHALL NOT OCCUR BEFORE JULY

1, 2020.

24-51-414. Direct distribution. (1) ON JULY 1, 2018, AND ON JULY 1 EACH YEAR THEREAFTER UNTIL THERE ARE NO UNFUNDED ACTUARIAL ACCRUED LIABILITIES OF ANY DIVISION OF THE ASSOCIATION THAT RECEIVES THE DISTRIBUTION PURSUANT TO THIS SECTION, THE STATE TREASURER SHALL ISSUE A WARRANT TO THE ASSOCIATION IN AN AMOUNT EQUAL TO TWO HUNDRED TWENTY-FIVE MILLION DOLLARS. SUCH AMOUNT SHALL BE PAID TO THE ASSOCIATION FROM THE GENERAL FUND, OR ANY OTHER FUND, SUBJECT TO SECTION 24-51-413.

(2) FOR THE PURPOSE OF ALLOCATING APPROPRIATE INDIRECT, CASH FUNDED, OR FEDERAL COSTS FOR THE DIRECT DISTRIBUTION PURSUANT TO SUBSECTION (1) OF THIS SECTION, THE OFFICE OF STATE PLANNING AND BUDGETING MAY INCLUDE FUNDING SOURCES OTHER THAN THE GENERAL FUND IN THE GOVERNOR'S ANNUAL BUDGET REQUEST FOR THE 2019-20 FISCAL YEAR AND EACH FISCAL YEAR THEREAFTER TO SATISFY THE FUNDING AMOUNTS OF THE DIRECT DISTRIBUTION.

(3) THE DISTRIBUTION PURSUANT TO SUBSECTION (1) OF THIS SECTION SHALL END WHEN THERE ARE NO UNFUNDED ACTUARIAL ACCRUED LIABILITIES OF ANY DIVISION OF THE ASSOCIATION THAT RECEIVES SUCH DISTRIBUTION. BY SEPTEMBER 1, 2019, AND BY SEPTEMBER 1 OF EACH YEAR THEREAFTER, UNTIL THE DISTRIBUTION PURSUANT TO SUBSECTION (1) OF THIS SECTION IS NO LONGER REQUIRED, THE BOARD SHALL DETERMINE WHETHER THE SUM OF THE EMPLOYER AND MEMBER CONTRIBUTIONS PURSUANT TO SECTION 24-51-401 (1.7)(a), THE CONTRIBUTIONS PURSUANT TO SECTION 24-51-411, AND THE DISTRIBUTION PURSUANT TO SUBSECTION (1) OF THIS SECTION, IS GREATER THAN THE AMOUNT NECESSARY TO ELIMINATE THE UNFUNDED ACTUARIAL ACCRUED LIABILITY OF EACH DIVISION OF THE ASSOCIATION THAT RECEIVES THE DISTRIBUTION IN THE NEXT FISCAL YEAR. IF THE BOARD DETERMINES THAT THE TOTAL AMOUNT OF THE DISTRIBUTION PURSUANT TO SUBSECTION (1) OF THIS SECTION WILL NOT BE REQUIRED TO ELIMINATE THE UNFUNDED ACTUARIAL ACCRUED LIABILITY OF EACH DIVISION OF THE ASSOCIATION THAT RECEIVES THE DISTRIBUTION, THE BOARD SHALL NOTIFY THE OFFICE OF STATE PLANNING AND BUDGETING AND THE JOINT BUDGET COMMITTEE OF THE GENERAL ASSEMBLY BY SEPTEMBER 1 OF THE APPLICABLE YEAR.

(4) THE ASSOCIATION SHALL ALLOCATE THE DIRECT DISTRIBUTION

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TO THE TRUST FUNDS OF EACH DIVISION OF THE ASSOCIATION AS IT WOULD AN EMPLOYER CONTRIBUTION, IN A MANNER THAT IS PROPORTIONATE TO THE ANNUAL PAYROLL OF EACH DIVISION AS REPORTED TO THE ASSOCIATION; EXCEPT THAT THE ASSOCIATION SHALL NOT ALLOCATE ANY PORTION OF THE DIRECT DISTRIBUTION AMOUNT TO THE LOCAL GOVERNMENT DIVISION OF THE ASSOCIATION.

(5) BEGINNING WITH THE ANNUAL GENERAL APPROPRIATION ACT FOR THE 2019-20 STATE FISCAL YEAR, AND FOR EACH ANNUAL GENERAL APPROPRIATION ACT THEREAFTER, MONEY DISTRIBUTED TO THE ASSOCIATION PURSUANT TO SUBSECTION (1) OF THIS SECTION SHALL BE INCLUDED FOR INFORMATIONAL PURPOSES IN THE ANNUAL GENERAL APPROPRIATION BILL OR IN SUPPLEMENTAL APPROPRIATION BILLS FOR THE PURPOSE OF COMPLYING WITH THE LIMITATION ON STATE FISCAL YEAR SPENDING IMPOSED BY SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION AND SECTION 24-77-103. THE INFORMATION INCLUDED IN THE ANNUAL GENERAL APPROPRIATION BILL SHALL INCLUDE AN ESTIMATE OF THE AMOUNT OF THE DISTRIBUTION PURSUANT TO SUBSECTION (1) OF THIS SECTION THAT IS ATTRIBUTABLE TO THE STATE AND THE AMOUNT THAT IS ATTRIBUTABLE TO PUBLIC EDUCATION FROM KINDERGARTEN THROUGH THE TWELFTH GRADE.

24-51-415. Defined contribution supplement. BEGINNING JANUARY 1, 2021, AND EVERY YEAR THEREAFTER, EMPLOYER CONTRIBUTION RATES WILL BE ADJUSTED TO INCLUDE A DEFINED CONTRIBUTION SUPPLEMENT, WHICH WILL BE CALCULATED SEPARATELY FOR THE STATE AND LOCAL GOVERNMENT DIVISIONS, AS APPLICABLE. THE DEFINED CONTRIBUTION SUPPLEMENT FOR EACH DIVISION WILL BE THE EMPLOYER CONTRIBUTION AMOUNT PAID TO DEFINED CONTRIBUTION PLAN PARTICIPANT ACCOUNTS THAT WOULD HAVE OTHERWISE GONE TO THE DEFINED BENEFIT TRUSTS TO PAY DOWN THE UNFUNDED LIABILITY, PLUS ANY DEFINED BENEFIT INVESTMENT EARNINGS THEREON, EXPRESSED AS A PERCENTAGE OF SALARY ON WHICH EMPLOYER CONTRIBUTIONS HAVE BEEN MADE. THE EMPLOYER CONTRIBUTION AMOUNTS IN THE SUM SHALL ONLY INCLUDE CONTRIBUTIONS MADE ON BEHALF OF ELIGIBLE EMPLOYEES, AS DEFINED IN SECTION 24-51-1502, WHO COMMENCE EMPLOYMENT ON OR AFTER JANUARY 1, 2019.

SECTION 13. In Colorado Revised Statutes, 24-51-504, **amend** (2) as follows:

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24-51-504. Purchase of service credit relating to a paid sabbatical leave. (2) Such member contributions made pursuant to the provisions of subsection (1) of this section may be made concurrently with member contributions on the partial salary paid for such sabbatical leave or after the sabbatical leave has ended at the ~~current~~ APPLICABLE rate of member contributions PURSUANT TO SECTION 24-51-401 (1.7), plus interest from the date the sabbatical leave began until such purchase is complete.

SECTION 14. In Colorado Revised Statutes, 24-51-602, **amend** (1.7)(a), (1.8)(a), and (2); and **add** (1.9) and (2.3) as follows:

24-51-602. Service retirement eligibility. (1.7) (a) Members, EXCEPT STATE TROOPERS, who were not members, inactive members, or retirees on December 31, 2016, BUT WHO WERE MEMBERS, INACTIVE MEMBERS, OR RETIREES ON DECEMBER 31, 2019, who have met the age and service requirements stated in the following table and who are not eligible for service retirement benefits pursuant to subsection (1.8) of this section shall, upon written application and approval of the board, receive service retirement benefits pursuant to the benefit formula set forth in section 24-51-603:

**TABLE B.3
SERVICE RETIREMENT ELIGIBILITY**

Age Requirement (years)	Service Credit Requirement (years)
Any Age	35
60	30
65	5

(1.8) (a) Members of the school division or Denver public schools division who were not members, inactive members, or retirees on December 31, 2016, BUT WHO WERE MEMBERS, INACTIVE MEMBERS, OR RETIREES ON DECEMBER 31, 2019, who have met the age and service requirements stated in the following table shall, upon written application and approval of the board, receive service retirement benefits pursuant to the benefit formula set forth in section 24-51-603; except that at least the most recent ten years of service credit used in meeting the requirements of the table below must be earned in the school or Denver public schools divisions in order for the

member to be eligible pursuant to this ~~paragraph (a)~~ SUBSECTION (1.8)(a):

TABLE B.4
SERVICE RETIREMENT ELIGIBILITY

Age Requirement (years)	Service Credit Requirement (years)
Any Age	35
58	30
65	5

(1.9) (a) MEMBERS, EXCEPT STATE TROOPERS, WHO WERE NOT MEMBERS, INACTIVE MEMBERS, OR RETIREES ON DECEMBER 31, 2019, WHO HAVE MET THE AGE AND SERVICE REQUIREMENTS STATED IN THE FOLLOWING TABLE SHALL, UPON WRITTEN APPLICATION AND APPROVAL OF THE BOARD, RECEIVE SERVICE RETIREMENT BENEFITS PURSUANT TO THE BENEFIT FORMULA SET FORTH IN SECTION 24-51-603 (1), (2), AND (3):

TABLE B.5
SERVICE RETIREMENT ELIGIBILITY

AGE REQUIREMENT (YEARS)	SERVICE CREDIT REQUIREMENT (YEARS)
ANY AGE	35
64	30
65	5

(b) MEMBERS WHO ARE ELIGIBLE FOR A BENEFIT PURSUANT TO THIS SUBSECTION (1.9) AND WHO ARE SIXTY-FOUR YEARS OF AGE OR OLDER SHALL, UPON WRITTEN APPLICATION AND APPROVAL OF THE BOARD, RECEIVE SERVICE RETIREMENT BENEFITS PURSUANT TO THE BENEFIT FORMULA SET FORTH IN SECTION 24-51-603, WITHOUT REDUCTION PURSUANT TO SECTION 24-51-604, IF THEY HAVE AT LEAST FIVE YEARS OF SERVICE CREDIT AND IF THE NUMBER OF YEARS OF THEIR AGE PLUS THE NUMBER OF YEARS OF THEIR SERVICE CREDIT EQUALS NINETY-FOUR YEARS OR MORE.

(c) THIS SUBSECTION (1.9) DOES NOT CREATE A CONTRACTUAL RIGHT FOR ANY MEMBER TO THE AGE REQUIREMENT SPECIFIED IN TABLE B.5 TO

RECEIVE A FULL SERVICE RETIREMENT BENEFIT.

~~(2) (a) Members with less than five years of service credit shall be eligible for service retirement benefits pursuant to the provisions of section 24-51-605.5 upon reaching sixty-five years of age if contributions were made for sixty months~~ STATE TROOPERS WHO WERE NOT MEMBERS, INACTIVE MEMBERS, OR RETIREES ON DECEMBER 31, 2019, WHO HAVE MET THE AGE AND SERVICE REQUIREMENTS STATED IN THE FOLLOWING TABLE SHALL, UPON WRITTEN APPLICATION AND APPROVAL OF THE BOARD, RECEIVE SERVICE RETIREMENT BENEFITS PURSUANT TO THE BENEFIT FORMULA SET FORTH IN SECTION 24-51-603 (1) AND (3):

**TABLE B.6
SERVICE RETIREMENT ELIGIBILITY**

AGE REQUIREMENT (YEARS)	SERVICE CREDIT REQUIREMENT (YEARS)
ANY AGE	35
55	25
65	5

(b) STATE TROOPERS WHO ARE ELIGIBLE FOR A BENEFIT PURSUANT TO THIS SUBSECTION (2) AND WHO ARE FIFTY-FIVE YEARS OF AGE OR OLDER SHALL, UPON WRITTEN APPLICATION AND APPROVAL OF THE BOARD, RECEIVE SERVICE RETIREMENT BENEFITS PURSUANT TO THE BENEFIT FORMULA SET FORTH IN SECTION 24-51-603, WITHOUT REDUCTION PURSUANT TO SECTION 24-51-604, IF THEY HAVE AT LEAST FIVE YEARS OF SERVICE CREDIT AND IF THE NUMBER OF YEARS OF THEIR AGE PLUS THE NUMBER OF YEARS OF THEIR SERVICE CREDIT EQUALS EIGHTY YEARS OR MORE. THIS SUBSECTION (2) DOES NOT CREATE A CONTRACTUAL RIGHT FOR ANY MEMBER TO THE AGE REQUIREMENT SPECIFIED IN TABLE B.6 TO RECEIVE A FULL SERVICE RETIREMENT BENEFIT.

(2.3) MEMBERS WITH LESS THAN FIVE YEARS OF SERVICE CREDIT SHALL BE ELIGIBLE FOR SERVICE RETIREMENT BENEFITS PURSUANT TO SECTION 24-51-605.5 UPON REACHING SIXTY-FIVE YEARS OF AGE IF CONTRIBUTIONS WERE MADE FOR SIXTY MONTHS.

SECTION 15. In Colorado Revised Statutes, **amend** 24-51-604 as

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follows:

24-51-604. Reduced service retirement eligibility. (1) DPS members with less than five years of service credit as of January 1, 2011, and members WHO WERE MEMBERS, INACTIVE MEMBERS, OR RETIREES ON DECEMBER 31, 2019, AND who have met the age and service credit requirements stated in the following table and who do not meet the requirements of section 24-51-602 shall, upon written application and approval of the board, receive reduced service retirement benefits pursuant to the benefit formula set forth in section 24-51-605:

TABLE C
REDUCED SERVICE RETIREMENT ELIGIBILITY

Age Requirement (years)		Service Credit Requirement (years)
50		25
50	State Troopers only	20
55		20
60		5

(2) MEMBERS WHO WERE NOT MEMBERS, INACTIVE MEMBERS, OR RETIREES ON DECEMBER 31, 2019, WHO HAVE MET THE AGE AND SERVICE CREDIT REQUIREMENTS STATED IN THE FOLLOWING TABLE AND WHO DO NOT MEET THE REQUIREMENTS OF SECTION 24-51-602 SHALL, UPON WRITTEN APPLICATION AND APPROVAL OF THE BOARD, RECEIVE REDUCED SERVICE RETIREMENT BENEFITS PURSUANT TO THE BENEFIT FORMULA SET FORTH IN SECTION 24-51-605:

TABLE C.1
REDUCED SERVICE RETIREMENT ELIGIBILITY

AGE REQUIREMENT (YEARS)		SERVICE CREDIT REQUIREMENT (YEARS)
55		25
55	STATE TROOPERS ONLY	20
60		5

SECTION 16. In Colorado Revised Statutes, 24-51-606, **amend** (1.5) and (2)(b) as follows:

24-51-606. Vested inactive member rights. (1.5) Any member who was not a member, inactive member, or retiree on December 31, 2006, who has earned at least five years of service credit and who terminates membership and does not elect to receive a refund pursuant to ~~the provisions of section 24-51-405~~ shall be eligible for a benefit to become effective upon written application and approval by the board and upon reaching the age specified in ~~table B.05, B.07, or B.1~~ TABLE B.05, B.07, B.1, B.2, B.3, B.4, B.5, OR B.6 of section 24-51-602, as applicable, for a service retirement or in ~~table C~~ TABLE C OR C.1 of section 24-51-604 for a reduced service retirement. Notwithstanding the provisions of this subsection (1.5), for such a member who applies for retirement within ninety days after the member attains age and service eligibility, the effective date of retirement shall be the date the member attains such age and service eligibility.

(2) (b) Direct payments in lieu of member contributions are calculated at the ~~current~~ APPLICABLE member contribution rates PURSUANT TO SECTION 24-51-401 (1.7), multiplied by the most recent full-time monthly salary paid for the position previously held by the vested inactive member.

SECTION 17. In Colorado Revised Statutes, **amend** 24-51-1001 as follows:

24-51-1001. Types of benefit increases. (1) For benefit recipients whose benefits are based on the account of a member who was a member, inactive member, or retiree on December 31, 2006, or for benefit recipients whose benefits are based on the account of a DPS member or DPS retiree, annual increases in retirement benefits and survivor benefits shall be effective with the July benefit. Such increases in benefits shall be calculated in accordance with ~~the provisions of~~ sections 24-51-1002 and 24-51-1003, SUBJECT TO SECTION 24-51-413, and shall be paid from the retirement benefits reserve or the survivor benefits reserve, as appropriate, so long as the following requirements are satisfied:

(a) For benefit recipients whose benefit is based on a retiree or DPS retiree whose effective date of retirement is prior to January 1, 2011, or whose survivor benefits are based on a date of death that occurred prior to

January 1, 2011, the benefits have been paid to the benefit recipient for at least seven months preceding July 1.

(b) For benefit recipients whose benefit is based on a retiree or DPS retiree whose effective date of retirement is on or after January 1, 2011, or whose survivor benefits are based on a date of death that is on or after January 1, 2011, AND AN ANNUAL INCREASE HAS BEEN APPLIED TO THE BENEFIT ON OR BEFORE MAY 1, 2018, the benefits have been paid to the benefit recipient for the twelve months prior to July 1, and for benefit recipients whose benefit is based upon a retiree or DPS retiree who was not eligible to retire as of January 1, 2011, THE BENEFITS HAVE BEEN PAID TO THE BENEFIT RECIPIENT FOR THE TWELVE MONTHS PRIOR TO JULY 1 AND AN ANNUAL INCREASE HAS BEEN APPLIED TO THE BENEFIT ON OR BEFORE MAY 1, 2018, the retiree met the following requirements:

(I) For DPS members with five or more years of service credit as of January 1, 2011, and for members WHO ARE NOT STATE TROOPERS who began membership prior to July 1, 2005, and have five or more years of service credit as of January 1, 2011, the retiree retired with a service retirement benefit pursuant to section 24-51-602 or 24-51-1713, whichever is applicable, or retired with a reduced service retirement benefit pursuant to section 24-51-604 or 24-51-1714, whichever is applicable, but has, as of January 1, attained the age and service credit years that when combined total at least eighty years, or retired with a reduced service retirement benefit pursuant to section 24-51-604 but has, as of January 1, attained the age of sixty;

(II) For members WHO ARE NOT STATE TROOPERS who began membership on or after July 1, 2005, but prior to January 1, 2007, the retiree retired with a service retirement benefit pursuant to section 24-51-602, or retired with a reduced service retirement benefit pursuant to section 24-51-604 but has, as of January 1, attained the age and service credit years that when combined total at least eighty-five years, or retired with a reduced service retirement benefit pursuant to section 24-51-604 but has, as of January 1, attained the age of sixty; or

(III) For DPS members with less than five years of service credit as of January 1, 2011, and for members whose membership began prior to January 1, 2007, with less than five years of service credit as of January 1, 2011, the retiree retired with a service retirement benefit pursuant to section

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24-51-602, or retired with a reduced service retirement benefit pursuant to section 24-51-604 but has, as of January 1, attained the age and service credit years that when combined total at least eighty-five years, or retired with a reduced service retirement benefit pursuant to section 24-51-604 but has, as of January 1, attained the age of sixty; OR

(IV) FOR MEMBERS WHO ARE STATE TROOPERS AND WHO WERE MEMBERS, INACTIVE MEMBERS, OR RETIREES ON DECEMBER 31, 2006, THE RETIREE RETIRED WITH A SERVICE RETIREMENT BENEFIT PURSUANT TO SECTION 24-51-602 OR RETIRED WITH A REDUCED SERVICE RETIREMENT BENEFIT PURSUANT TO SECTION 24-51-604, BUT HAS, AS OF JANUARY 1, ATTAINED THE AGE AND SERVICE CREDIT YEARS, WHEN WEIGHTED WITH NON-STATE TROOPER SERVICE CREDIT, THAT COMBINED TOTAL AT LEAST SEVENTY-FIVE YEARS, OR RETIRED WITH A REDUCED SERVICE RETIREMENT BENEFIT PURSUANT TO SECTION 24-51-604 BUT HAS, AS OF JANUARY 1, ATTAINED THE AGE OF FIFTY-FIVE.

(b.5) FOR BENEFIT RECIPIENTS WHOSE BENEFIT IS BASED ON A RETIREE OR DPS RETIREE WHOSE EFFECTIVE DATE OF RETIREMENT IS ON OR AFTER JANUARY 1, 2011, OR WHOSE SURVIVOR BENEFITS ARE BASED ON A DATE OF DEATH THAT IS ON OR AFTER JANUARY 1, 2011, AND AN ANNUAL INCREASE HAS NOT BEEN APPLIED TO THE RETIREMENT OR SURVIVOR BENEFIT ON OR BEFORE MAY 1, 2018, THE BENEFITS HAVE BEEN PAID TO THE BENEFIT RECIPIENT FOR THIRTY-SIX MONTHS TOTAL BEFORE JULY 1, AND BENEFITS HAVE BEEN PAID TO THE BENEFIT RECIPIENT FOR THE TWELVE MONTHS PRIOR TO JULY 1, AND FOR BENEFIT RECIPIENTS WHOSE BENEFIT IS BASED UPON A RETIREE OR DPS RETIREE WHO WAS NOT ELIGIBLE TO RETIRE AS OF JANUARY 1, 2011, THE RETIREE MET THE FOLLOWING REQUIREMENTS:

(I) FOR DPS MEMBERS WITH FIVE OR MORE YEARS OF SERVICE CREDIT AS OF JANUARY 1, 2011, AND FOR MEMBERS WHO ARE NOT STATE TROOPERS WHO BEGAN MEMBERSHIP PRIOR TO JULY 1, 2005, AND HAVE FIVE OR MORE YEARS OF SERVICE CREDIT AS OF JANUARY 1, 2011, THE RETIREE RETIRED WITH A SERVICE RETIREMENT BENEFIT PURSUANT TO SECTION 24-51-602 OR 24-51-1713, WHICHEVER IS APPLICABLE, OR RETIRED WITH A REDUCED SERVICE RETIREMENT BENEFIT PURSUANT TO SECTION 24-51-604 OR 24-51-1714, WHICHEVER IS APPLICABLE, BUT HAS, AS OF JANUARY 1, ATTAINED THE AGE AND SERVICE CREDIT YEARS THAT WHEN COMBINED TOTAL AT LEAST EIGHTY YEARS, OR RETIRED WITH A REDUCED SERVICE RETIREMENT BENEFIT PURSUANT TO SECTION 24-51-604 BUT HAS, AS OF

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JANUARY 1, ATTAINED THE AGE OF SIXTY;

(II) FOR MEMBERS WHO ARE NOT STATE TROOPERS WHO BEGAN MEMBERSHIP ON OR AFTER JULY 1, 2005, BUT PRIOR TO JANUARY 1, 2007, THE RETIREE RETIRED WITH A SERVICE RETIREMENT BENEFIT PURSUANT TO SECTION 24-51-602, OR RETIRED WITH A REDUCED SERVICE RETIREMENT BENEFIT PURSUANT TO SECTION 24-51-604 BUT HAS, AS OF JANUARY 1, ATTAINED THE AGE AND SERVICE CREDIT YEARS THAT WHEN COMBINED TOTAL AT LEAST EIGHTY-FIVE YEARS, OR RETIRED WITH A REDUCED SERVICE RETIREMENT BENEFIT PURSUANT TO SECTION 24-51-604 BUT HAS, AS OF JANUARY 1, ATTAINED THE AGE OF SIXTY;

(III) FOR DPS MEMBERS WITH LESS THAN FIVE YEARS OF SERVICE CREDIT AS OF JANUARY 1, 2011, AND FOR MEMBERS WHOSE MEMBERSHIP BEGAN PRIOR TO JANUARY 1, 2007, WITH LESS THAN FIVE YEARS OF SERVICE CREDIT AS OF JANUARY 1, 2011, THE RETIREE RETIRED WITH A SERVICE RETIREMENT BENEFIT PURSUANT TO SECTION 24-51-602, OR RETIRED WITH A REDUCED SERVICE RETIREMENT BENEFIT PURSUANT TO SECTION 24-51-604 BUT HAS, AS OF JANUARY 1, ATTAINED THE AGE AND SERVICE CREDIT YEARS THAT WHEN COMBINED TOTAL AT LEAST EIGHTY-FIVE YEARS, OR RETIRED WITH A REDUCED SERVICE RETIREMENT BENEFIT PURSUANT TO SECTION 24-51-604 BUT HAS, AS OF JANUARY 1, ATTAINED THE AGE OF SIXTY; OR

(IV) FOR MEMBERS WHO ARE STATE TROOPERS AND WHO WERE MEMBERS, INACTIVE MEMBERS, OR RETIREES ON DECEMBER 31, 2006, THE RETIREE RETIRED WITH A SERVICE RETIREMENT BENEFIT PURSUANT TO SECTION 24-51-602 OR RETIRED WITH A REDUCED SERVICE RETIREMENT BENEFIT PURSUANT TO SECTION 24-51-604, BUT HAS, AS OF JANUARY 1, ATTAINED THE AGE AND SERVICE CREDIT YEARS, WHEN WEIGHTED WITH NON-STATE TROOPER SERVICE CREDIT, THAT COMBINED TOTAL AT LEAST SEVENTY-FIVE YEARS, OR RETIRED WITH A REDUCED SERVICE RETIREMENT BENEFIT PURSUANT TO SECTION 24-51-604 BUT HAS, AS OF JANUARY 1, ATTAINED THE AGE OF FIFTY-FIVE.

(c) No minimum age or service credit requirement shall apply to disability retirees or survivor benefit recipients.

(1.5) and (2) (Deleted by amendment, L. 93, p. 478, § 6, effective March 1, 1994.)

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(3) For benefit recipients whose benefits are based on the account of a member who was not a member, inactive member, or retiree on December 31, 2006, annual increases in retirement benefits and survivor benefits, if any, shall be effective with the July benefit in accordance with ~~the provisions of~~ section 24-51-1009, SUBJECT TO SECTION 24-51-413, and shall be paid from the retirement benefits reserve or the survivor benefits reserve, as appropriate, so long as the following requirements are satisfied:

(a) The benefits have been paid to the benefit recipient for the full preceding calendar year AND AN ANNUAL INCREASE HAS BEEN APPLIED TO THE RETIREMENT OR SURVIVOR BENEFIT ON OR BEFORE MAY 1, 2018; and

(b) (I) For members WHO ARE NOT STATE TROOPERS whose membership began on or after January 1, 2007, but prior to January 1, 2011, the retiree retired with a service retirement benefit pursuant to section 24-51-602, or retired with a reduced service retirement benefit pursuant to section 24-51-604 but has, as of January 1, attained the age and service credit years that when combined total at least eighty-five years, or retired with a reduced service retirement benefit pursuant to section 24-51-604 but has, as of January 1, attained the age of sixty;

(II) For members WHO ARE NOT STATE TROOPERS whose membership began on or after January 1, 2011, but prior to January 1, 2017, the retiree retired with a service retirement benefit pursuant to section 24-51-602, or retired with a reduced service retirement benefit pursuant to section 24-51-604 but has, as of January 1, attained the age and service credit years that when combined total at least eighty-eight years, or retired with a reduced service retirement benefit pursuant to section 24-51-604 but has, as of January 1, attained the age of sixty;

(III) ~~Subject to the provisions of subparagraph (IV) of this paragraph (b)~~ SUBSECTION (3)(b)(IV) OF THIS SECTION, for members WHO ARE NOT STATE TROOPERS whose membership began on or after January 1, 2017, the retiree retired with a service retirement benefit pursuant to section 24-51-602, or retired with a reduced service retirement benefit pursuant to section 24-51-604 but has, as of January 1, attained the age and service credit years that when combined total at least ninety years, or retired with a reduced service retirement benefit pursuant to section 24-51-604 but has, as of January 1, attained the age of sixty; ~~or~~

(IV) For members whose membership began on or after January 1, 2017, the retiree retired from the school or Denver public schools divisions with a reduced service retirement benefit pursuant to section 24-51-604 and the retiree's most recent ten years of service credit was earned in the school or Denver public schools divisions, but, as of January 1, the retiree's age and total service credit total at least eighty-eight years, or the retiree retired with a reduced service retirement benefit pursuant to section 24-51-604 but has, as of January 1, attained the age of sixty; OR

(V) FOR MEMBERS WHO ARE STATE TROOPERS WHO WERE NOT MEMBERS, INACTIVE MEMBERS, OR RETIREES ON DECEMBER 31, 2006, THE RETIREE RETIRED WITH A SERVICE RETIREMENT BENEFIT PURSUANT TO SECTION 24-51-602 OR RETIRED WITH A REDUCED SERVICE RETIREMENT BENEFIT PURSUANT TO SECTION 24-51-604, BUT HAS, AS OF JANUARY 1, ATTAINED THE AGE AND SERVICE CREDIT YEARS, WHEN WEIGHTED WITH NON-STATE TROOPER SERVICE CREDIT, THAT COMBINED TOTAL AT LEAST SEVENTY-FIVE YEARS, OR RETIRED WITH A REDUCED SERVICE RETIREMENT BENEFIT PURSUANT TO SECTION 24-51-604 BUT HAS, AS OF JANUARY 1, ATTAINED THE AGE OF FIFTY-FIVE.

(c) No minimum age or service credit requirement shall apply to disability retirees or survivor benefit recipients.

(3.5) FOR BENEFIT RECIPIENTS WHOSE BENEFITS ARE BASED ON THE ACCOUNT OF A MEMBER WHO WAS NOT A MEMBER, INACTIVE MEMBER, OR RETIREE ON DECEMBER 31, 2006, ANNUAL INCREASES IN RETIREMENT BENEFITS AND SURVIVOR BENEFITS, IF ANY, ARE EFFECTIVE WITH THE JULY BENEFIT IN ACCORDANCE WITH SECTION 24-51-1009, SUBJECT TO SECTION 24-51-413, AND SHALL BE PAID FROM THE RETIREMENT BENEFITS RESERVE OR THE SURVIVOR BENEFITS RESERVE, AS APPROPRIATE, SO LONG AS THE FOLLOWING REQUIREMENTS ARE SATISFIED:

(a) THE BENEFITS HAVE BEEN PAID TO THE BENEFIT RECIPIENT FOR THIRTY-SIX MONTHS TOTAL, AND BENEFITS HAVE BEEN PAID TO THE BENEFIT RECIPIENT FOR THE FULL PRECEDING CALENDAR YEAR, AND AN ANNUAL INCREASE HAS NOT BEEN APPLIED TO THE RETIREMENT OR SURVIVOR BENEFIT ON OR BEFORE MAY 1, 2018; AND

(b) (I) FOR MEMBERS WHO ARE NOT STATE TROOPERS WHOSE MEMBERSHIP BEGAN ON OR AFTER JANUARY 1, 2007, BUT PRIOR TO JANUARY

1, 2011, THE RETIREE RETIRED WITH A SERVICE RETIREMENT BENEFIT PURSUANT TO SECTION 24-51-602, OR RETIRED WITH A REDUCED SERVICE RETIREMENT BENEFIT PURSUANT TO SECTION 24-51-604 BUT HAS, AS OF JANUARY 1, ATTAINED THE AGE AND SERVICE CREDIT YEARS THAT WHEN COMBINED TOTAL AT LEAST EIGHTY-FIVE YEARS, OR RETIRED WITH A REDUCED SERVICE RETIREMENT BENEFIT PURSUANT TO SECTION 24-51-604 BUT HAS, AS OF JANUARY 1, ATTAINED THE AGE OF SIXTY;

(II) FOR MEMBERS WHO ARE NOT STATE TROOPERS WHOSE MEMBERSHIP BEGAN ON OR AFTER JANUARY 1, 2011, BUT PRIOR TO JANUARY 1, 2017, THE RETIREE RETIRED WITH A SERVICE RETIREMENT BENEFIT PURSUANT TO SECTION 24-51-602, OR RETIRED WITH A REDUCED SERVICE RETIREMENT BENEFIT PURSUANT TO SECTION 24-51-604 BUT HAS, AS OF JANUARY 1, ATTAINED THE AGE AND SERVICE CREDIT YEARS THAT WHEN COMBINED TOTAL AT LEAST EIGHTY-EIGHT YEARS, OR RETIRED WITH A REDUCED SERVICE RETIREMENT BENEFIT PURSUANT TO SECTION 24-51-604 BUT HAS, AS OF JANUARY 1, ATTAINED THE AGE OF SIXTY;

(III) SUBJECT TO SUBSECTION (3.5)(b)(IV) OF THIS SECTION, FOR MEMBERS WHO ARE NOT STATE TROOPERS WHOSE MEMBERSHIP BEGAN ON OR AFTER JANUARY 1, 2017, THE RETIREE RETIRED WITH A SERVICE RETIREMENT BENEFIT PURSUANT TO SECTION 24-51-602, OR RETIRED WITH A REDUCED SERVICE RETIREMENT BENEFIT PURSUANT TO SECTION 24-51-604 BUT HAS, AS OF JANUARY 1, ATTAINED THE AGE AND SERVICE CREDIT YEARS THAT WHEN COMBINED TOTAL AT LEAST NINETY YEARS, OR RETIRED WITH A REDUCED SERVICE RETIREMENT BENEFIT PURSUANT TO SECTION 24-51-604 BUT HAS, AS OF JANUARY 1, ATTAINED THE AGE OF SIXTY;

(IV) FOR MEMBERS WHOSE MEMBERSHIP BEGAN ON OR AFTER JANUARY 1, 2017, THE RETIREE RETIRED FROM THE SCHOOL OR DENVER PUBLIC SCHOOLS DIVISIONS WITH A REDUCED SERVICE RETIREMENT BENEFIT PURSUANT TO SECTION 24-51-604 AND THE RETIREE'S MOST RECENT TEN YEARS OF SERVICE CREDIT WAS EARNED IN THE SCHOOL OR DENVER PUBLIC SCHOOLS DIVISIONS, BUT, AS OF JANUARY 1, THE RETIREE'S AGE AND TOTAL SERVICE CREDIT TOTAL AT LEAST EIGHTY-EIGHT YEARS, OR THE RETIREE RETIRED WITH A REDUCED SERVICE RETIREMENT BENEFIT PURSUANT TO SECTION 24-51-604 BUT HAS, AS OF JANUARY 1, ATTAINED THE AGE OF SIXTY;

(V) FOR MEMBERS WHO ARE STATE TROOPERS WHO WERE NOT

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MEMBERS, INACTIVE MEMBERS, OR RETIREES ON DECEMBER 31, 2006, BUT BEFORE DECEMBER 31, 2020, THE RETIREE RETIRED WITH A SERVICE RETIREMENT BENEFIT PURSUANT TO SECTION 24-51-602 OR RETIRED WITH A REDUCED SERVICE RETIREMENT BENEFIT PURSUANT TO SECTION 24-51-604, BUT HAS, AS OF JANUARY 1, ATTAINED THE AGE AND SERVICE CREDIT YEARS, WHEN WEIGHTED WITH NON-STATE TROOPER SERVICE CREDIT, THAT COMBINED TOTAL AT LEAST SEVENTY-FIVE YEARS, OR RETIRED WITH A REDUCED SERVICE RETIREMENT BENEFIT PURSUANT TO SECTION 24-51-604 BUT HAS, AS OF JANUARY 1, ATTAINED THE AGE OF FIFTY-FIVE;

(VI) FOR MEMBERS WHO ARE NOT STATE TROOPERS WHOSE MEMBERSHIP BEGAN ON OR AFTER JANUARY 1, 2020, THE RETIREE RETIRED WITH A SERVICE RETIREMENT BENEFIT PURSUANT TO SECTION 24-51-602, OR RETIRED WITH A REDUCED SERVICE RETIREMENT BENEFIT PURSUANT TO SECTION 24-51-604 BUT HAS, AS OF JANUARY 1, ATTAINED THE AGE AND SERVICE CREDIT YEARS THAT WHEN COMBINED TOTAL AT LEAST NINETY-FOUR YEARS, OR RETIRED WITH A REDUCED SERVICE RETIREMENT BENEFIT PURSUANT TO SECTION 24-51-604 BUT HAS, AS OF JANUARY 1, ATTAINED THE AGE OF SIXTY-FOUR; OR

(VII) FOR MEMBERS WHO ARE STATE TROOPERS WHOSE MEMBERSHIP BEGAN ON OR AFTER JANUARY 1, 2020, THE RETIREE RETIRED WITH A SERVICE RETIREMENT BENEFIT PURSUANT TO SECTION 24-51-602, OR RETIRED WITH A REDUCED SERVICE RETIREMENT BENEFIT PURSUANT TO SECTION 24-51-604, BUT HAS, AS OF JANUARY 1, ATTAINED THE AGE AND SERVICE CREDIT YEARS, WHEN WEIGHTED WITH NON-STATE TROOPER SERVICE CREDIT, THAT COMBINED TOTAL AT LEAST EIGHTY YEARS, OR RETIRED WITH A REDUCED SERVICE RETIREMENT BENEFIT PURSUANT TO SECTION 24-51-604 BUT HAS, AS OF JANUARY 1, ATTAINED THE AGE OF SIXTY.

(c) NO MINIMUM AGE OR SERVICE CREDIT REQUIREMENT SHALL APPLY TO DISABILITY RETIREES OR SURVIVOR BENEFIT RECIPIENTS.

(4) Benefits that are calculated pursuant to part 17 of this ~~article~~ ARTICLE 51 shall be governed by the benefit increase provisions of such part 17.

SECTION 18. In Colorado Revised Statutes, 24-51-1002, **amend** (2); and **add** (1.5) as follows:

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24-51-1002. Annual percentages to be used.

(1.5) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION, FOR THE YEARS 2018 AND 2019, THE ANNUAL INCREASE AWARDED SHALL BE ZERO PERCENT.

(2) Beginning ~~in the year 2011~~ ON THE EFFECTIVE DATE OF THIS SUBSECTION (2), AS AMENDED, subject to ~~the provisions of~~ section 24-51-1009.5, for benefit recipients whose benefits are based on the account of a member who was a member, inactive member, or retiree on December 31, 2006, or for benefit recipients whose benefits are based on the account of a DPS member or DPS retiree, the increase applied to benefits paid shall be ~~the lesser of two percent or the average of the annual increases determined for each month, to the nearest one-tenth of a percent, as calculated by the United States department of labor, in the national consumer price index for urban wage earners and clerical workers during the calendar year preceding the increase in the benefit. Notwithstanding the provisions of this subsection (2), the increase shall be the maximum permitted under this subsection (2) and section 24-51-1009.5 unless the association's annual audited return on investments is negative for the preceding calendar year, at which point the annual increase for the subsequent three years shall be the lesser of two percent or the average of the annual increases determined for each month, to the nearest one-tenth of a percent, as calculated by the United States department of labor, in the national consumer price index for urban wage earners and clerical workers during the calendar year preceding the increase in the benefit~~ ONE AND ONE-HALF PERCENT UNLESS ADJUSTED PURSUANT TO SECTION 24-51-413. The increase applied to such benefits shall be recalculated annually as of July 1 and shall be the compounded annual percentage of the annual increases applied to such benefits. In the first year that the benefit recipient is eligible to receive an annual increase pursuant to section 24-51-1001, the annual increase shall be prorated.

SECTION 19. In Colorado Revised Statutes, 24-51-1009, **amend** (4) introductory portion and (4)(a); and **add** (1.5) as follows:

24-51-1009. Annual increase reserve - creation. (1.5) FOR THE YEARS 2018 AND 2019, THE ANNUAL INCREASE AWARDED SHALL BE ZERO PERCENT.

(4) An actuarial valuation shall be conducted each year for the

annual increase reserve of each division for the purposes of this section. The actuarial valuation shall include a determination of the total market value of the assets in the reserve and a calculation of the net present value of the actuarial liabilities associated with providing each of the annual increases described in ~~paragraphs (a), (b), and (c) of this subsection (4)~~ SUBSECTIONS (4)(a), (4)(b), AND (4)(c) OF THIS SECTION. Subject to section 24-51-1009.5, the maximum annual increase awarded by the board shall be the lesser of the following calculations:

(a) SUBJECT TO THE MAXIMUM ANNUAL INCREASE AS ADJUSTED PURSUANT TO SECTION 24-51-413, a permanent increase equal to ~~two percent~~ ONE AND ONE-HALF PERCENT of current benefits payable to benefit recipients then eligible for an annual increase in accordance with section 24-51-1001 (3);

SECTION 20. In Colorado Revised Statutes, **amend** 24-51-1009.5 as follows:

24-51-1009.5. Annual increase amount changes. When the actuarial funded ratio of the association, based on the actuarial value of assets, is at or above one hundred three percent as determined in the annual actuarial study of the association, the upper limit of the annual increase shall be increased by one-quarter of one percent. ~~If the actuarial funded ratio of the association, based on the actuarial value of assets, reaches one hundred three percent and subsequently any annual actuarial study reflects the actuarial funded ratio of the association, based on the actuarial value of assets, is below ninety percent, the upper limit of the annual increase shall be decreased by one-quarter of one percent. At no time shall the upper limit of the annual increase fall below two percent.~~

SECTION 21. In Colorado Revised Statutes, **add** 24-51-1500.2 as follows:

24-51-1500.2. Legislative declaration. THE GENERAL ASSEMBLY FINDS AND DECLARES THAT THE PURPOSE OF THE DEFINED CONTRIBUTION PLAN ESTABLISHED IN THIS PART 15 IS TO PROVIDE ELIGIBLE EMPLOYEES WHO PARTICIPATE IN THE DEFINED CONTRIBUTION PLAN WITH A PATH TOWARD HAVING A SECURE RETIREMENT THROUGH A FOCUS ON LIFETIME RETIREMENT INCOME TO MAINTAIN AN ELIGIBLE EMPLOYEE'S STANDARD OF LIVING FOLLOWING A FULL CAREER OF EMPLOYMENT. THE PROVISIONS OF

THIS PART 15 ARE DESIGNED TO AVOID A NEGATIVE IMPACT ON THE DEFINED BENEFIT TRUSTS IN THIS ARTICLE 51. EMPLOYERS ARE RESPONSIBLE FOR ENSURING THAT THEIR EMPLOYEES UNDERSTAND THE ADVANTAGES AND DISADVANTAGES OF THE DEFINED BENEFIT AND DEFINED CONTRIBUTION PLANS.

SECTION 22. In Colorado Revised Statutes, 24-51-1501, **amend** (1) and (4) as follows:

24-51-1501. Defined contribution plan - establishment - creation of fund - definitions. (1) The board is hereby authorized to establish and administer a defined contribution plan for eligible ~~state~~ employees as provided in this part 15. The board shall establish the terms and conditions of the association's defined contribution plan offered to eligible ~~state~~ employees. The assets of the plan shall be held in a separate trust fund of the association created for such purpose.

(4) For purposes of this part 15, "employer" means the state, the general assembly, the office of a district attorney in a judicial district, any state department that employs an eligible employee, ~~and~~ any community college governed by the state board for community colleges and occupational education. EFFECTIVE JANUARY 1, 2019, "EMPLOYER" ALSO INCLUDES ANY EMPLOYER IN THE LOCAL GOVERNMENT DIVISION AND, TO THE EXTENT THAT THEY EMPLOY CLASSIFIED EMPLOYEES IN THE STATE PERSONNEL SYSTEM, ANY STATE COLLEGE OR UNIVERSITY AS DEFINED IN SECTION 24-54.5-102 (7), ANY INSTITUTION UNDER THE CONTROL OF THE BOARD OF REGENTS OF THE UNIVERSITY OF COLORADO, OR AN INSTITUTION GOVERNED PURSUANT TO PART 5 OF ARTICLE 21 OF TITLE 23. PRIOR TO JANUARY 1, 2019, "employer" shall not include any state college or university as defined in section 24-54.5-102 (7), any institution under the control of the board of regents of the university of Colorado, or an institution governed pursuant to part 5 of article 21 of title 23. ~~C.R.S.~~

SECTION 23. In Colorado Revised Statutes, 24-51-1502, **amend** (2)(a); and **repeal** (3) as follows:

24-51-1502. New eligible employees - election - definitions. (2) (a) For purposes of this part 15, "eligible employee" means, effective July 1, 2009, AND EFFECTIVE JANUARY 1, 2019, FOR LOCAL GOVERNMENT DIVISION EMPLOYEES AND STATE DIVISION EMPLOYEES WHO ARE EMPLOYED

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ONLY IN A CLASSIFIED POSITION IN THE STATE PERSONNEL SYSTEM BY A STATE COLLEGE OR UNIVERSITY, any employee who commences employment with an employer and who, if not commencing employment in a state elected official's position, has not been a member of the association's defined benefit plan or the association's defined contribution plan or an active participant of the state defined contribution plan established pursuant to part 2 of article 52 of this title TITLE 24, as said part existed prior to its repeal in 2009, during the twelve months prior to the date that he or she commenced employment. "Eligible employee" includes a retiree of the association who is serving in a state elected official's position but does not include any other retiree of the association or a retiree of the association who has suspended benefits.

~~(3) An eligible employee hired by an employer on or after May 2, 2009, is eligible for the election pursuant to subsection (1) of this section.~~

SECTION 24. In Colorado Revised Statutes, 24-51-1503, **amend** (2) as follows:

24-51-1503. Defined contribution plan option. (2) An employee hired by an employer who has been a member of the association's defined benefit plan or the association's defined contribution plan during the twelve months prior to the date that the employee commences employment shall automatically continue to be a member of such plan upon commencing employment. IF AUTOMATICALLY CONTINUING IN THE DEFINED CONTRIBUTION PLAN, THE EMPLOYEE'S INDIVIDUAL PARTICIPATION ACCOUNT SHALL RECEIVE THE SAME EMPLOYER CONTRIBUTION PURSUANT TO SECTION 24-51-1505 (1), AS PREVIOUSLY ENTITLED. The employee shall be considered an eligible employee for purposes of section 24-51-1506.

SECTION 25. In Colorado Revised Statutes, 24-51-1505, **amend** (1), (2), and (3) as follows:

24-51-1505. Contributions - vesting - definition. (1) Contribution rates ~~to the association's defined contribution plan~~ by the employer and by members of the defined contribution plan established pursuant to this part 15 shall be the same as the rates that would be payable by the employer and the member pursuant to section 24-51-401. THE INDIVIDUAL'S PARTICIPANT ACCOUNT SHALL RECEIVE THE FULL MEMBER CONTRIBUTION AMOUNT IN EFFECT UNDER SECTION 24-51-401. THE INDIVIDUAL'S PARTICIPANT

ACCOUNT SHALL RECEIVE A PORTION OF THE EMPLOYER CONTRIBUTION EQUAL TO THE AMOUNT IN TABLE A IN SECTION 24-51-401 (1.7)(a). ANY PORTION OF THE EMPLOYER CONTRIBUTION ABOVE THE AMOUNT IN TABLE A IN 24-51-401 (1.7)(a) SHALL BE PAID TO THE EMPLOYER'S DIVISION TRUST FUND.

(2) Consistent with ~~the provisions of~~ section 24-51-401 (1.7)(b), (1.7)(c), and (1.7)(d), the employer shall deliver all contributions ~~to the defined contribution plan trust fund via the service provider designated by the association~~ within five days after the date members are paid.

(3) Except as otherwise provided in subsection (4) of this section, members of the association's defined contribution plan shall be immediately and fully vested in their own contributions to the plan, together with accumulated investment gains or losses. Members shall be immediately vested in fifty percent of the employer's contribution to the DEFINED CONTRIBUTION plan, together with accumulated investment gains or losses on that vested portion. For each full year of membership in the defined contribution plan, the vesting percentage shall increase by ten percent. The vesting percentage in the employer's contribution, with accumulated earnings or losses, shall be one hundred percent for all members with five or more years of membership in the defined contribution plan. If an individual becomes a member of the defined contribution plan without an existing account balance or after a twelve-month break in service, the individual shall begin a new vesting schedule with regard to future employer contributions in accordance with this subsection (3).

SECTION 26. In Colorado Revised Statutes, 24-51-1702, **amend** (17) as follows:

24-51-1702. Definitions. As used in this part 17, unless the context otherwise requires:

(17) "Highest average salary" means the average monthly compensation of the thirty-six months of accredited service having the highest rates, multiplied by twelve, or the "career average salary", whichever is greater, and shall be applied to benefits, except for benefits under sections 24-51-1727 to 24-51-1731, attributable to retirement or death on or after July 1, 1994. For benefits under sections 24-51-1727 to 24-51-1731, "highest average salary" applies to cases where termination of

service occurs on or after July 1, 1994. This subsection (17) shall apply only to DPS members eligible for a retirement benefit as of January 1, 2011. For DPS members not eligible for a retirement benefit as of January 1, 2011, the definition of "highest average salary" specified in ~~section 24-51-101~~ (25)(b)(V) SECTION 24-51-101 (25)(b)(V) AND (25)(b)(VI), shall apply.

SECTION 27. In Colorado Revised Statutes, **add with amended and relocated provisions** article 51.1 to title 24 as follows:

ARTICLE 51.1
Pension Review Commission

24-51.1-101. [Formerly 31-31-1001.] Pension review commission.

(1) (a) There is hereby created the ~~police officers' and firefighters'~~ pension ~~reform~~ REVIEW commission, to REFERRED TO IN THIS SECTION AS THE "COMMISSION". BEGINNING IN THE FIRST REGULAR SESSION OF THE SEVENTY-SECOND GENERAL ASSEMBLY, THE COMMISSION SHALL be comprised of five senators, THREE OF WHOM ARE appointed by the president of the senate AND TWO OF WHOM ARE APPOINTED BY THE MINORITY LEADER OF THE SENATE, and ~~ten~~ FIVE representatives, THREE OF WHOM ARE appointed by the speaker of the house of representatives ~~The party representation shall be in proportion generally to the relative number of members of the two major political parties in each chamber~~ AND TWO OF WHOM ARE APPOINTED BY THE MINORITY LEADER OF THE HOUSE OF REPRESENTATIVES. The chair shall be designated by the speaker of the house of representatives in odd-numbered years and by the president of the senate in even-numbered years. The vice-chair shall be appointed by the speaker of the house of representatives in even-numbered years and by the president of the senate in odd-numbered years. Members of the commission shall receive the same per diem allowance authorized for other members of the general assembly serving on interim study committees and actual expenses for participation in meetings of the commission. Staff services for the commission AND THE PENSION REVIEW SUBCOMMITTEE CREATED PURSUANT TO SUBSECTION (3) OF THIS SECTION shall be furnished by the state auditor's office, the legislative council, and the office of legislative legal services. The state auditor, with the approval of the commission, may contract for services deemed necessary for the implementation of this ~~part~~ ~~to~~ ARTICLE 51.1.

(b) ~~The terms of the members appointed by the speaker of the house~~

~~of representatives and the president of the senate and who are serving on March 22, 2007, shall be extended to and expire on or shall terminate on the convening date of the first regular session of the sixty-seventh general assembly. As soon as practicable after such convening date, the speaker and the president shall appoint or reappoint members in the same manner as provided in paragraph (a) of this subsection (1). Thereafter, The terms of members appointed or reappointed by the speaker, and THE MINORITY LEADER OF THE HOUSE OF REPRESENTATIVES, the president, AND THE MINORITY LEADER OF THE SENATE shall expire on the convening date of the first regular session of each general assembly, and all subsequent appointments and reappointments by the speaker and the president shall be made as soon as practicable after such convening date. The person making the original appointment or reappointment shall fill any vacancy by appointment for the remainder of an unexpired term. Members appointed or reappointed by the speaker, and THE MINORITY LEADER OF THE HOUSE OF REPRESENTATIVES, the president, AND THE MINORITY LEADER OF THE SENATE shall serve at the pleasure of the appointing authority and shall continue in office until the member's successor is appointed.~~

(2) The commission shall study and develop proposed legislation relating to funding of police officers' and firefighters' pensions in this state and benefit designs of such pension plans. IN ADDITION, THE COMMISSION SHALL STUDY AND DEVELOP PROPOSED LEGISLATION RELATING TO THE PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION. The commission study OF POLICE OFFICERS' AND FIREFIGHTERS' PENSIONS AND OF THE PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION shall include a review of, and the proposed legislation may include, among other subjects, the following, AS APPLICABLE:

- (a) Normal retirement age; ~~and compulsory retirement;~~
- (b) Payment of benefits prior to normal retirement age;
- (c) Service requirements for eligibility;
- (d) Rate of accrual of benefits;
- (e) Disability benefits;
- (f) Survivors' benefits;

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- (g) Vesting of benefits;
- (h) Employee AND EMPLOYER contributions;
- (i) Postretirement increases;
- (j) Creation of an administrative board;
- (k) Creation of a consolidated statewide system;
- ~~(l) Distribution of state funds;~~
- ~~(m)~~ (l) Coordination of benefits with other programs;
- ~~(n)~~ (m) The volunteer firefighter pension system;
- ~~(o)~~ (n) The provisions of ~~this article and article 30.5 of this title~~ ARTICLES 30, 30.5, AND 31 OF TITLE 31; AND
- (o) THE PROVISIONS OF ARTICLE 51 OF THIS TITLE 24.
- ~~(3) Repealed.~~

(3) (a) THERE IS HEREBY CREATED THE PENSION REVIEW SUBCOMMITTEE. THE SUBCOMMITTEE SHALL CONSIST OF FOURTEEN MEMBERS APPOINTED AS FOLLOWS:

(I) THE SPEAKER OF THE HOUSE OF REPRESENTATIVES, THE MINORITY LEADER OF THE HOUSE OF REPRESENTATIVES, THE PRESIDENT OF THE SENATE, AND THE MINORITY LEADER OF THE SENATE SHALL EACH APPOINT ONE LEGISLATOR WHO HE OR SHE HAS APPOINTED TO SERVE ON THE PENSION REFORM COMMISSION TO ALSO SERVE ON THE SUBCOMMITTEE;

(II) THE SPEAKER OF THE HOUSE OF REPRESENTATIVES AND THE PRESIDENT OF THE SENATE SHALL BOTH APPOINT TWO PEOPLE FROM THE COMMUNITY WITH EXPERIENCE OR KNOWLEDGE OF INVESTMENT MANAGEMENT, CORPORATE OR PUBLIC FINANCE, COMPENSATION AND BENEFIT SYSTEMS, ECONOMICS, ACCOUNTING, PENSION ADMINISTRATION, OR ACTUARIAL ANALYSIS;

(III) THE MINORITY LEADER OF THE HOUSE OF REPRESENTATIVES AND THE MINORITY LEADER OF THE SENATE SHALL BOTH APPOINT TWO PEOPLE FROM THE COMMUNITY WITH EXPERIENCE OR KNOWLEDGE OF INVESTMENT MANAGEMENT, CORPORATE OR PUBLIC FINANCE, COMPENSATION AND BENEFIT SYSTEMS, ECONOMICS, ACCOUNTING, PENSION ADMINISTRATION, OR ACTUARIAL ANALYSIS;

(IV) THE GOVERNOR SHALL APPOINT ONE PERSON FROM THE COMMUNITY WITH EXPERIENCE OR KNOWLEDGE OF INVESTMENT MANAGEMENT, CORPORATE OR PUBLIC FINANCE, COMPENSATION AND BENEFIT SYSTEMS, ECONOMICS, ACCOUNTING, PENSION ADMINISTRATION, OR ACTUARIAL ANALYSIS; AND

(V) THE STATE TREASURER SHALL APPOINT ONE PERSON FROM THE COMMUNITY WITH EXPERIENCE OR KNOWLEDGE OF INVESTMENT MANAGEMENT, CORPORATE OR PUBLIC FINANCE, COMPENSATION AND BENEFIT SYSTEMS, ECONOMICS, ACCOUNTING, PENSION ADMINISTRATION, OR ACTUARIAL ANALYSIS.

(b) THE CHAIR OF THE SUBCOMMITTEE SHALL BE DESIGNATED BY THE SPEAKER OF THE HOUSE OF REPRESENTATIVES IN ODD-NUMBERED YEARS AND BY THE PRESIDENT OF THE SENATE IN EVEN-NUMBERED YEARS. THE VICE-CHAIR OF THE SUBCOMMITTEE SHALL BE APPOINTED BY THE SPEAKER OF THE HOUSE OF REPRESENTATIVES IN EVEN-NUMBERED YEARS AND BY THE PRESIDENT OF THE SENATE IN ODD-NUMBERED YEARS. THE CHAIR AND VICE-CHAIR SHALL BE DESIGNATED FROM THE LEGISLATIVE MEMBERS OF THE SUBCOMMITTEE.

(c) THE NONLEGISLATIVE MEMBERS OF THE SUBCOMMITTEE SHALL SERVE WITHOUT COMPENSATION FROM THE GENERAL ASSEMBLY.

(4) (a) THE SUBCOMMITTEE SHALL REVIEW THE ITEMS SPECIFIED IN SUBSECTION (2) OF THIS SECTION AS THEY RELATE TO THE PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION, AS APPLICABLE. IN ADDITION, THE SUBCOMMITTEE SHALL:

(I) STUDY THE PROVISIONS OF ARTICLE 51 OF THIS TITLE 24 AND MAKE NECESSARY RECOMMENDATIONS TO THE COMMISSION OR THE PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION;

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(II) DETERMINE THE NECESSITY OF CONTINUING THE DIRECT DISTRIBUTION TO THE PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION PURSUANT TO SECTION 24-51-414;

(III) SUGGEST TO THE PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION ENHANCEMENTS THAT THE ASSOCIATION COULD MAKE TO THE ANNUAL ANALYSIS THAT IT CONDUCTS PURSUANT TO SENATE BILL 14-214, ENACTED IN 2014, TO DETERMINE WHETHER THE ASSOCIATION'S MODEL ASSUMPTIONS ARE MEETING TARGETS AND ACHIEVING SUSTAINABILITY;

(IV) REVIEW THE ANNUAL ACTUARIAL VALUATION OF THE PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION AND MAKE COMMENTS AS NECESSARY TO THE ASSOCIATION REGARDING THE ACTUARIAL VALUATION; AND

(V) MAKE RECOMMENDATIONS TO THE BOARD OF TRUSTEES OF THE PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION REGARDING ASSUMPTIONS, FUNDING POLICY, REPORTING PRACTICES, OR OTHER OPERATIONAL POLICY.

(b) REVIEW SEMI-ANNUALLY THE OVERALL FINANCIAL HEALTH OF THE PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION, INCLUDING THE LEVELS OF BENEFITS, ITS SOURCES OF FUNDING, AND ITS OVERALL FINANCIAL VIABILITY BASED ON BOTH THE ASSUMPTIONS OF THE ASSOCIATION BOARD OF DIRECTORS AND THE REQUIREMENTS OF THE GOVERNMENTAL ACCOUNTING STANDARDS BOARD. THE SUBCOMMITTEE MAY REQUEST THAT THE ASSOCIATION PROVIDE GENERAL FINANCIAL REPORTING BASED ON ASSUMPTIONS FOR ECONOMIC AND INVESTMENT FACTORS, INCLUDING, BUT NOT LIMITED TO, INFLATION, ECONOMIC GROWTH, EMPLOYMENT GROWTH, AND RATE OF RETURN, THAT DIFFER FROM BOARD ASSUMPTIONS. IF THE SUBCOMMITTEE DETERMINES THAT THE ASSOCIATION'S BOARD OF DIRECTORS IS USING ASSUMPTIONS THAT ARE TOO CONSERVATIVE OR TOO AGGRESSIVE, THE SUBCOMMITTEE SHALL REQUEST THAT THE ASSOCIATION ADJUST ITS ASSUMPTIONS ACCORDINGLY.

(c) REVIEW ANNUALLY THE CALCULATED NORMAL COSTS THAT WILL COVER CURRENT PENSION BENEFITS AND THE SHARE OF CONTRIBUTIONS GOING TO COVER THE UNFUNDED LIABILITY OF THE PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION;

(d) REVIEW SEMI-ANNUALLY THE PLANNED REDUCTION OF THE

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UNFUNDED LIABILITY OF THE PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION. IF FULL FUNDING WILL NOT BE ACHIEVED BY 2048, THE SUBCOMMITTEE SHALL MAKE ADDITIONAL RECOMMENDATIONS TO THE COMMISSION, THE JOINT BUDGET COMMITTEE, AND THE GENERAL ASSEMBLY TO ACHIEVE FULL FUNDING BY 2048. IF, UPON THAT REVIEW, THE SUBCOMMITTEE DETERMINES THAT THE ASSOCIATION DOES NOT HAVE AT LEAST A SIXTY-SEVEN PERCENT LIKELIHOOD OF ACHIEVING FULL FUNDING BY 2048, THEN THE ASSOCIATION SHALL PROVIDE RECOMMENDATIONS TO THE SUBCOMMITTEE FOR POLICY CHANGES THAT WOULD RETURN THE ASSOCIATION TO FULLY FUNDED STATUS BY 2048. NOTWITHSTANDING SECTION 24-1-136 (11)(a)(I), THE SUBCOMMITTEE SHALL ANNUALLY REPORT TO THE GENERAL ASSEMBLY REGARDING WHETHER OR NOT THE ASSOCIATION IS ON TRACK TO ACHIEVE FULL FUNDING BY 2048 AND IF NOT, THE CORRECTIVE ACTIONS RECOMMENDED BY THE SUBCOMMITTEE OR THE ASSOCIATION TO RECTIFY THE SHORTFALL.

(e) ANNUALLY REPORT IN WRITING TO THE CITIZENS OF COLORADO REGARDING WHETHER OR NOT THE PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION IS ON TRACK TO ACHIEVE FULL FUNDING BY 2048 AND IF NOT, THE CORRECTIVE ACTIONS RECOMMENDED BY THE SUBCOMMITTEE OR THE ASSOCIATION TO THE GENERAL ASSEMBLY TO RECTIFY THE SHORTFALL. SUCH COMMUNICATION SHALL BE MADE IN A MANNER THAT IS CLEAR, CONCISE, AND ACCESSIBLE TO LAYPEOPLE. THIS COMMUNICATION SHALL QUANTIFY THE NET PRESENT VALUE OF ANY FUNDING DEFICIT ON A PER CITIZEN BASIS. FOR EXAMPLE, FIFTY BILLION DOLLARS ON FIVE MILLION FIVE HUNDRED THOUSAND PEOPLE EQUALS NINE THOUSAND NINETY DOLLARS PER PERSON. THE CERTIFIED ANNUAL FINANCIAL REPORT SHALL NOT SERVE AS THIS COMMUNICATION.

(f) AFTER FULL FUNDING IS ACHIEVED, MAKE RECOMMENDATIONS TO THE COMMISSION, THE JOINT BUDGET COMMITTEE, AND THE GENERAL ASSEMBLY DURING EACH LEGISLATIVE SESSION REGARDING CHANGES TO THE PLAN TO MAINTAIN FULL FUNDING;

(g) ENSURE THE PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION BOARD IS ADMINISTERING THE ASSOCIATION AS MANDATED AND MAKE RECOMMENDATIONS FOR THE ASSOCIATION BOARD STRUCTURE AS WARRANTED; AND

(h) EVERY THREE YEARS, COMMISSION AN INDEPENDENT REVIEW OF

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THE ECONOMIC AND INVESTMENT ASSUMPTIONS USED TO MODEL THE PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION FINANCIAL SITUATION. THE SUBCOMMITTEE SHALL USE EXPERTS OTHER THAN THOSE ALREADY WORKING ON BEHALF OF THE ASSOCIATION.

(5) EACH MEMBER OF THE SUBCOMMITTEE SHALL BE REQUIRED TO:

(a) ATTEND AT LEAST ONE MEETING PER YEAR OF THE BOARD OF TRUSTEES OF THE PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION;

(b) ATTEND THE HEARING OF THE LEGISLATIVE AUDIT COMMITTEE WHEN THE COMMITTEE REVIEWS THE ANNUAL ACTUARIAL VALUATION THAT THE PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION IS REQUIRED TO SUBMIT TO THE LEGISLATIVE AUDIT COMMITTEE PURSUANT TO SECTION 24-51-204 (7); AND

(c) ATTEND THE "STATE MEASUREMENT FOR ACCOUNTABLE, RESPONSIVE, AND TRANSPARENT (SMART) GOVERNMENT ACT" HEARING OF THE JOINT FINANCE COMMITTEE PURSUANT TO PART 2 OF ARTICLE 7 OF TITLE 2 WHEN THE JOINT FINANCE COMMITTEE REVIEWS THE PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION.

SECTION 28. In Colorado Revised Statutes, 31-30.5-302, **amend** (1) as follows:

31-30.5-302. Definitions. As used in this part 3, unless the context otherwise requires:

(1) "Commission" means the ~~police officers' and firefighters'~~ pension ~~reform~~ REVIEW commission established pursuant to ~~section 31-31-1001~~ SECTION 24-51.1-101.

SECTION 29. Repeal of provisions being relocated in this act. In Colorado Revised Statutes, **repeal** 31-31-1001.

SECTION 30. In Colorado Revised Statutes, **repeal** 31-31-1002.

SECTION 31. Appropriation. For the 2018-19 state fiscal year, \$200,000 is appropriated to the legislative department for use by the legislative council. This appropriation is from the general fund. To

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implement this act, the legislative council may use this appropriation for independent review of PERA assumptions pursuant to section 24-51.1-101 (4)(h), C.R.S.

SECTION 32. Safety clause. The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.



Kevin J. Grantham
PRESIDENT OF
THE SENATE



Crisanta Duran
SPEAKER OF THE HOUSE
OF REPRESENTATIVES



Effie Ameen
SECRETARY OF
THE SENATE

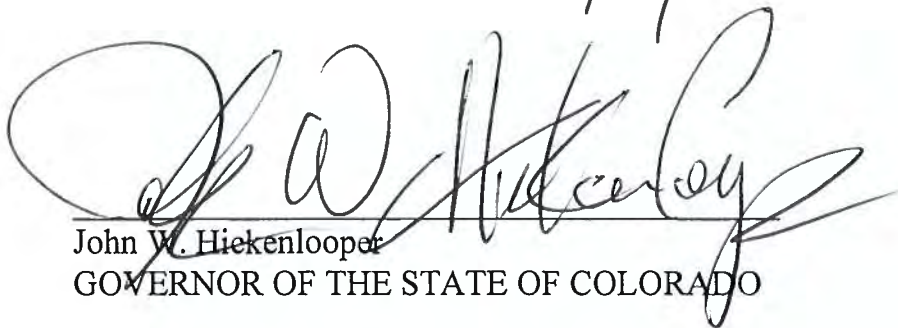


Marilyn Eddins
CHIEF CLERK OF THE HOUSE
OF REPRESENTATIVES

APPROVED

3:49 PM

6/4/18



John W. Hickenlooper
GOVERNOR OF THE STATE OF COLORADO

An Act

SENATE BILL 18-203

BY SENATOR(S) Marble, Aguilar, Court, Fields, Garcia, Guzman, Kagan, Kefalas, Kerr, Merrifield, Moreno, Neville T., Tate, Todd, Williams A.; also REPRESENTATIVE(S) Lontine, Arndt, Bridges, Buckner, Coleman, Exum, Hansen, Hooton, Jackson, Kennedy, Lee, Melton, Michaelson Jenet, Pettersen, Rosenthal, Salazar, Singer, Weissman, Young, Duran.

CONCERNING THE PROVISION OF INDEPENDENT COUNSEL TO INDIGENT DEFENDANTS IN MUNICIPAL COURTS, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.

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

SECTION 1. In Colorado Revised Statutes, 13-10-114.5, **add as it will become effective July 1, 2018,** (3) as follows:

13-10-114.5. Representation by counsel - independent indigent defense - definition. (3) (a) ON AND AFTER JANUARY 1, 2020, EACH MUNICIPALITY SHALL PROVIDE INDEPENDENT INDIGENT DEFENSE FOR EACH INDIGENT DEFENDANT CHARGED WITH A MUNICIPAL CODE VIOLATION FOR WHICH THERE IS A POSSIBLE SENTENCE OF INCARCERATION. INDEPENDENT INDIGENT DEFENSE REQUIRES, AT MINIMUM, THAT A NONPARTISAN ENTITY INDEPENDENT OF THE MUNICIPAL COURT AND MUNICIPAL OFFICIALS OVERSEE OR EVALUATE INDIGENT DEFENSE COUNSEL.

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

(b) (I) BECAUSE THE OFFICE OF ALTERNATE DEFENSE COUNSEL CREATED IN SECTION 21-2-101 IS AN INDEPENDENT SYSTEM OF INDIGENT DEFENSE OVERSEEN BY AN INDEPENDENT COMMISSION, PROVISION OF INDIGENT DEFENSE BY LAWYERS EVALUATED OR OVERSEEN BY THE OFFICE OF ALTERNATE DEFENSE COUNSEL SATISFIES THE REQUIREMENT DESCRIBED IN SUBSECTION (3)(a) OF THIS SECTION.

(II) BECAUSE A LEGAL AID CLINIC AT ANY COLORADO LAW SCHOOL ACCREDITED BY THE AMERICAN BAR ASSOCIATION IS AN INDEPENDENT SYSTEM OF INDIGENT DEFENSE OVERSEEN BY THE DEAN OF THE LAW SCHOOL WITH WHICH IT IS AFFILIATED, ANY PROVISION OR OVERSIGHT OF INDIGENT DEFENSE THROUGH A LEGAL AID CLINIC ASSOCIATED WITH ANY COLORADO LAW SCHOOL ACCREDITED BY THE AMERICAN BAR ASSOCIATION SATISFIES THE REQUIREMENT DESCRIBED IN SUBSECTION (3)(a) OF THIS SECTION.

(c) TO SATISFY THE REQUIREMENT DESCRIBED IN SUBSECTION (3)(a) OF THIS SECTION, A MUNICIPALITY THAT CONTRACTS DIRECTLY WITH ONE OR MORE DEFENSE ATTORNEYS TO PROVIDE COUNSEL TO INDIGENT DEFENDANTS SHALL ENSURE THAT:

(I) THE PROCESS TO SELECT INDIGENT DEFENSE ATTORNEYS IS TRANSPARENT AND BASED ON MERIT; AND

(II) EACH CONTRACTED INDIGENT DEFENSE ATTORNEY IS PERIODICALLY EVALUATED BY AN INDEPENDENT ENTITY FOR COMPETENCY AND INDEPENDENCE. THE MUNICIPALITY SHALL EVALUATE EACH NEWLY HIRED DEFENSE ATTORNEY AS SOON AS PRACTICABLE BUT NO LATER THAN ONE YEAR AFTER HE OR SHE IS HIRED. OTHERWISE, THE MUNICIPALITY SHALL EVALUATE EACH DEFENSE ATTORNEY AT LEAST EVERY THREE YEARS. AN INDEPENDENT ENTITY THAT EVALUATES DEFENSE ATTORNEYS PURSUANT TO THIS SUBSECTION (3)(c)(II) SHALL PROVIDE EVALUATION RESULTS AND ANY RECOMMENDATIONS FOR CORRECTIVE ACTION IN WRITING TO THE MUNICIPALITY. FOR THE PURPOSE OF THIS SUBSECTION (3), "INDEPENDENT ENTITY" MEANS:

(A) THE OFFICE OF ALTERNATE DEFENSE COUNSEL;

(B) AN ATTORNEY OR A GROUP OF ATTORNEYS, EACH OF WHOM HAS SUBSTANTIAL EXPERIENCE PRACTICING CRIMINAL DEFENSE IN COLORADO

WITHIN THE PRECEDING FIVE YEARS, SO LONG AS THE ATTORNEY OR GROUP OF ATTORNEYS IS NOT AFFILIATED WITH THE MUNICIPALITY RECEIVING THE SERVICES, INCLUDING ANY MUNICIPAL JUDGE, PROSECUTOR, OR INDIGENT DEFENSE ATTORNEY; OR

(C) A LOCAL OR REGIONAL INDEPENDENT INDIGENT DEFENSE COMMISSION, AS DESCRIBED IN SUBSECTION (3)(d) OF THIS SECTION.

(d) (I) TO SATISFY THE REQUIREMENT DESCRIBED IN SUBSECTION (3)(a) OF THIS SECTION, A MUNICIPALITY MAY ESTABLISH A LOCAL INDEPENDENT INDIGENT DEFENSE COMMISSION OR COORDINATE WITH ONE OR MORE OTHER MUNICIPALITIES TO ESTABLISH A REGIONAL INDEPENDENT INDIGENT DEFENSE COMMISSION. ANY LOCAL OR REGIONAL INDEPENDENT INDIGENT DEFENSE COMMISSION IN EXISTENCE AS OF JANUARY 1, 2018, IS DEEMED TO BE IN COMPLIANCE WITH THIS SUBSECTION (3)(d) AND MAY CONTINUE AS ESTABLISHED.

(II) EACH LOCAL OR REGIONAL INDEPENDENT INDIGENT DEFENSE COMMISSION MUST INCLUDE AT LEAST THREE MEMBERS, EACH OF WHOM IS SELECTED BY THE CHIEF MUNICIPAL JUDGE IN CONSULTATION WITH THE COLORADO CRIMINAL DEFENSE BAR, THE OFFICE OF ALTERNATE DEFENSE COUNSEL, OR THE OFFICE OF THE STATE PUBLIC DEFENDER. PRIOR TO SERVING ON A COMMISSION, ANY COMMISSION MEMBER WHO IS SELECTED BY A CHIEF MUNICIPAL JUDGE MUST BE APPROVED BY THE OFFICE OF ALTERNATE DEFENSE COUNSEL. THE OFFICE OF ALTERNATE DEFENSE COUNSEL SHALL APPROVE SUCH APPOINTED COMMISSION MEMBERS WHOM THE OFFICE, IN ITS DISCRETION, DEEMS LIKELY TO PROMOTE THE PROVISION OF COMPETENT AND INDEPENDENT INDIGENT DEFENSE.

(III) THE TERMS AND PROCEDURES FOR THE MEMBERS OF A LOCAL OR REGIONAL INDEPENDENT INDIGENT DEFENSE COMMISSION MUST BE DETERMINED BY THE MUNICIPALITY OR MUNICIPALITIES THAT ESTABLISH THE INDEPENDENT INDIGENT DEFENSE COMMISSION.

(IV) A LOCAL OR REGIONAL INDEPENDENT INDIGENT DEFENSE COMMISSION ESTABLISHED PURSUANT TO THIS SUBSECTION (3)(d) HAS THE RESPONSIBILITY AND EXCLUSIVE AUTHORITY TO APPOINT INDIGENT DEFENSE COUNSEL FOR A TERM OF AT LEAST ONE YEAR OR MORE TO BE SERVED UNTIL A SUCCESSOR IS APPOINTED. THE INDEPENDENT INDIGENT DEFENSE COMMISSION RETAINS SOLE AUTHORITY TO SUPERVISE THE INDIGENT

DEFENSE COUNSEL AND DISCHARGE HIM OR HER FOR CAUSE.

(V) A LOCAL OR REGIONAL INDEPENDENT INDIGENT DEFENSE COMMISSION, THROUGH ITS ABILITY TO SUPERVISE, APPOINT, AND DISCHARGE THE INDIGENT DEFENSE COUNSEL, SHALL ENSURE THAT INDIGENT DEFENDANTS ACCUSED OF VIOLATIONS OF MUNICIPAL ORDINANCES FOR WHICH THERE IS A POSSIBLE SENTENCE OF INCARCERATION ARE REPRESENTED INDEPENDENTLY OF ANY POLITICAL CONSIDERATIONS OR PRIVATE INTERESTS, THAT SUCH INDIGENT DEFENDANTS RECEIVE LEGAL SERVICES THAT ARE COMMENSURATE WITH THOSE AVAILABLE TO NONINDIGENT DEFENDANTS, AND THAT MUNICIPAL INDIGENT DEFENSE ATTORNEYS PROVIDE REPRESENTATION IN ACCORDANCE WITH THE COLORADO RULES OF PROFESSIONAL CONDUCT AND THE AMERICAN BAR ASSOCIATION STANDARDS RELATING TO THE ADMINISTRATION OF CRIMINAL JUSTICE.

(VI) A LOCAL OR REGIONAL INDEPENDENT INDIGENT DEFENSE COMMISSION SHALL NOT INTERFERE WITH THE DISCRETION, JUDGMENT, AND ZEALOUS ADVOCACY OF INDIGENT DEFENSE ATTORNEYS IN SPECIFIC CASES.

(VII) A LOCAL OR REGIONAL INDEPENDENT INDIGENT DEFENSE COMMISSION SHALL MAKE RECOMMENDATIONS TO ITS MUNICIPALITY OR MUNICIPALITIES REGARDING THE PROVISION OF ADEQUATE MONETARY RESOURCES TO PROVIDE LEGAL SERVICES TO INDIGENT DEFENDANTS ACCUSED OF VIOLATIONS OF SUCH MUNICIPAL ORDINANCES.

(VIII) THE MEMBERS OF AN INDEPENDENT INDIGENT DEFENSE COMMISSION SHALL SERVE WITHOUT COMPENSATION; EXCEPT THAT A MUNICIPALITY THAT ESTABLISHES A LOCAL INDEPENDENT INDIGENT DEFENSE COMMISSION OR THAT COORDINATES WITH ONE OR MORE OTHER MUNICIPALITIES TO ESTABLISH A REGIONAL INDEPENDENT INDIGENT DEFENSE COMMISSION SHALL REIMBURSE THE MEMBERS OF THE COMMISSION FOR ACTUAL AND REASONABLE EXPENSES INCURRED IN THE PERFORMANCE OF THEIR DUTIES.

SECTION 2. In Colorado Revised Statutes, 21-2-103, **amend** (1); and **add** (5) as follows:

21-2-103. Representation of indigent persons. (1) ~~On and after January 1, 1997,~~ The office of alternate defense counsel shall provide legal

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representation in the following circumstances:

(a) IN cases involving conflicts of interest for the state public defender as determined pursuant to subsection (1.5) of this section; AND

(b) (Deleted by amendment, L. 2000, p. 1479, § 2, effective August 2, 2000.)

(c) TO INDIGENT PERSONS WHO ARE CHARGED WITH MUNICIPAL CODE VIOLATIONS FOR WHICH THERE IS A POSSIBLE SENTENCE OF INCARCERATION, AS THE ALTERNATE DEFENSE COUNSEL IN HIS OR HER DISCRETION MAY DETERMINE, AND AS AVAILABLE RESOURCES ALLOW. THE OFFICE OF ALTERNATE DEFENSE COUNSEL SHALL PROVIDE SUCH REPRESENTATION ONLY PURSUANT TO A CONTRACT BETWEEN A REQUESTING MUNICIPALITY AND THE OFFICE OF ALTERNATE DEFENSE COUNSEL. ANY SUCH CONTRACT MUST REQUIRE THE MUNICIPALITY TO BE FINANCIALLY RESPONSIBLE FOR ALL SERVICES RENDERED AND EXPENSES INCURRED BY CONTRACTORS TO DEFEND PERSONS CHARGED WITH SUCH MUNICIPAL CODE VIOLATIONS IN THE CONTRACTING MUNICIPALITY. THE OFFICE OF ALTERNATE DEFENSE COUNSEL IS NOT REQUIRED TO CONTRACT WITH ANY MUNICIPALITY UNLESS THE OFFICE OF ALTERNATE DEFENSE COUNSEL DETERMINES THAT THE MUNICIPALITY HAS SUFFICIENT FUNDING AND PERSONNEL TO ADMINISTER AND OVERSEE THE CONTRACTS FOR THE PROVISION OF INDIGENT DEFENSE SERVICES IN THAT MUNICIPALITY.

(5) THE OFFICE OF ALTERNATE DEFENSE COUNSEL MAY, BUT IS NOT REQUIRED TO, EVALUATE THE PERFORMANCE OF ATTORNEYS PROVIDING INDIGENT DEFENSE IN MUNICIPAL COURTS AT THE REQUEST OF ANY MUNICIPALITY, AS DESCRIBED IN SECTION 13-10-114.5 (3)(c)(II). THE OFFICE OF ALTERNATE DEFENSE COUNSEL SHALL NOT PERFORM ANY SUCH EVALUATIONS WITHOUT SUFFICIENT FUNDING FOR PERSONNEL TO PERFORM SUCH EVALUATIONS.

SECTION 3. In Colorado Revised Statutes, **add** 21-2-108 as follows:

21-2-108. Conflict-free defense for indigent persons in municipal courts - fund created. (1) FOR THE PURPOSES OF SECTION 21-2-103 (1)(c) AND (5), ANY MUNICIPALITY THAT WANTS TO UTILIZE THE SERVICES OF THE OFFICE OF ALTERNATE DEFENSE COUNSEL MAY REQUEST SUCH SERVICES AS

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PROVIDED IN THIS SECTION.

(2) A MUNICIPALITY THAT WANTS TO UTILIZE THE SERVICES OF THE OFFICE OF ALTERNATE DEFENSE COUNSEL TO EVALUATE THE PROVISION OF DEFENSE COUNSEL TO INDIGENT DEFENDANTS AS DESCRIBED IN SECTION 13-10-114.5 (3)(c)(II)(A) DURING THE NEXT CALENDAR YEAR SHALL REQUEST SUCH SERVICES ON OR BEFORE SEPTEMBER 1, 2018, AND ON OR BEFORE SEPTEMBER 1 EACH YEAR THEREAFTER.

(3) ON OR BEFORE MAY 1, 2019, AND ON OR BEFORE MAY 1 EACH YEAR THEREAFTER, THE OFFICE OF ALTERNATE DEFENSE COUNSEL SHALL INFORM EACH MUNICIPALITY THAT REQUESTED THE EVALUATION SERVICES OF THE OFFICE PURSUANT TO SUBSECTION (2) OF THIS SECTION WHETHER THE OFFICE HAS SUFFICIENT FUNDING TO PROVIDE THE SERVICES AND WHETHER THE OFFICE CAN COMMIT TO PROVIDING SUCH SERVICES DURING THE NEXT CALENDAR YEAR.

(4) ON OR BEFORE JANUARY 1, 2020, AND ON OR BEFORE JANUARY 1 EACH YEAR THEREAFTER, THE OFFICE OF ALTERNATE DEFENSE COUNSEL SHALL BEGIN EVALUATING THE PROVISION OF DEFENSE COUNSEL TO INDIGENT DEFENDANTS IN EACH MUNICIPALITY TO WHICH THE OFFICE COMMITTED SUCH SERVICES PURSUANT TO SUBSECTION (3) OF THIS SECTION.

(5) A MUNICIPALITY THAT WANTS TO UTILIZE THE OFFICE OF ALTERNATE DEFENSE COUNSEL TO PROVIDE A LIST OF APPROVED ATTORNEYS TO BE USED FOR INDIGENT DEFENSE DURING THE NEXT CALENDAR YEAR SHALL REQUEST SUCH SERVICES ON OR BEFORE SEPTEMBER 1, 2020, OR ON OR BEFORE SEPTEMBER 1 EACH YEAR THEREAFTER.

(6) ON OR BEFORE MAY 1, 2021, AND ON OR BEFORE MAY 1 EACH YEAR THEREAFTER, THE OFFICE OF ALTERNATE DEFENSE COUNSEL SHALL INFORM EACH MUNICIPALITY THAT REQUESTED THE LEGAL DEFENSE SERVICES OF THE OFFICE PURSUANT TO SUBSECTION (5) OF THIS SECTION WHETHER THE OFFICE HAS SUFFICIENT FUNDING TO PROVIDE THE SERVICES AND WHETHER THE OFFICE CAN COMMIT TO PROVIDING SUCH SERVICES DURING THE NEXT CALENDAR YEAR.

(7) ON OR BEFORE JANUARY 1, 2022, AND ON OR BEFORE JANUARY 1 EACH YEAR THEREAFTER, THE OFFICE OF ALTERNATE DEFENSE COUNSEL SHALL PROVIDE A LIST OF APPROVED INDIGENT DEFENSE COUNSEL TO EACH

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MUNICIPALITY TO WHICH THE OFFICE COMMITTED SUCH SERVICES PURSUANT TO SUBSECTION (6) OF THIS SECTION.

(8) THERE IS CREATED IN THE STATE TREASURY THE CONFLICT-FREE MUNICIPAL DEFENSE FUND, REFERRED TO IN THIS SUBSECTION (8) AS THE "FUND", WHICH CONSISTS OF ANY MONEY COLLECTED FROM MUNICIPALITIES AND CREDITED TO THE FUND AND ANY OTHER MONEY THAT THE GENERAL ASSEMBLY MAY APPROPRIATE OR TRANSFER TO THE FUND. MONEY IN THE FUND IS CONTINUOUSLY APPROPRIATED TO THE OFFICE OF ALTERNATE DEFENSE COUNSEL FOR THE PURPOSES DESCRIBED IN THIS SECTION. THE STATE TREASURER SHALL CREDIT ALL INTEREST DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE FUND TO THE FUND. ANY MONEY NOT APPROPRIATED BY THE GENERAL ASSEMBLY MUST REMAIN IN THE FUND AND SHALL NOT BE TRANSFERRED OR REVERT TO THE GENERAL FUND AT THE END OF ANY FISCAL YEAR.

SECTION 4. Appropriation. For the 2018-19 state fiscal year, \$124,263 is appropriated to the judicial department for use by the office of the alternate defense counsel. This appropriation is from the general fund and is based on an assumption that the office will require an additional 0.8 FTE. To implement this act, the office may use this appropriation for the municipal court program.

SECTION 5. Act subject to petition - effective date. This act takes effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly (August 8, 2018, if adjournment sine die is on May 9, 2018); except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within such period, then the act, item, section, or part will not take effect unless

approved by the people at the general election to be held in November 2018 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.



Kevin J. Grantham
PRESIDENT OF
THE SENATE



Crisanta Duran
SPEAKER OF THE HOUSE
OF REPRESENTATIVES



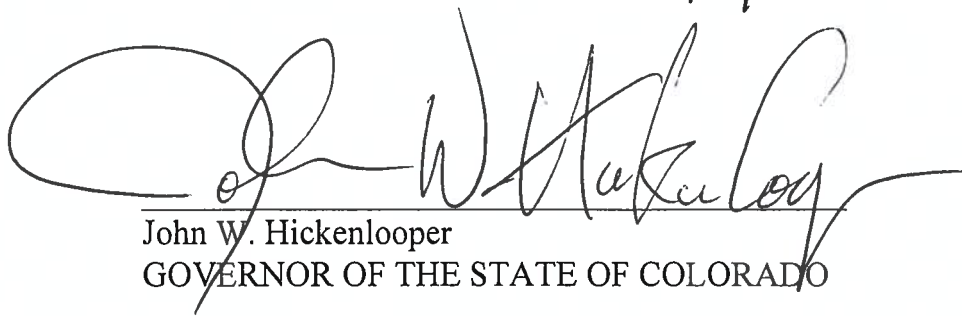
Effie Ameen
SECRETARY OF
THE SENATE



Marilyn Eddins
CHIEF CLERK OF THE HOUSE
OF REPRESENTATIVES

APPROVED 10:06 am

6/1/18



John W. Hickenlooper
GOVERNOR OF THE STATE OF COLORADO

An Act

SENATE BILL 18-230

BY SENATOR(S) Marble, Cooke, Crowder, Tate;
also REPRESENTATIVE(S) Saine and Gray, Becker K., Kraft-Tharp,
Rosenthal, Salazar, Winkler, Winter, Young, Duran.

CONCERNING MODIFICATION OF THE LAWS GOVERNING THE ESTABLISHMENT
OF DRILLING UNITS FOR OIL AND GAS WELLS, AND, IN CONNECTION
THEREWITH, CLARIFYING THAT A DRILLING UNIT MAY INCLUDE MORE
THAN ONE WELL, PROVIDING LIMITED IMMUNITY TO NONCONSENTING
OWNERS SUBJECT TO POOLING ORDERS, ADJUSTING COST RECOVERY
FROM NONCONSENTING OWNERS, AND MODIFYING THE CONDITIONS
UPON WHICH A POOLING ORDER MAY BE ENTERED.

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

SECTION 1. In Colorado Revised Statutes, 34-60-116, **amend** (1),
(3), (7), and (8) as follows:

34-60-116. Drilling units - pooling interests. (1) To prevent or to
assist in preventing waste, to avoid the drilling of unnecessary wells, or to
protect correlative rights, the commission, upon its own motion or on a
proper application of an interested party, but after notice and hearing as
provided in this section, ~~has the power to~~ **MAY** establish ONE OR MORE
drilling units of specified ~~and approximately uniform~~ size and shape

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

covering any pool OR PORTION OF A POOL.

(3) ~~The order establishing drilling units shall permit only one well~~
A DRILLING UNIT MAY AUTHORIZE ONE OR MORE WELLS to be drilled and
produced from the common source of supply on a drilling unit. ~~and shall~~
~~specify the location of the permitted well thereon, with such exception for~~
~~the location of the permitted well as may be reasonably necessary for wells~~
~~already drilled or where it is shown upon application, notice, and hearing,~~
~~and the commission finds, that the drilling unit is located partly outside the~~
~~pool or field and adjacent to a producing unit, or, for some other reason, the~~
~~requirement to drill the well at the authorized location on the unit would be~~
~~inequitable or unreasonable. The commission shall take such action as will~~
~~offset any advantage which the person securing the exception may have~~
~~over other producers by reason of the drilling of the well as an exception;~~
~~and include in the order suitable provisions to prevent the production from~~
~~the drilling unit of more than its just and equitable share of the oil and gas~~
~~in the pool.~~

(7) (a) Each ~~such~~ pooling order ~~shall~~ MUST:

(I) Make provision for the drilling of ~~a well~~ ONE OR MORE WELLS on
the drilling unit, if not already drilled, for the operation ~~thereof~~ OF THE
WELLS, and for the payment of the reasonable actual cost ~~thereof~~ OF THE
WELLS, including a reasonable charge for supervision and storage. Except
as provided in ~~paragraph (c) of this subsection (7) (7)(c)~~ OF THIS SECTION,
as to each nonconsenting owner who refuses to agree to bear his A
proportionate share of the costs and risks of drilling and operating the ~~well~~
WELLS, the order ~~shall~~ MUST provide for reimbursement to the consenting
owners who pay for the drilling and operation of the ~~well~~ THE COSTS of the
nonconsenting owner's PROPORTIONATE share of the costs and risks ~~of such~~
~~drilling and operating~~ out of, and only out of, production from the unit
representing ~~his~~ THE OWNER'S interest, excluding royalty or other interest
not obligated to pay any part of the cost thereof, IF AND TO THE EXTENT
THAT THE ROYALTY IS CONSISTENT WITH THE LEASE TERMS PREVAILING IN
THE AREA AND IS NOT DESIGNED TO AVOID THE RECOVERY OF COSTS
PROVIDED FOR IN SUBSECTION (7)(b) OF THIS SECTION. In the event of any
dispute as to ~~such~~ THE costs, the commission shall determine the proper
costs as specified in ~~paragraph (b) of this subsection (7). The order shall~~
SUBSECTION (7)(b) OF THIS SECTION.

(II) Determine the interest of each owner in the unit and ~~shall~~ provide that each consenting owner is entitled to receive, subject to royalty or similar obligations, the share of the production ~~of the well~~ FROM THE WELLS applicable to ~~his~~ THE OWNER'S interest in the ~~drilling unit~~ WELLS and, unless ~~he~~ THE OWNER has agreed otherwise, ~~his~~ A proportionate part of the nonconsenting owner's share of ~~such~~ THE production until costs are recovered and that each nonconsenting owner is entitled to own and to receive the share of the production applicable to ~~his~~ THE OWNER'S interest in the unit after the consenting owners have recovered the nonconsenting owner's share OF THE COSTS out of production; AND

(III) SPECIFY THAT A NONCONSENTING OWNER IS IMMUNE FROM LIABILITY FOR COSTS ARISING FROM SPILLS, RELEASES, DAMAGE, OR INJURY RESULTING FROM OIL AND GAS OPERATIONS ON THE DRILLING UNIT.

(b) Upon the determination of the commission, proper costs recovered by the consenting owners of a drilling unit from the nonconsenting owner's share of production from such a unit shall be as follows:

(I) One hundred percent of the nonconsenting owner's share of the cost of surface equipment beyond the wellhead connections, including ~~but not limited to~~, stock tanks, separators, treaters, pumping equipment, and piping, plus one hundred percent of the nonconsenting owner's share of the cost of operation of the well OR WELLS commencing with first production and continuing until the consenting owners have recovered such costs. It is the intent that the nonconsenting owner's share of these costs of equipment and operation will be that interest ~~which~~ THAT would have been chargeable to the nonconsenting owner had ~~he~~ THE OWNER initially agreed to pay ~~his~~ THE OWNER'S share of the costs of the well OR WELLS from the beginning of the operation.

(II) Two hundred percent of that portion of the costs and expenses of staking, well site preparation, obtaining rights-of-way, rigging up, drilling, reworking, deepening or plugging back, testing, and completing the well, after deducting any cash contributions received by the consenting owners, and two hundred percent of that portion of the cost of equipment in the well, including the wellhead connections.

(c) A nonconsenting owner of a tract in a drilling unit ~~which~~ THAT

is not subject to any lease or other contract for the development thereof for oil and gas shall be deemed to have a landowner's proportionate royalty of twelve and one-half percent until such time as the consenting owners recover, only out of the nonconsenting owner's proportionate seven-eighths share of production, the costs specified in ~~paragraph (b) of this subsection~~ (7) (7)(b) OF THIS SECTION. After recovery of ~~such~~ THE costs, the nonconsenting owner ~~shall then own~~ OWNS his OR HER FULL proportionate ~~eight-eighths~~ share of the ~~well~~ WELLS, surface facilities, and production and then ~~be~~ IS liable for further costs as if ~~he~~ THE OWNER had originally agreed to drilling of the ~~well~~ WELLS.

(d) (I) ~~No~~ AN order pooling an unleased nonconsenting mineral owner shall NOT be entered by the commission under ~~the provisions of~~ subsection (6) of this section over protest of ~~such~~ THE owner ~~until~~ UNLESS the commission ~~shall have~~ HAS received evidence that ~~such~~ THE unleased mineral owner ~~shall have~~ HAS been tendered, NO LESS THAN SIXTY DAYS BEFORE THE HEARING, a reasonable offer to lease upon terms no less favorable than those currently prevailing in the area at the time application for ~~such~~ THE order is made and that such unleased mineral owner ~~shall have~~ HAS been furnished in writing ~~such~~ THE owner's share of the estimated drilling and completion cost of the ~~well~~ WELLS, the location and objective depth of the ~~well~~ WELLS, and the estimated spud date for the ~~well~~ WELLS or range of time within which spudding is to occur. THE OFFER MUST INCLUDE A COPY OF OR LINK TO A BROCHURE SUPPLIED BY THE COMMISSION THAT CLEARLY AND CONCISELY DESCRIBES THE POOLING PROCEDURES SPECIFIED IN THIS SECTION AND THE MINERAL OWNER'S OPTIONS PURSUANT TO THOSE PROCEDURES.

(II) During the period of cost recovery provided in this subsection (7), the commission ~~shall retain~~ RETAINS jurisdiction to determine the reasonableness of costs of operation of the ~~well~~ WELLS attributable to the interest of ~~such~~ THE nonconsenting owner.

(8) The operator of ~~a well~~ WELLS under a pooling order in which there is a nonconsenting owner shall furnish the nonconsenting owner with a monthly statement of all costs incurred, together with the quantity of oil or gas produced, and the amount of proceeds realized from the sale of production during the preceding month. If the consenting owners recover the costs specified in subsection (7) of this section, the nonconsenting owner shall own the same interest in the ~~well~~ WELLS and the production

therefrom, and be liable for the further costs of the operation, as if he THE OWNER had participated in the initial drilling ~~operation~~ OPERATIONS.

SECTION 2. Effective date - applicability. This act takes effect July 1, 2018, and applies to conduct occurring on or after said date.

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



Kevin J. Grantham
PRESIDENT OF
THE SENATE



Crisanta Duran
SPEAKER OF THE HOUSE
OF REPRESENTATIVES

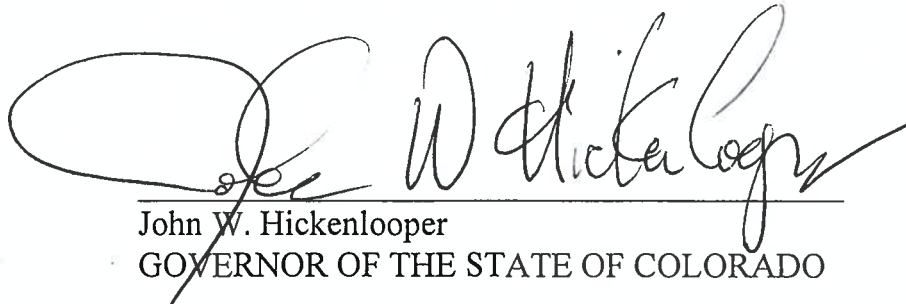


Effie Ameen
SECRETARY OF
THE SENATE



Marilyn Eddins
CHIEF CLERK OF THE HOUSE
OF REPRESENTATIVES

APPROVED 10:55 AM 6/1/18



John W. Hickenlooper
GOVERNOR OF THE STATE OF COLORADO

An Act

SENATE BILL 18-243

BY SENATOR(S) Holbert and Guzman, Marble, Priola, Scott, Tate;
also REPRESENTATIVE(S) Esgar and McKean, Young, Kennedy.

CONCERNING THE RETAIL SALE OF ALCOHOL BEVERAGES, AND, IN
CONNECTION THEREWITH, MAKING AN APPROPRIATION.

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) Prior to July 1, 2016, Colorado liquor laws strictly limited the ability of retail establishments to sell various alcohol beverage products in sealed containers for off-premises consumption by, among other provisions, imposing the following restrictions:

(I) With regard to persons licensed as a retail liquor store or liquor-licensed drugstore, which is a retail establishment that operates a state-licensed pharmacy on site, which license authorizes the retail sale of beer, wine, and spirits for off-premises consumption only, limiting those persons to having an interest in only one such retail license; and

(II) For retail establishments such as grocery stores, convenience

stores, and other chain-type establishments that consist of multiple locations, those persons were permitted to obtain only a fermented malt beverage retailer's license under the "Colorado Beer Code" that authorized the sale of beer with a maximum alcohol content of 3.2% alcohol by weight or 4% alcohol by volume; except that a grocery store that operates a state-licensed pharmacy could obtain one liquor-licensed drugstore license for a single location;

(b) In 2016, the general assembly enacted Senate Bill 16-197, which dramatically altered the landscape of the off-premises retail liquor industry by:

(I) Permitting retail liquor stores and liquor-licensed drugstores to obtain multiple licenses to sell beer, wine, and spirits at more than one licensed establishment, subject to restrictions based on proximity to an existing retail liquor business and other requirements; and

(II) Eliminating, as of January 1, 2019, the maximum alcohol content of beer sold by fermented malt beverage retailers;

(c) In an effort to ease the effect of these dramatic changes in the law on the liquor industry, the legislation directed the state licensing authority to convene a working group consisting of members of the industry to develop an implementation process for the transition, including a process for grocery and convenience stores to apply for a license to sell beer with no alcohol content limits;

(d) While the working group convened for over a year following the passage of SB16-197, the group was not able to come to a consensus on how to implement the transition and thus did not develop an application process; and

(e) Accordingly, effective January 1, 2019, the definition of fermented malt beverages will no longer contain an alcohol content limit, and it is therefore important to enact legislation to establish safeguards and parity among retail establishments and ensure public health and safety given that, as of January 1, 2019, a fermented malt beverage retailer will be able to sell beer with no maximum alcohol content under its existing license and without having to apply for or obtain a new license.

SECTION 2. In Colorado Revised Statutes, 12-46-104, **amend** (1) introductory portion and (1)(c) as follows:

12-46-104. Licenses - state license fees - requirements - repeal.

(1) The licenses to be granted and issued by the state licensing authority pursuant to this article **46** for the manufacture, importation, and sale of fermented malt beverages ~~shall be~~ ARE as follows:

(c) (I) ON AND AFTER THE EFFECTIVE DATE OF THIS SUBSECTION (1)(c), AS AMENDED, a retailer's license shall be granted and issued to any person, partnership, association, organization, or corporation qualifying under section 12-47-301 and not prohibited from licensure under section 12-47-307 to sell at retail ~~the said~~ fermented malt beverages EITHER FOR CONSUMPTION OFF THE LICENSED PREMISES OR ON THE LICENSED PREMISES, BUT NOT FOR CONSUMPTION ON AND OFF THE LICENSED PREMISES, upon paying an annual license fee of seventy-five dollars to the state licensing authority.

(II) (A) ON AND AFTER THE EFFECTIVE DATE OF THIS SUBSECTION (1)(c), AS AMENDED, THE STATE LICENSING AUTHORITY SHALL NOT ISSUE A NEW OR RENEW A FERMENTED MALT BEVERAGE RETAILER'S LICENSE FOR THE SALE OF FERMENTED MALT BEVERAGES FOR CONSUMPTION ON AND OFF THE LICENSED PREMISES. ANY LICENSEE HOLDING A FERMENTED MALT BEVERAGE LICENSE AUTHORIZING THE SALE OF FERMENTED MALT BEVERAGES FOR CONSUMPTION ON AND OFF THE LICENSED PREMISES THAT WAS ISSUED BY THE STATE LICENSING AUTHORITY UNDER THIS SUBSECTION (1)(c) BEFORE THE EFFECTIVE DATE OF THIS SUBSECTION (1)(c), AS AMENDED, THAT APPLIES TO RENEW THE LICENSE ON OR AFTER THE EFFECTIVE DATE OF THIS SUBSECTION (1)(c), AS AMENDED, MUST SIMULTANEOUSLY APPLY TO CONVERT THE LICENSE EITHER TO A LICENSE FOR THE SALE OF FERMENTED MALT BEVERAGES AT RETAIL FOR CONSUMPTION OFF THE LICENSED PREMISES OR TO A LICENSE FOR THE SALE OF FERMENTED MALT BEVERAGES AT RETAIL FOR CONSUMPTION ON THE LICENSED PREMISES.

(B) THIS SUBSECTION (1)(c)(II) IS REPEALED, EFFECTIVE JULY 1, 2019.

SECTION 3. In Colorado Revised Statutes, **amend** 12-46-106 as follows:

12-46-106. Lawful acts. (1) It is lawful for a person under eighteen years of age who is under the supervision of a person on the premises ~~over~~ eighteen years of age OR OLDER to be employed in a place of business where fermented malt beverages are sold at retail in containers for off-premises consumption. During the normal course of such employment, any person under ~~eighteen~~ TWENTY-ONE years of age may handle and otherwise act with respect to fermented malt beverages in the same manner as that person does with other items sold at retail; except that: ~~no~~

(a) A person under eighteen years of age shall NOT sell or dispense fermented malt beverages, check age identification, or make deliveries beyond the customary parking area for the customers of the retail outlet; AND

(b) A PERSON WHO IS UNDER TWENTY-ONE YEARS OF AGE SHALL NOT DELIVER FERMENTED MALT BEVERAGES IN SEALED CONTAINERS TO CUSTOMERS UNDER SECTION 12-46-107 (6).

(2) This section ~~shall~~ DOES not ~~be construed to~~ permit the violation of any other provisions of this section under circumstances not specified in this section.

SECTION 4. In Colorado Revised Statutes, 12-46-107, **amend** (1)(c); and **add** (3), (4), (5), and (6) as follows:

12-46-107. Local licensing authority - application - fees - definition - rules - repeal. (1) The local licensing authority shall issue only the following classes of fermented malt beverage licenses:

(c) (I) Sales for consumption both on and off the premises of the licensee; ~~A person licensed pursuant to this paragraph (c) may deliver at retail fermented malt beverages in factory-sealed containers in conjunction with the delivery of food products if such person has obtained a permit for the delivery of fermented malt beverages from the state licensing authority. The state licensing authority shall promulgate rules as are necessary for the proper delivery of fermented malt beverages pursuant to this paragraph (c) and shall have the authority to issue a permit to any person who is licensed pursuant to and delivers fermented malt beverages under this paragraph (c)~~ EXCEPT THAT ON OR AFTER THE EFFECTIVE DATE OF THIS SUBSECTION (1)(c), AS AMENDED, A LOCAL LICENSING AUTHORITY SHALL NOT ISSUE A NEW

FERMENTED MALT BEVERAGE LICENSE OR RENEW AN EXISTING FERMENTED MALT BEVERAGE LICENSE FOR THE SALE OF FERMENTED MALT BEVERAGES FOR CONSUMPTION ON AND OFF THE LICENSED PREMISES. ANY LICENSEE HOLDING A FERMENTED MALT BEVERAGE LICENSE ISSUED UNDER THIS SUBSECTION (1)(c) PRIOR TO THE EFFECTIVE DATE OF THIS SUBSECTION (1)(c), AS AMENDED, THAT APPLIES TO RENEW THE LICENSE ON OR AFTER THE EFFECTIVE DATE OF THIS SUBSECTION (1)(c), AS AMENDED, MUST SIMULTANEOUSLY APPLY TO CONVERT THE LICENSE EITHER TO A LICENSE FOR THE SALE OF FERMENTED MALT BEVERAGES FOR CONSUMPTION OFF THE LICENSED PREMISES AS SPECIFIED IN SUBSECTION (1)(a) OF THIS SECTION OR TO A LICENSE FOR THE SALE OF FERMENTED MALT BEVERAGES FOR CONSUMPTION ON THE LICENSED PREMISES AS SPECIFIED IN SUBSECTION (1)(b) OF THIS SECTION.

(II) THIS SUBSECTION (1)(c) IS REPEALED, EFFECTIVE JULY 1, 2019.

(3) (a) IN ADDITION TO ANY OTHER REQUIREMENTS SPECIFIED IN THIS ARTICLE 46 OR ARTICLE 47 OF THIS TITLE 12, TO QUALIFY FOR A NEW LICENSE UNDER SUBSECTION (1)(a) OF THIS SECTION ON OR AFTER THE EFFECTIVE DATE OF THIS SUBSECTION (3) OR TO RENEW A LICENSE THAT WAS ISSUED UNDER SUBSECTION (1)(a) OF THIS SECTION ON OR AFTER THE EFFECTIVE DATE OF THIS SUBSECTION (3), A PERSON MUST DERIVE AT LEAST TWENTY PERCENT OF ITS GROSS ANNUAL REVENUES FROM TOTAL SALES FROM THE SALE OF FOOD ITEMS FOR CONSUMPTION OFF THE PREMISES.

(b) FOR PURPOSES OF CALCULATING GROSS ANNUAL REVENUES FROM TOTAL SALES, REVENUES DERIVED FROM THE SALE OF THE FOLLOWING PRODUCTS ARE EXCLUDED:

(I) FUEL PRODUCTS, AS DEFINED IN SECTION 8-20-201 (2);

(II) CIGARETTES, TOBACCO PRODUCTS, AND NICOTINE PRODUCTS, AS DEFINED IN SECTION 18-13-121 (5); AND

(III) LOTTERY PRODUCTS.

(c) THE STATE LICENSING AUTHORITY MAY ADOPT RULES SPECIFYING THE FORM AND MANNER IN WHICH AN APPLICANT FOR A NEW OR RENEWAL LICENSE MAY DEMONSTRATE COMPLIANCE WITH THIS SUBSECTION (3).

(d) THIS SUBSECTION (3) DOES NOT APPLY TO A PERSON THAT OWNS OR LEASES A PROPOSED FERMENTED MALT BEVERAGE RETAILER LICENSED PREMISES AND, AS OF JANUARY 1, 2019, HAS APPLIED FOR OR RECEIVED FROM THE MUNICIPALITY, CITY AND COUNTY, OR COUNTY IN WHICH THE PREMISES ARE LOCATED:

(I) A BUILDING PERMIT FOR THE STRUCTURE TO BE USED FOR THE FERMENTED MALT BEVERAGE RETAILER LICENSED PREMISES, WHICH PERMIT IS CURRENTLY ACTIVE AND WILL NOT EXPIRE BEFORE THE COMPLETION OF THE LIQUOR LICENSING PROCESS; OR

(II) A CERTIFICATE OF OCCUPANCY FOR THE STRUCTURE TO BE USED FOR THE FERMENTED MALT BEVERAGE RETAILER LICENSED PREMISES.

(e) AS USED IN THIS SUBSECTION (3), "FOOD ITEMS" MEANS ANY RAW, COOKED, OR PROCESSED EDIBLE SUBSTANCE, ICE, OR BEVERAGE, OTHER THAN A BEVERAGE CONTAINING ALCOHOL, THAT IS INTENDED FOR USE OR FOR SALE, IN WHOLE OR IN PART, FOR HUMAN CONSUMPTION.

(4) ON OR AFTER JANUARY 1, 2019, A FERMENTED MALT BEVERAGE RETAILER LICENSED UNDER SUBSECTION (1)(a) OF THIS SECTION:

(a) (I) SHALL NOT SELL FERMENTED MALT BEVERAGES TO CONSUMERS AT A PRICE THAT IS BELOW THE RETAILER'S COST, AS LISTED ON THE INVOICE, TO PURCHASE THE FERMENTED MALT BEVERAGES, UNLESS THE SALE IS OF DISCONTINUED OR CLOSE-OUT FERMENTED MALT BEVERAGES.

(II) THIS SUBSECTION (4)(a) DOES NOT PROHIBIT A FERMENTED MALT BEVERAGE RETAILER FROM OPERATING A BONA FIDE LOYALTY OR REWARDS PROGRAM FOR FERMENTED MALT BEVERAGES SO LONG AS THE PRICE FOR THE PRODUCT IS NOT BELOW THE RETAILER'S COSTS AS LISTED ON THE INVOICE. THE STATE LICENSING AUTHORITY MAY ADOPT RULES TO IMPLEMENT THIS SUBSECTION (4)(a).

(b) SHALL NOT ALLOW CONSUMERS TO PURCHASE FERMENTED MALT BEVERAGES AT A SELF-CHECKOUT OR OTHER MECHANISM THAT ALLOWS THE CONSUMER TO COMPLETE THE FERMENTED MALT BEVERAGES PURCHASE WITHOUT ASSISTANCE FROM AND COMPLETION OF THE ENTIRE TRANSACTION BY AN EMPLOYEE OF THE FERMENTED MALT BEVERAGE RETAILER.

(5) A PERSON LICENSED UNDER SUBSECTION (1)(a) OF THIS SECTION THAT HOLDS MULTIPLE FERMENTED MALT BEVERAGE RETAILER'S LICENSES FOR MULTIPLE LICENSED PREMISES MAY OPERATE UNDER A SINGLE OR CONSOLIDATED CORPORATE ENTITY BUT SHALL NOT COMMINGLE PURCHASES OF OR CREDIT EXTENSIONS FOR PURCHASES OF FERMENTED MALT BEVERAGES FROM A WHOLESALER LICENSED UNDER THIS ARTICLE 46 OR ARTICLE 47 OF THIS TITLE 12 FOR MORE THAN ONE LICENSED PREMISES. A WHOLESALER LICENSED UNDER THIS ARTICLE 46 OR ARTICLE 47 OF THIS TITLE 12 SHALL NOT BASE THE PRICE FOR THE FERMENTED MALT BEVERAGES IT SELLS TO A FERMENTED MALT BEVERAGE RETAILER LICENSED UNDER SUBSECTION (1)(a) OF THIS SECTION ON THE TOTAL VOLUME OF FERMENTED MALT BEVERAGES THAT THE RETAILER PURCHASES FOR MULTIPLE LICENSED PREMISES.

(6) (a) A PERSON LICENSED UNDER SUBSECTION (1)(a) OF THIS SECTION WHO COMPLIES WITH THIS SUBSECTION (6) AND RULES PROMULGATED UNDER THIS SUBSECTION (6) MAY DELIVER FERMENTED MALT BEVERAGES IN SEALED CONTAINERS TO A PERSON OF LEGAL AGE IF:

(I) THE PERSON RECEIVING THE DELIVERY OF FERMENTED MALT BEVERAGES IS LOCATED AT A PLACE THAT IS NOT LICENSED PURSUANT TO THIS SECTION;

(II) THE DELIVERY IS MADE BY AN EMPLOYEE OF THE FERMENTED MALT BEVERAGE RETAILER WHO IS AT LEAST TWENTY-ONE YEARS OF AGE AND WHO IS USING A VEHICLE OWNED OR LEASED BY THE LICENSEE TO MAKE THE DELIVERY;

(III) THE PERSON MAKING THE DELIVERY VERIFIES, IN ACCORDANCE WITH SECTION 12-47-901 (10), THAT THE PERSON RECEIVING THE DELIVERY OF FERMENTED MALT BEVERAGES IS AT LEAST TWENTY-ONE YEARS OF AGE; AND

(IV) THE FERMENTED MALT BEVERAGE RETAILER DERIVES NO MORE THAN FIFTY PERCENT OF ITS GROSS ANNUAL REVENUES FROM TOTAL SALES OF FERMENTED MALT BEVERAGES FROM THE SALE OF FERMENTED MALT BEVERAGES THAT THE FERMENTED MALT BEVERAGE RETAILER DELIVERS.

(b) THE STATE LICENSING AUTHORITY SHALL PROMULGATE RULES AS NECESSARY FOR THE PROPER DELIVERY OF FERMENTED MALT BEVERAGES PURSUANT TO THIS SUBSECTION (6) AND MAY ISSUE A PERMIT TO ANY

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PERSON WHO IS LICENSED PURSUANT TO AND DELIVERS FERMENTED MALT BEVERAGES UNDER SUBSECTION (1)(a) OF THIS SECTION. A PERMIT ISSUED UNDER THIS SUBSECTION (6) IS SUBJECT TO THE SAME SUSPENSION AND REVOCATION PROVISIONS AS ARE SET FORTH IN SECTION 12-47-601 FOR OTHER LICENSES GRANTED PURSUANT TO ARTICLE 47 OF THIS TITLE 12.

SECTION 5. In Colorado Revised Statutes, 12-47-301, **amend** (2)(a), (8), (9)(a), (10)(c)(I), (10)(c)(V), (10)(c)(VII), (10)(c)(XI), (10)(c)(XII), (10)(d), and (12) as follows:

12-47-301. Licensing in general. (2) (a) Before granting any license, all licensing authorities shall consider, except where this ~~article~~ ARTICLE 47 and article 46 of this ~~title~~ TITLE 12 specifically provide otherwise, the reasonable requirements of the neighborhood, the desires of the adult inhabitants as evidenced by petitions, remonstrances, or otherwise, and all other reasonable restrictions that are or may be placed upon the neighborhood by the local licensing authority. With respect to a second or additional license described in section 12-47-401 (1)(j) to (1)(t), (1)(v), or (1)(w) or 12-47-410 (1) or in a financial institution referred to in section 12-47-308 (4) for the same licensee, all licensing authorities shall consider the effect on competition of the granting or disapproving of additional licenses to such licensee and shall not approve an application for a second or additional ~~hotel and restaurant or vintner's restaurant~~ license that would have the effect of restraining competition. ~~shall be approved.~~

(8) Each licensee holding a fermented malt beverage on-premises license, ~~or on- and off-premises license~~, beer and wine license, tavern license, lodging and entertainment license, club license, arts license, or racetrack license shall manage the premises himself or herself or employ a separate and distinct manager on the premises and shall report the name of the manager to the state and local licensing authorities. The licensee shall report any change in managers to the state and local licensing authorities within thirty days after the change. It is unlawful for the licensee to fail to report the name of or any change in managers as required by this subsection (8). The failure to report is grounds for suspension of the license.

(9) (a) (I) (A) ~~SUBJECT TO SUBSECTIONS (9)(a)(I)(B) AND (9)(a)(I)(C) OF THIS SECTION~~, a licensee may move ~~his or her~~ ITS permanent location to any other place in the same city, town, or city and county for which the license was originally granted, or in the same county if ~~such~~ THE

license was granted for a place outside the corporate limits of any city, town, or city and county, but it ~~shall be~~ IS unlawful to sell any alcohol beverage at ~~any such place~~ THE NEW LOCATION until permission to do so is granted by all the STATE AND LOCAL licensing authorities. ~~provided for in this article.~~

(B) THE STATE AND LOCAL LICENSING AUTHORITIES SHALL NOT GRANT PERMISSION UNDER THIS SUBSECTION (9)(a)(I) TO A FERMENTED MALT BEVERAGE RETAILER LICENSED UNDER SECTION 12-46-107 (1)(a) TO MOVE ITS PERMANENT LOCATION IF THE NEW LOCATION IS: WITHIN ONE THOUSAND FIVE HUNDRED FEET OF A RETAIL LIQUOR STORE LICENSED UNDER SECTION 12-47-407; FOR A PREMISES LOCATED IN A MUNICIPALITY WITH A POPULATION OF TEN THOUSAND OR FEWER, WITHIN THREE THOUSAND FEET OF A RETAIL LIQUOR STORE LICENSED UNDER SECTION 12-47-407; OR, FOR A PREMISES LOCATED IN A MUNICIPALITY WITH A POPULATION OF TEN THOUSAND OR FEWER THAT IS CONTIGUOUS TO THE CITY AND COUNTY OF DENVER, WITHIN ONE THOUSAND FIVE HUNDRED FEET OF A RETAIL LIQUOR STORE LICENSED UNDER SECTION 12-47-407.

(C) THE STATE AND LOCAL LICENSING AUTHORITIES SHALL NOT GRANT PERMISSION UNDER THIS SUBSECTION (9)(a)(I) TO A RETAIL LIQUOR STORE LICENSED UNDER SECTION 12-47-407 TO MOVE ITS PERMANENT LOCATION IF THE NEW LOCATION IS: WITHIN ONE THOUSAND FIVE HUNDRED FEET OF ANOTHER RETAIL LIQUOR STORE LICENSED UNDER SECTION 12-47-407; FOR A PREMISES LOCATED IN A MUNICIPALITY WITH A POPULATION OF TEN THOUSAND OR FEWER, WITHIN THREE THOUSAND FEET OF ANOTHER RETAIL LIQUOR STORE LICENSED UNDER SECTION 12-47-407; OR, FOR A PREMISES LOCATED IN A MUNICIPALITY WITH A POPULATION OF TEN THOUSAND OR FEWER THAT IS CONTIGUOUS TO THE CITY AND COUNTY OF DENVER, WITHIN ONE THOUSAND FIVE HUNDRED FEET OF ANOTHER RETAIL LIQUOR STORE LICENSED UNDER SECTION 12-47-407.

(II) Notwithstanding ~~subparagraph (I) of this paragraph (a)~~ SECTION (9)(a)(I) OF THIS SECTION AND SUBJECT TO SUBSECTION (9)(a)(I)(C), for a retail liquor store licensed on or before January 1, 2016, the licensee may apply to move the permanent location to another place within or outside the municipality or county in which the license was originally granted. It is unlawful for the licensee to sell any alcohol beverages at the new location until permission is granted by the state and local licensing authorities.

(10) (c) Tastings are subject to the following limitations:

(I) Tastings shall be conducted only:

(A) By a person who: Has completed a server training program that meets the standards established by the liquor enforcement division in the department of revenue and ~~who is either~~ a retail liquor store licensee or a liquor-licensed drugstore licensee, ~~or~~ an employee of a RETAIL LIQUOR STORE OR LIQUOR-LICENSED DRUGSTORE licensee, OR A REPRESENTATIVE, EMPLOYEE, OR AGENT OF THE LICENSED WHOLESALER, BREW PUB, DISTILLERY PUB, MANUFACTURER, LIMITED WINERY, IMPORTER, OR VINTNER'S RESTAURANT PROMOTING THE ALCOHOL BEVERAGES FOR THE TASTING; and ~~only~~

(B) On a licensee's licensed premises.

(V) THE LICENSEE MAY CONDUCT tastings ~~shall be conducted~~ only during the operating hours in which the licensee on whose premises the tastings occur is permitted to sell alcohol beverages, and in no case earlier than 11 a.m. or later than ~~7 p.m.~~ 9 P.M.

(VII) The licensee shall promptly remove all open and unconsumed alcohol beverage samples from the licensed premises, ~~or shall~~ destroy the samples immediately following the completion of the tasting, OR STORE ANY OPEN CONTAINERS OF UNCONSUMED ALCOHOL BEVERAGES IN A SECURE AREA OUTSIDE THE SALES AREA OF THE LICENSED PREMISES FOR USE AT A TASTING CONDUCTED AT A LATER TIME OR DATE.

(XI) THE LICENSEE MAY CONDUCT tastings ~~may occur~~ on no more than ~~four of the six days from a Monday to the following Saturday, not to exceed one hundred four~~ ONE HUNDRED FIFTY-SIX days per year.

(XII) No manufacturer of spirituous or vinous liquors shall induce a licensee through free goods or financial or in-kind assistance to favor the manufacturer's products being sampled at a tasting. The RETAIL LIQUOR STORE OR LIQUOR-LICENSED DRUGSTORE licensee ~~shall bear~~ BEARS the financial and all other responsibility for a tasting CONDUCTED ON ITS LICENSED PREMISES.

(d) A violation of a limitation specified in this subsection (10) ~~or of~~

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~~section 12-47-801~~ by a retail liquor store or liquor-licensed drugstore licensee, whether by ~~his or her~~ THE LICENSEE'S employees, agents, or otherwise ~~shall be~~ OR BY A REPRESENTATIVE, EMPLOYEE, OR AGENT OF THE LICENSED WHOLESALER, BREW PUB, DISTILLERY PUB, MANUFACTURER, LIMITED WINERY, IMPORTER, OR VINTNER'S RESTAURANT THAT PROMOTED THE ALCOHOL BEVERAGES FOR THE TASTING, IS the responsibility of, AND SECTION 12-47-801 APPLIES TO, the retail liquor store or liquor-licensed drugstore licensee ~~who is conducting~~ THAT CONDUCTED the tasting.

(12) (a) Notwithstanding any other provision of this article 47, on and after July 1, 2016, the state and local licensing authorities shall not issue a new license under this article 47 authorizing the sale at retail of malt, vinous, or spirituous liquors in sealed containers for consumption off the licensed premises if the premises for which the retail license is sought is located:

(I) Within one thousand five hundred feet of another licensed premises licensed to sell malt, vinous, or spirituous liquors at retail for off-premises consumption; ~~or~~

(II) For a premises located in a municipality with a population of ten thousand or fewer, within three thousand feet of another licensed premises licensed to sell malt, vinous, or spirituous liquors at retail for off-premises consumption; OR

(III) FOR A PREMISES LOCATED IN A MUNICIPALITY WITH A POPULATION OF TEN THOUSAND OR FEWER THAT IS CONTIGUOUS TO THE CITY AND COUNTY OF DENVER, WITHIN ONE THOUSAND FIVE HUNDRED FEET OF ANOTHER LICENSED PREMISES LICENSED TO SELL MALT, VINOUS, OR SPIRITUOUS LIQUORS AT RETAIL FOR OFF-PREMISES CONSUMPTION.

(a.5) (I) NOTWITHSTANDING ANY OTHER PROVISION OF THIS ARTICLE 47, ON AND AFTER THE EFFECTIVE DATE OF THIS SUBSECTION (12)(a.5), THE STATE AND LOCAL LICENSING AUTHORITIES SHALL NOT ISSUE A NEW FERMENTED MALT BEVERAGE RETAILER'S LICENSE UNDER ARTICLE 46 OF THIS TITLE 12 AUTHORIZING THE SALE AT RETAIL OF FERMENTED MALT BEVERAGES IN SEALED CONTAINERS FOR CONSUMPTION OFF THE LICENSED PREMISES IF THE PREMISES FOR WHICH THE RETAIL LICENSE IS SOUGHT IS LOCATED WITHIN FIVE HUNDRED FEET OF A RETAIL LIQUOR STORE LICENSED UNDER SECTION 12-47-407.

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(II) THIS SUBSECTION (12)(a.5) DOES NOT APPLY TO A PERSON THAT OWNS OR LEASES A PROPOSED FERMENTED MALT BEVERAGE RETAILER LICENSED PREMISES AND, AS OF JANUARY 1, 2019, HAS APPLIED FOR OR RECEIVED FROM THE MUNICIPALITY, CITY AND COUNTY, OR COUNTY IN WHICH THE PREMISES ARE LOCATED:

(A) A BUILDING PERMIT FOR THE STRUCTURE TO BE USED FOR THE FERMENTED MALT BEVERAGE RETAILER LICENSED PREMISES, WHICH PERMIT IS CURRENTLY ACTIVE AND WILL NOT EXPIRE BEFORE THE COMPLETION OF THE LIQUOR LICENSING PROCESS; OR

(B) A CERTIFICATE OF OCCUPANCY FOR THE STRUCTURE TO BE USED FOR THE FERMENTED MALT BEVERAGE RETAILER LICENSED PREMISES.

(b) For purposes of ~~this subsection (12)~~ SUBSECTION (12)(a) OF THIS SECTION, a license under this ~~article~~ ARTICLE 47 authorizing the sale at retail of malt, vinous, or spirituous liquors in sealed containers for consumption off the licensed premises includes a license under this ~~article~~ ARTICLE 47 authorizing the sale of malt and vinous liquors in sealed containers not to be consumed at the place where the malt and vinous liquors are sold.

(c) For purposes of determining whether the distance requirements specified in ~~paragraph (a) of this subsection (12)~~ SUBSECTIONS (12)(a) AND (12)(a.5) OF THIS SECTION are satisfied, the distance shall be determined by a radius measurement that begins at the principal doorway of the premises for which the application is made and ends at the principal doorway of the other retail licensed premises.

SECTION 6. In Colorado Revised Statutes, 12-47-308, **amend** (1)(a), (3)(a), and (5) as follows:

12-47-308. Unlawful financial assistance. (1) (a) (I) It is unlawful for any person licensed pursuant to this ~~article~~ ARTICLE 47 or article 46 of this ~~title~~ TITLE 12 as a manufacturer, limited winery, ~~licensee~~, wholesaler, or importer, or any person, partnership, association, organization, or corporation interested financially in or with any of said licensees, to furnish, supply, or loan, in any manner, directly or indirectly, to any person licensed to sell at retail pursuant to this ~~article~~ ARTICLE 47 or article 46 or 48 of this ~~title~~ TITLE 12:

(A) Any financial assistance, including the extension of credit for more than thirty days, as specified in section 12-47-202 (2)(b) or in rules of the state licensing authority; or

(B) Any equipment, fixtures, chattels, or furnishings used in the storing, handling, serving, or dispensing of food or alcohol beverages within the premises or for making any structural alterations or improvements in or on the building in which ~~such~~ THE premises are located.

(II) This ~~section shall~~ SUBSECTION (1) DOES not:

(A) Apply to signs or displays within ~~such~~ THE LICENSED premises;
OR

(B) PREVENT A REPRESENTATIVE, EMPLOYEE, OR AGENT OF A PERSON LICENSED UNDER THIS ARTICLE 47 OR ARTICLE 46 OF THIS TITLE 12 AS A MANUFACTURER, LIMITED WINERY, WHOLESALER, OR IMPORTER FROM POURING OR SERVING THE LICENSEE'S ALCOHOL BEVERAGE PRODUCTS AS PART OF A TASTING BEING CONDUCTED ON THE LICENSED PREMISES OF A PERSON LICENSED UNDER THIS ARTICLE 47 TO SELL ALCOHOL BEVERAGES AT RETAIL FOR OFF-PREMISES CONSUMPTION, AND POURING OR SERVING THE LICENSEE'S ALCOHOL BEVERAGES DOES NOT CONSTITUTE LABOR PROVIDED BY A PERSON LICENSED UNDER THIS ARTICLE 47 OR ARTICLE 46 OF THIS TITLE 12 AS A MANUFACTURER, LIMITED WINERY, WHOLESALER, OR IMPORTER TO A PERSON LICENSED UNDER THIS ARTICLE 47 TO SELL ALCOHOL BEVERAGES AT RETAIL.

(3) (a) (I) It is unlawful for any person licensed to sell at retail pursuant to this ~~article~~ ARTICLE 47 or ~~article~~ 46 of this ~~title~~ TITLE 12 to receive and obtain from the persons or parties described and referred to in subsection (1)(a) of this section, directly or indirectly, any financial assistance or any equipment, fixtures, chattels, or furnishings used in the storing, handling, serving, or dispensing of food or alcohol beverages within the premises or from making any structural alterations or improvements in or on the building on which ~~such~~ THE premises are located.

(II) This subsection (3) ~~shall~~ DOES not:

(A) Apply to signs or displays within ~~such~~ THE premises or to advertising materials that are intended primarily to advertise the product of the wholesaler or manufacturer and that have only negligible value in themselves or to the inspection and servicing of malt or vinous liquor-dispensing equipment to the extent necessary for the maintenance of reasonable standards of purity, cleanliness, and health; OR

(B) PREVENT A REPRESENTATIVE, EMPLOYEE, OR AGENT OF A LICENSEE DESCRIBED AND REFERRED TO IN SUBSECTION (1)(a) OF THIS SECTION FROM POURING OR SERVING THE LICENSEE'S ALCOHOL BEVERAGE PRODUCTS AS PART OF A TASTING BEING CONDUCTED ON THE LICENSED PREMISES OF THE PERSON LICENSED UNDER THIS ARTICLE 47 TO SELL ALCOHOL BEVERAGES AT RETAIL FOR OFF-PREMISES CONSUMPTION, AND POURING OR SERVING THE LICENSEE'S ALCOHOL BEVERAGES DOES NOT CONSTITUTE LABOR PROVIDED BY A LICENSEE DESCRIBED IN SUBSECTION (1)(a) OF THIS SECTION TO A PERSON LICENSED UNDER THIS ARTICLE 47 TO SELL ALCOHOL BEVERAGES AT RETAIL.

(5) (a) It is unlawful for any owner, part owner, shareholder, stockholder, or person interested, directly or indirectly, in any retail business or establishment of a person licensed to sell at retail pursuant to ~~the provisions of this article~~ ARTICLE 47 or article 46 or 48 of this ~~title~~ TITLE 12 to enter into any agreement with any person or party or to receive, possess, or accept any money, fixtures, supplies, or things of value from any person or party, whereby a person licensed to sell at retail pursuant to this ~~article~~ ARTICLE 47 or article 46 or 48 of this ~~title~~ TITLE 12 may be influenced or caused, directly or indirectly, to buy, sell, dispense, or handle the product of any manufacturer of alcohol beverages.

(b) This subsection (5) ~~shall~~ DOES not:

(I) Apply to displays within ~~such~~ THE premises; OR

(II) PREVENT A REPRESENTATIVE, EMPLOYEE, OR AGENT OF A PERSON LICENSED UNDER THIS ARTICLE 47 OR ARTICLE 46 OF THIS TITLE 12 AS A MANUFACTURER, LIMITED WINERY, WHOLESALER, OR IMPORTER FROM POURING OR SERVING THE LICENSEE'S ALCOHOL BEVERAGE PRODUCTS AS PART OF A TASTING BEING CONDUCTED ON THE LICENSED PREMISES OF A PERSON LICENSED UNDER THIS ARTICLE 47 TO SELL ALCOHOL BEVERAGES AT RETAIL FOR OFF-PREMISES CONSUMPTION, AND POURING OR SERVING THE

LICENSEE'S ALCOHOL BEVERAGES DOES NOT CONSTITUTE LABOR PROVIDED BY A PERSON LICENSED UNDER THIS ARTICLE 47 OR ARTICLE 46 OF THIS TITLE 12 AS A MANUFACTURER, LIMITED WINERY, WHOLESALER, OR IMPORTER TO A PERSON LICENSED UNDER THIS ARTICLE 47 TO SELL ALCOHOL BEVERAGES AT RETAIL.

SECTION 7. In Colorado Revised Statutes, 12-47-313, **amend** (1) introductory portion; and **add** (1)(e) as follows:

12-47-313. Restrictions for applications for new license - repeal.

(1) ~~No~~ AN application for the issuance of any license specified in section 12-47-309 (1) or 12-46-107 (1) shall NOT be received or acted upon:

(e) (I) IF THE BUILDING IN WHICH THE FERMENTED MALT BEVERAGES ARE TO BE SOLD PURSUANT TO A LICENSE UNDER SECTION 12-46-107 (1)(a) IS LOCATED WITHIN FIVE HUNDRED FEET OF ANY PUBLIC OR PAROCHIAL SCHOOL OR THE PRINCIPAL CAMPUS OF ANY COLLEGE, UNIVERSITY, OR SEMINARY; EXCEPT THAT THIS SUBSECTION (1)(e)(I) DOES NOT APPLY TO:

(A) LICENSED PREMISES LOCATED OR TO BE LOCATED ON LAND OWNED BY A MUNICIPALITY;

(B) AN EXISTING LICENSED PREMISES ON LAND OWNED BY THE STATE;

(C) A FERMENTED MALT BEVERAGE RETAILER THAT HELD A VALID LICENSE AND WAS ACTIVELY DOING BUSINESS BEFORE THE PRINCIPAL CAMPUS WAS CONSTRUCTED;

(D) A CLUB LOCATED WITHIN THE PRINCIPAL CAMPUS OF ANY COLLEGE, UNIVERSITY, OR SEMINARY THAT LIMITS ITS MEMBERSHIP TO THE FACULTY OR STAFF OF THE INSTITUTION; OR

(E) A CAMPUS LIQUOR COMPLEX.

(II) THE DISTANCES REFERRED TO IN SUBSECTION (1)(e)(I) OF THIS SECTION ARE TO BE COMPUTED BY DIRECT MEASUREMENT FROM THE NEAREST PROPERTY LINE OF THE LAND USED FOR SCHOOL PURPOSES TO THE NEAREST PORTION OF THE BUILDING IN WHICH FERMENTED MALT BEVERAGES ARE TO BE SOLD, USING A ROUTE OF DIRECT PEDESTRIAN ACCESS.

(III) THE LOCAL LICENSING AUTHORITY OF ANY CITY AND COUNTY, BY RULE OR REGULATION, THE GOVERNING BODY OF ANY OTHER MUNICIPALITY, BY ORDINANCE, OR THE GOVERNING BODY OF ANY OTHER COUNTY, BY RESOLUTION, MAY:

(A) ELIMINATE OR MODIFY THE DISTANCE RESTRICTIONS IMPOSED BY THIS SUBSECTION (1)(e); OR

(B) ELIMINATE ONE OR MORE TYPES OF SCHOOLS OR CAMPUSES FROM THE APPLICATION OF ANY DISTANCE RESTRICTION ESTABLISHED BY OR PURSUANT TO THIS SUBSECTION (1)(e).

(IV) IN ADDITION TO THE REQUIREMENTS OF SECTION 12-47-312 (2), THE LOCAL LICENSING AUTHORITY SHALL CONSIDER THE EVIDENCE AND MAKE A SPECIFIC FINDING OF FACT AS TO WHETHER THE BUILDING IN WHICH THE FERMENTED MALT BEVERAGES ARE TO BE SOLD IS LOCATED WITHIN ANY DISTANCE RESTRICTION ESTABLISHED BY OR PURSUANT TO THIS SUBSECTION (1)(e). THE FINDING IS SUBJECT TO JUDICIAL REVIEW PURSUANT TO SECTION 12-47-802.

(V) THIS SUBSECTION (1)(e) APPLIES TO:

(A) APPLICATIONS FOR NEW FERMENTED MALT BEVERAGE RETAILER'S LICENSES UNDER SECTION 12-46-107 (1)(a) SUBMITTED ON OR AFTER THE EFFECTIVE DATE OF THIS SUBSECTION (1)(e); AND

(B) APPLICATIONS SUBMITTED ON OR AFTER THE EFFECTIVE DATE OF THIS SUBSECTION (1)(e) UNDER SECTION 12-47-301 (9) BY FERMENTED MALT BEVERAGE RETAILERS LICENSED UNDER SECTION 12-46-107 (1)(a) TO CHANGE THE PERMANENT LOCATION OF THE FERMENTED MALT BEVERAGE RETAILER'S LICENSED PREMISES.

SECTION 8. In Colorado Revised Statutes, 12-47-407, **amend** (1)(a)(II), (2), and (3) as follows:

12-47-407. Retail liquor store license - rules. (1) (a) (II) On and after July 1, 2016, the state and local licensing authorities shall not issue a new retail liquor store license if the premises for which the retail liquor store license is sought is located:

(A) Within one thousand five hundred feet of another retail liquor store licensed under this section or a liquor-licensed drugstore licensed under section 12-47-408; ~~or~~

(B) For a premises located in a municipality with a population of ten thousand or fewer, within three thousand feet of another retail liquor store licensed under this section or a liquor-licensed drugstore licensed under section 12-47-408; OR

(C) FOR A PREMISES LOCATED IN A MUNICIPALITY WITH A POPULATION OF TEN THOUSAND OR FEWER THAT IS CONTIGUOUS TO THE CITY AND COUNTY OF DENVER, WITHIN ONE THOUSAND FIVE HUNDRED FEET OF ANOTHER RETAIL LIQUOR STORE LICENSED UNDER THIS SECTION OR A LIQUOR-LICENSED DRUGSTORE LICENSED UNDER SECTION 12-47-408.

(2) (a) ~~Every~~ A person ~~selling~~ LICENSED UNDER THIS SECTION TO SELL malt, vinous, and spirituous liquors in a retail liquor store:

(I) Shall purchase ~~such~~ THE malt, vinous, and spirituous liquors only from a wholesaler licensed pursuant to this ~~article~~: ARTICLE 47; AND

(II) (A) SHALL NOT SELL MALT, VINOUS, OR SPIRITUOUS LIQUORS TO CONSUMERS AT A PRICE THAT IS BELOW THE RETAIL LIQUOR STORE'S COST, AS LISTED ON THE INVOICE, TO PURCHASE THE MALT, VINOUS, OR SPIRITUOUS LIQUORS, UNLESS THE SALE IS OF DISCONTINUED OR CLOSE-OUT MALT, VINOUS, OR SPIRITUOUS LIQUORS.

(B) THIS SUBSECTION (2)(a)(II) DOES NOT PROHIBIT A RETAIL LIQUOR STORE FROM OPERATING A BONA FIDE LOYALTY OR REWARDS PROGRAM FOR MALT, VINOUS, OR SPIRITUOUS LIQUORS SO LONG AS THE PRICE FOR THE PRODUCT IS NOT BELOW THE RETAIL LIQUOR STORE'S COSTS AS LISTED ON THE INVOICE. THE STATE LICENSING AUTHORITY MAY ADOPT RULES TO IMPLEMENT THIS SUBSECTION (2)(a)(II).

(b) A PERSON LICENSED UNDER THIS SECTION THAT OBTAINS ADDITIONAL RETAIL LIQUOR STORE LICENSES IN ACCORDANCE WITH SUBSECTION (4)(b)(III) OF THIS SECTION MAY OPERATE UNDER A SINGLE OR CONSOLIDATED CORPORATE ENTITY BUT SHALL NOT COMMINGLE PURCHASES OF OR CREDIT EXTENSIONS FOR PURCHASES OF MALT, VINOUS, OR SPIRITUOUS LIQUORS FROM A WHOLESALER LICENSED UNDER THIS ARTICLE 47 FOR MORE

THAN ONE LICENSED PREMISES. A WHOLESALER LICENSED UNDER THIS ARTICLE 47 SHALL NOT BASE THE PRICE FOR THE MALT, VINOUS, OR SPIRITUOUS LIQUORS IT SELLS TO A RETAIL LIQUOR STORE LICENSED UNDER THIS SECTION ON THE TOTAL VOLUME OF MALT, VINOUS, OR SPIRITUOUS LIQUORS THAT THE LICENSEE PURCHASES FOR MULTIPLE LICENSED PREMISES.

(3) (a) A person licensed to sell at retail who complies with this subsection (3) and rules promulgated pursuant ~~thereto~~ TO THIS SUBSECTION (3) may deliver malt, vinous, and spirituous liquors to a person of legal age if: ~~such~~

(I) THE person RECEIVING THE DELIVERY OF MALT, VINOUS, OR SPIRITUOUS LIQUORS IS LOCATED at a place that is not licensed pursuant to this section;

(II) THE DELIVERY IS MADE BY AN EMPLOYEE OF THE LICENSED RETAIL LIQUOR STORE WHO IS AT LEAST TWENTY-ONE YEARS OF AGE AND WHO IS USING A VEHICLE OWNED OR LEASED BY THE LICENSEE TO MAKE THE DELIVERY;

(III) THE PERSON MAKING THE DELIVERY VERIFIES, IN ACCORDANCE WITH SECTION 12-47-901 (10), THAT THE PERSON RECEIVING THE DELIVERY OF MALT, VINOUS, OR SPIRITUOUS LIQUORS IS AT LEAST TWENTY-ONE YEARS OF AGE; AND

(IV) THE RETAIL LIQUOR STORE DERIVES NO MORE THAN FIFTY PERCENT OF ITS GROSS ANNUAL REVENUES FROM TOTAL SALES OF MALT, VINOUS, AND SPIRITUOUS LIQUORS FROM THE SALE OF MALT, VINOUS, AND SPIRITUOUS LIQUORS THAT THE RETAIL LIQUOR STORE DELIVERS.

(b) The state licensing authority shall promulgate rules as ~~are~~ necessary for the proper delivery of malt, vinous, and spirituous liquors and ~~shall have the authority~~ IS AUTHORIZED to issue a permit to any person who is licensed UNDER THIS SECTION to sell at retail and delivers ~~such~~ THE liquors pursuant to this subsection (3). ~~Such permits shall be~~ A PERMIT ISSUED UNDER THIS SUBSECTION (3) IS subject to the same suspension and revocation provisions as are set forth in section 12-47-601 for other licenses granted pursuant to this ~~article~~ ARTICLE 47.

SECTION 9. In Colorado Revised Statutes, 12-47-408, **amend**

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(1)(a)(I), (1)(b)(IV) introductory portion, (1)(b)(IV)(B), (2)(a)(II), (2)(a)(III), (3), and (4)(b)(IV) introductory portion; and **add** (4)(b)(V), (4)(c), and (8) as follows:

12-47-408. Liquor-licensed drugstore license - multiple licenses permitted - requirements - rules. (1) (a) (I) A liquor-licensed drugstore license shall be issued to persons selling malt, vinous, and spirituous liquors in sealed containers not to be consumed at the place where sold. On and after July 1, 2016, except as permitted under ~~paragraph (b) of this subsection~~ (1) SUBSECTION (1)(b) OF THIS SECTION, the state and local licensing authorities shall not issue a new liquor-licensed drugstore license if the licensed premises for which a liquor-licensed drugstore license is sought is located:

(A) Within one thousand five hundred feet of a retail liquor store licensed under section 12-47-407; ~~or~~

(B) For a drugstore premises located in a municipality with a population of ten thousand or fewer, within three thousand feet of a retail liquor store licensed under section 12-47-407; ~~OR~~

(C) FOR A DRUGSTORE PREMISES LOCATED IN A MUNICIPALITY WITH A POPULATION OF TEN THOUSAND OR FEWER THAT IS CONTIGUOUS TO THE CITY AND COUNTY OF DENVER, WITHIN ONE THOUSAND FIVE HUNDRED FEET OF A RETAIL LIQUOR STORE LICENSED UNDER SECTION 12-47-407.

(b) (IV) In addition to any other requirements for licensure under this section or ~~article~~ ARTICLE 47, a person applying for a new liquor-licensed drugstore license in accordance with this ~~paragraph (b)~~ SUBSECTION (1)(b) on or after January 1, 2017, or to renew a liquor-licensed drugstore license issued on or after January 1, 2017, under this ~~paragraph (b)~~ SUBSECTION (1)(b) must:

(B) ~~Be~~ MAKE AND KEEP ITS PREMISES open to the public.

(2) (a) A person licensed under this section to sell malt, vinous, and spirituous liquors as provided in this section shall:

(II) (A) Not sell malt, vinous, or spirituous liquors to consumers at a price that is below the liquor-licensed drugstore's cost, AS LISTED ON THE

INVOICE, to purchase the malt, vinous, or spirituous liquors, UNLESS THE SALE IS OF DISCONTINUED OR CLOSE-OUT MALT, VINOUS, OR SPIRITUOUS LIQUORS.

(B) THIS SUBSECTION (2)(a)(II) DOES NOT PROHIBIT A LIQUOR-LICENSED DRUGSTORE FROM OPERATING A BONA FIDE LOYALTY OR REWARDS PROGRAM FOR MALT, VINOUS, OR SPIRITUOUS LIQUORS SO LONG AS THE PRICE FOR THE PRODUCT IS NOT BELOW THE LIQUOR-LICENSED DRUGSTORE'S COSTS AS LISTED ON THE INVOICE. THE STATE LICENSING AUTHORITY MAY ADOPT RULES TO IMPLEMENT THIS SUBSECTION (2)(a)(II).

(III) Not allow consumers to purchase malt, vinous, or spirituous liquors at a self-checkout or other mechanism that allows the consumer to complete the alcohol beverage purchase without assistance from and completion of the ENTIRE transaction by an employee of the liquor-licensed drugstore;

(3) (a) A liquor-licensed drugstore licensee who complies with this subsection (3) and rules promulgated pursuant ~~thereto~~ TO THIS SUBSECTION (3) may deliver malt, vinous, and spirituous liquors to a person of legal age if: ~~such~~

(I) THE person RECEIVING THE DELIVERY OF MALT, VINOUS, OR SPIRITUOUS LIQUORS IS LOCATED at a place that is not licensed pursuant to this section;

(II) THE DELIVERY IS MADE BY AN EMPLOYEE OF THE LIQUOR-LICENSED DRUGSTORE WHO IS AT LEAST TWENTY-ONE YEARS OF AGE AND WHO IS USING A VEHICLE OWNED OR LEASED BY THE LICENSEE TO MAKE THE DELIVERY;

(III) THE PERSON MAKING THE DELIVERY VERIFIES, IN ACCORDANCE WITH SECTION 12-47-901 (10), THAT THE PERSON RECEIVING THE DELIVERY OF MALT, VINOUS, OR SPIRITUOUS LIQUORS IS AT LEAST TWENTY-ONE YEARS OF AGE; AND

(IV) THE LIQUOR-LICENSED DRUGSTORE DERIVES NO MORE THAN FIFTY PERCENT OF ITS GROSS ANNUAL REVENUES FROM TOTAL SALES OF MALT, VINOUS, AND SPIRITUOUS LIQUORS FROM THE SALE OF MALT, VINOUS, AND SPIRITUOUS LIQUORS THAT THE LIQUOR-LICENSED DRUGSTORE

DELIVERS.

(b) The state licensing authority shall promulgate rules as are necessary for the proper delivery of malt, vinous, and spirituous liquors and ~~shall have the authority~~ IS AUTHORIZED to issue a permit to any liquor-licensed drugstore licensee that will allow ~~such~~ THE licensee to deliver ~~such~~ THE liquors pursuant to ~~such~~ THE rules and this subsection (3). ~~Such permits shall be~~ A PERMIT ISSUED UNDER THIS SUBSECTION (3) IS subject to the same suspension and revocation provisions as are set forth in sections 12-47-306 and 12-47-601 for other licenses granted pursuant to this ~~article~~ ARTICLE 47.

(4) (b) An owner, part owner, shareholder, or person interested directly or indirectly in a liquor-licensed drugstore may have an interest in:

(IV) For a liquor-licensed drugstore licensed on or before January 1, 2016, OR A LIQUOR-LICENSED DRUGSTORE LICENSEE THAT WAS LICENSED AS A LIQUOR-LICENSED DRUGSTORE ON FEBRUARY 21, 2016, THAT CONVERTED ITS LICENSE TO A RETAIL LIQUOR STORE LICENSE AFTER FEBRUARY 21, 2016, AND THAT APPLIED ON OR BEFORE MAY 1, 2017, TO CONVERT ITS RETAIL LIQUOR STORE LICENSE BACK TO A LIQUOR-LICENSED DRUGSTORE LICENSE, additional liquor-licensed drugstore licenses as follows, but only if obtained in accordance with ~~paragraph (b) of subsection (1)~~ SUBSECTION (1)(b) of this section:

(V) FOR A LIQUOR-LICENSED DRUGSTORE THAT SUBMITTED AN APPLICATION FOR A NEW LIQUOR-LICENSED DRUGSTORE LICENSE BEFORE OCTOBER 1, 2016, ADDITIONAL LIQUOR-LICENSED DRUGSTORE LICENSES AS FOLLOWS, BUT ONLY IF OBTAINED IN ACCORDANCE WITH SUBSECTION (1)(b) OF THIS SECTION:

(A) ON OR AFTER JANUARY 1, 2019, AND BEFORE JANUARY 1, 2022, FOUR ADDITIONAL LIQUOR-LICENSED DRUGSTORE LICENSES, FOR A MAXIMUM OF FIVE TOTAL LIQUOR-LICENSED DRUGSTORE LICENSES;

(B) ON OR AFTER JANUARY 1, 2022, AND BEFORE JANUARY 1, 2027, UP TO SEVEN ADDITIONAL LIQUOR-LICENSED DRUGSTORE LICENSES, FOR A MAXIMUM OF EIGHT TOTAL LIQUOR-LICENSED DRUGSTORE LICENSES;

(C) ON OR AFTER JANUARY 1, 2027, AND BEFORE JANUARY 1, 2032,

UP TO TWELVE ADDITIONAL LIQUOR-LICENSED DRUGSTORE LICENSES, FOR A MAXIMUM OF THIRTEEN TOTAL LIQUOR-LICENSED DRUGSTORE LICENSES;

(D) ON OR AFTER JANUARY 1, 2032, AND BEFORE JANUARY 1, 2037, UP TO NINETEEN ADDITIONAL LIQUOR-LICENSED DRUGSTORE LICENSES, FOR A MAXIMUM OF TWENTY TOTAL LIQUOR-LICENSED DRUGSTORE LICENSES; AND

(E) ON OR AFTER JANUARY 1, 2037, AN UNLIMITED NUMBER OF ADDITIONAL LIQUOR-LICENSED DRUGSTORE LICENSES.

(c) SUBSECTION (4)(b)(V) OF THIS SECTION DOES NOT APPLY TO A LIQUOR-LICENSED DRUGSTORE LICENSEE THAT WAS LICENSED AS A LIQUOR-LICENSED DRUGSTORE ON FEBRUARY 21, 2016, THAT CONVERTED ITS LICENSE TO A RETAIL LIQUOR STORE LICENSE AFTER FEBRUARY 21, 2016, AND THAT APPLIED ON OR BEFORE MAY 1, 2017, TO CONVERT ITS RETAIL LIQUOR STORE LICENSE BACK TO A LIQUOR-LICENSED DRUGSTORE LICENSE.

(8) A PERSON LICENSED UNDER THIS SECTION THAT OBTAINS ADDITIONAL LIQUOR-LICENSED DRUGSTORE LICENSES IN ACCORDANCE WITH SUBSECTION (4)(b)(IV) OR (4)(b)(V) OF THIS SECTION MAY OPERATE UNDER A SINGLE OR CONSOLIDATED CORPORATE ENTITY BUT SHALL NOT COMMINGLE PURCHASES OF OR CREDIT EXTENSIONS FOR PURCHASES OF MALT, VINOUS, OR SPIRITUOUS LIQUORS FROM A WHOLESALER LICENSED UNDER THIS ARTICLE 47 FOR MORE THAN ONE LICENSED PREMISES. A WHOLESALER LICENSED UNDER THIS ARTICLE 47 SHALL NOT BASE THE PRICE FOR THE MALT, VINOUS, OR SPIRITUOUS LIQUORS IT SELLS TO A LIQUOR-LICENSED DRUGSTORE LICENSED UNDER THIS SECTION ON THE TOTAL VOLUME OF MALT, VINOUS, OR SPIRITUOUS LIQUORS THAT THE LICENSEE PURCHASES FOR MULTIPLE LICENSED PREMISES.

SECTION 10. In Colorado Revised Statutes, 12-47-601, add (7.5)(c) as follows:

12-47-601. Suspension - revocation - fines. (7.5) (c) WHEN IMPOSING A SUSPENSION OR FINE AGAINST A RETAIL ESTABLISHMENT LICENSED UNDER SECTION 12-46-107 (1) OR THIS ARTICLE 47 FOR A VIOLATION OF SECTION 12-47-901 (5)(a)(I), THE LICENSING AUTHORITY SHALL NOT TAKE INTO CONSIDERATION ANY VIOLATION OF SECTION 12-47-901 (5)(a)(I) BY THE LICENSEE THAT OCCURRED MORE THAN FIVE

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YEARS BEFORE THE DATE ON WHICH THE VIOLATION FOR WHICH THE SUSPENSION OR FINE IS BEING IMPOSED OCCURRED.

SECTION 11. In Colorado Revised Statutes, 12-47-901, **amend** (1) introductory portion, (1)(f), (1)(h)(I), (1)(h)(II), (5)(c), (5)(k), (5)(p)(I)(B), (5)(p)(II), (5)(p)(III), (9)(b), and (10); and **add** (1)(h)(VII) as follows:

12-47-901. Unlawful acts - exceptions - definitions. (1) Except as provided in section 18-13-122, ~~C.R.S.~~, it is unlawful for any person:

(f) To sell at retail any malt, vinous, or spirituous liquors in sealed containers without holding a retail liquor store or liquor-licensed drugstore license, except as permitted by section 12-47-301 (6)(b) or any other provision of this ~~article~~ ARTICLE 47, OR TO SELL AT RETAIL ANY FERMENTED MALT BEVERAGES IN SEALED CONTAINERS WITHOUT HOLDING A FERMENTED MALT BEVERAGE RETAILER'S LICENSE UNDER SECTIONS 12-46-104 (1)(c) AND 12-46-107 (1)(a);

(h) (I) To consume ANY FERMENTED MALT BEVERAGE OR malt, vinous, or spirituous liquor:

(A) In any public place except on any licensed premises permitted under this ~~article~~ ARTICLE 47 OR ARTICLE 46 OF THIS TITLE 12 to sell ~~such liquor~~ ANY FERMENTED MALT BEVERAGES OR MALT, VINOUS, OR SPIRITUOUS LIQUORS by the drink for consumption ~~thereon; to consume any alcohol beverage~~ ON THE LICENSED PREMISES;

(B) Upon any premises licensed to sell ~~liquor~~ ALCOHOL BEVERAGES for consumption on the licensed premises, the sale of which is not authorized by the state licensing authority; ~~to consume alcohol beverages~~

(C) At any time on such premises other than ~~such alcohol beverage~~ as is BEVERAGES purchased from ~~such~~ THE establishment; or ~~to consume alcohol beverages~~

(D) In any public room on ~~such~~ THE LICENSED premises during ~~such~~ hours as DURING WHICH the sale of ~~such~~ THE ALCOHOL beverage is prohibited under this ~~article~~ ARTICLE 47.

(II) Notwithstanding ~~subparagraph (I) of this paragraph (h), it is not~~

~~unlawful for~~ SUBSECTION (1)(h)(I) OF THIS SECTION, a person who is at least twenty-one years of age to MAY consume ~~malt, vinous, or spirituous liquors~~ ALCOHOL BEVERAGES while the person is a passenger aboard a luxury limousine or a charter bus, as those terms are defined in section 40-10.1-301. ~~C.R.S.~~ Nothing in this ~~subparagraph~~ (II) SUBSECTION (1)(h)(II) authorizes an owner or operator of a luxury limousine or charter bus to sell or distribute alcohol beverages without obtaining a public transportation system license pursuant to section 12-47-419.

(VII) NOTWITHSTANDING SUBSECTION (1)(h)(I) OF THIS SECTION, IT IS NOT UNLAWFUL FOR A PERSON WHO IS AT LEAST TWENTY-ONE YEARS OF AGE TO CONSUME ANY FERMENTED MALT BEVERAGE OR MALT, VINOUS, OR SPIRITUOUS LIQUOR IN ANY PUBLIC PLACE, OTHER THAN A PUBLIC RIGHT OF WAY, WHERE CONSUMPTION OF THE FERMENTED MALT BEVERAGE OR MALT, VINOUS, OR SPIRITUOUS LIQUOR HAS BEEN SPECIFICALLY AUTHORIZED BY ORDINANCE, RESOLUTION, OR RULE ADOPTED BY A MUNICIPALITY, CITY AND COUNTY, OR COUNTY OR, FOR PURPOSES OF STATE PARKS, STATE WILDLIFE AREAS, OR OTHER PROPERTIES OPEN TO RECREATION THAT ARE UNDER THE SUPERVISION OF THE PARKS AND WILDLIFE COMMISSION CREATED IN ARTICLE 9 OF TITLE 33, BY THE PARKS AND WILDLIFE COMMISSION.

(5) It is unlawful for any person licensed to sell at retail pursuant to this article 47 or article 46 of this title 12:

(c) ~~Except as provided in section 18-13-122, C.R.S.,~~ To sell fermented malt beverages:

(I) To any person under the age of twenty-one years, ~~or EXCEPT AS PROVIDED IN SECTION 18-13-122;~~

(II) To any person between the hours of 12 midnight and 8 a.m.; OR

(III) IN A SEALED CONTAINER ON CHRISTMAS DAY;

(k) (I) EXCEPT AS PROVIDED IN SUBSECTIONS (5)(k)(II), (5)(k)(IV), AND (5)(k)(V) OF THIS SECTION, to have on the licensed premises, if licensed as a retail liquor store, ~~or liquor-licensed drugstore, OR FERMENTED MALT BEVERAGE RETAILER,~~ any container that shows evidence of having once been opened or that contains a volume of liquor less than that specified on the label of ~~such~~ THE container; ~~except that~~

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(II) (A) A person holding a retail liquor store or liquor-licensed drugstore license UNDER THIS ARTICLE 47 may have upon the licensed premises malt, vinous, or spirituous liquors in open containers when the open containers were brought on the licensed premises by and remain solely in the possession of the sales personnel of a person licensed to sell at wholesale pursuant to this ~~article~~ ARTICLE 47 for the purpose of sampling malt, vinous, or spirituous liquors by the retail LIQUOR STORE OR LIQUOR-LICENSED DRUGSTORE licensee only.

(B) A PERSON HOLDING A FERMENTED MALT BEVERAGE RETAILER'S LICENSE UNDER SECTION 12-46-107 (1)(a) MAY HAVE UPON THE LICENSED PREMISES FERMENTED MALT BEVERAGES IN OPEN CONTAINERS WHEN THE OPEN CONTAINERS WERE BROUGHT ONTO THE LICENSED PREMISES BY AND REMAIN SOLELY IN THE POSSESSION OF THE SALES PERSONNEL OF A PERSON LICENSED TO SELL AT WHOLESALE PURSUANT TO ARTICLE 46 OF THIS TITLE 12 FOR THE PURPOSE OF SAMPLING FERMENTED MALT BEVERAGES BY THE FERMENTED MALT BEVERAGE RETAILER LICENSEE ONLY.

(III) Nothing in this ~~paragraph (k)~~ shall apply SUBSECTION (5)(k) APPLIES to any liquor-licensed drugstore where the contents, or a portion thereof OF THE CONTENTS, have been used in compounding prescriptions.

~~(H)~~ (IV) ~~Notwithstanding subparagraph (I) of this paragraph (k),~~ It shall IS not be unlawful for a retail liquor store or liquor-licensed drugstore licensee to allow tastings to be conducted on ~~his or her~~ THE licensed premises if authorization for the tastings has been granted pursuant to section 12-47-301.

(V) A PERSON HOLDING A RETAIL LIQUOR STORE OR LIQUOR-LICENSED DRUGSTORE LICENSE UNDER THIS ARTICLE 47 OR A FERMENTED MALT BEVERAGE RETAILER'S LICENSE UNDER SECTION 12-46-107 (1)(a) MAY HAVE UPON THE LICENSED PREMISES AN OPEN CONTAINER OF AN ALCOHOL BEVERAGE PRODUCT THAT THE LICENSEE DISCOVERS TO BE DAMAGED OR DEFECTIVE SO LONG AS THE LICENSEE MARKS THE PRODUCT AS DAMAGED OR FOR RETURN AND STORES THE OPEN CONTAINER OUTSIDE THE SALES AREA OF THE LICENSED PREMISES UNTIL THE LICENSEE IS ABLE TO RETURN THE PRODUCT TO THE WHOLESALE FROM WHOM THE PRODUCT WAS PURCHASED.

(p) (I) (B) Except as provided in ~~subparagraph (H) of this paragraph~~

~~(p)~~ SUBSECTION (5)(p)(II) OF THIS SECTION, to employ a person who is at least eighteen years of age but under twenty-one years of age to sell or dispense malt, vinous, or spirituous liquors unless the employee is supervised by another person who is on the licensed premises and is at least twenty-one years of age; EXCEPT THAT THIS SUBSECTION (5)(p)(I)(B) DOES NOT APPLY TO A RETAIL LIQUOR STORE LICENSED UNDER SECTION 12-47-407 OR A LIQUOR-LICENSED DRUGSTORE LICENSED UNDER SECTION 12-47-408;

(II) If licensed as a tavern under section 12-47-412 that does not regularly serve meals OR a lodging and entertainment facility under section 12-47-426 that does not regularly serve meals, ~~a retail liquor store under section 12-47-407, or a liquor-licensed drugstore under section 12-47-408;~~ to permit an employee who is under twenty-one years of age to sell malt, vinous, or spirituous liquors; or

(III) If licensed as a retail liquor store under section 12-47-407, ~~or a liquor-licensed drugstore under section 12-47-408, OR A FERMENTED MALT BEVERAGE RETAILER UNDER SECTION 12-46-107 (1)(a), to permit an employee who is under twenty-one years of age to deliver or otherwise have any contact with~~ malt, vinous, or spirituous liquors OR FERMENTED MALT BEVERAGES offered for sale on, or sold and removed from, the licensed premises of the retail liquor store, ~~or liquor-licensed drugstore, OR FERMENTED MALT BEVERAGE RETAILER.~~

(9) (b) This subsection (9) applies to persons licensed or permitted to sell or serve alcohol beverages for consumption on the licensed premises pursuant to section ~~12-46-107 (1)(b),~~ 12-47-403, 12-47-409, 12-47-410, 12-47-411, 12-47-412, 12-47-413, 12-47-414, 12-47-415, 12-47-416, 12-47-417, 12-47-418, 12-47-419, 12-47-420, 12-47-422, 12-47-424, or 12-47-426.

(10) (a) Except as provided in ~~paragraph (b) of this subsection (10), it is unlawful for~~ SUBSECTION (10)(b) OF THIS SECTION, a retail licensee or an employee of a retail licensee ~~to~~ SHALL NOT sell malt, vinous, or spirituous liquors OR FERMENTED MALT BEVERAGES to a consumer for consumption off the licensed premises unless the retail licensee or employee verifies that the consumer is at least twenty-one years of age by requiring the consumer to present a valid identification, as determined by the state licensing authority by rule. The retail licensee or employee shall make a determination from the information presented whether the purchaser is at

least twenty-one years of age.

(b) It is not unlawful for a retail licensee or employee of a retail licensee to sell malt, vinous, or spirituous liquors OR FERMENTED MALT BEVERAGES to a consumer who is or reasonably appears to be over fifty years of age and who failed to present an acceptable form of identification.

(c) As used in this subsection (10), "retail licensee" means a person licensed under section ~~12-46-104 (1)(c)~~ **12-46-107 (1)(a)**, 12-47-407, or 12-47-408.

SECTION 12. Appropriation. (1) For the 2018-19 state fiscal year, \$91,092 is appropriated to the department of revenue. This appropriation is from the liquor enforcement division and state licensing authority cash fund created in section 24-35-401, C.R.S. To implement this act, the department may use this appropriation as follows:

(a) \$65,506 for use by the liquor and tobacco enforcement division for personal services, which amount is based on an assumption that the division will require an additional 1.0 FTE;

(b) \$14,930 for use by the liquor and tobacco enforcement division for operating expenses; and

(c) \$10,656 for the purchase of legal services.

(2) For the 2018-19 state fiscal year, \$10,656 is appropriated to the department of law. This appropriation is from reappropriated funds received from the department of revenue under subsection (1)(c) of this section and is based on an assumption that the department of law will require an additional 0.1 FTE. To implement this act, the department of law may use this appropriation to provide legal services for the department of revenue.

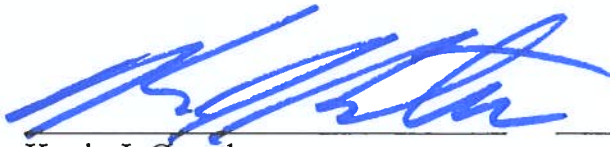
SECTION 13. Effective date. (1) Except as provided in subsections (2) and (3) of this section, this act takes effect upon passage.

(2) Section 3 of this act; section 12-46-107 (4), (5), and (6), as enacted in section 4 of this act; section 12-47-407 (2) and (3), as amended in section 8 of this act; section 12-47-408 (2)(a)(II), (2)(a)(III), and (3), as amended in section 9 of this act; section 12-47-408 (8), as enacted in

section 9 of this act; and section 11 of this act take effect January 1, 2019.

(3) Section 12-47-301 (8), as amended in section 5 of this act, takes effect July 1, 2019.

SECTION 14. Safety clause. The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.



Kevin J. Grantham
PRESIDENT OF
THE SENATE



Crisanta Duran
SPEAKER OF THE HOUSE
OF REPRESENTATIVES

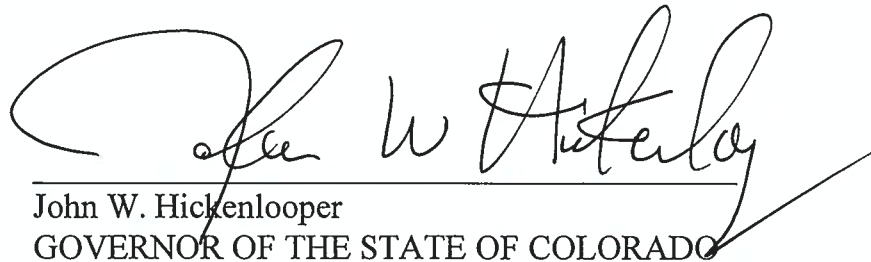


Effie Ameen
SECRETARY OF
THE SENATE



Marilyn Eddins
CHIEF CLERK OF THE HOUSE
OF REPRESENTATIVES

APPROVED 3:03 PM 6/4/18



John W. Hickenlooper
GOVERNOR OF THE STATE OF COLORADO

An Act

SENATE BILL 18-248

BY SENATOR(S) Martinez Humenik, Kefalas, Tate;
also REPRESENTATIVE(S) Lawrence and Gray, Exum, Herod, Kennedy.

CONCERNING THE TREATMENT UNDER STATUTORY PROVISIONS GOVERNING
TAX INCREMENT FINANCING OF REVENUES RECEIVED BY AN URBAN
RENEWAL AUTHORITY FOLLOWING CERTAIN VOTER-APPROVED
REVENUE INCREASES.

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

SECTION 1. In Colorado Revised Statutes, 31-25-107, **amend**
(9)(a)(II) and (9.7)(b) as follows:

31-25-107. Approval of urban renewal plans by local governing body - definitions. (9) (a) Notwithstanding any law to the contrary, any urban renewal plan, as originally approved or as later modified pursuant to this part 1, may contain a provision that the property taxes of specifically designated public bodies, if any, levied after the effective date of the approval of such urban renewal plan upon taxable property in an urban renewal area each year or that municipal sales taxes collected within said area, or both such taxes, by or for the benefit of the designated public body must be divided for a period not to exceed twenty-five years after the effective date of adoption of such a provision, as follows:

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

(II) That portion of said property taxes or all or any portion of said sales taxes, or both, in excess of the amount of property taxes or sales taxes paid into the funds of each such public body in accordance with the requirements of ~~subparagraph (I) of this paragraph (a)~~ SUBSECTION (9)(a)(I) OF THIS SECTION must be allocated to and, when collected, paid into a special fund of the authority to pay the principal of, the interest on, and any premiums due in connection with the bonds of, loans or advances to, or indebtedness incurred by, whether funded, refunded, assumed, or otherwise, the authority for financing or refinancing, in whole or in part, an urban renewal project, or to make payments under an agreement executed pursuant to ~~subsection (11) of this section~~. Any excess municipal sales tax or property tax collections not allocated pursuant to this ~~subparagraph (H)~~ SUBSECTION (9)(a)(II) must be paid into the funds of the municipality or other taxing entity, as applicable. Unless and until the total valuation for assessment of the taxable property in an urban renewal area exceeds the base valuation for assessment of the taxable property in such urban renewal area, as provided in ~~subparagraph (I) of this paragraph (a)~~ SUBSECTION (9)(a)(I) OF THIS SECTION, all of the taxes levied upon the taxable property in such urban renewal area must be paid into the funds of the respective public bodies. Unless and until the total municipal sales tax collections in an urban renewal area exceed the base year municipal sales tax collections in such urban renewal area, as provided in ~~subparagraph (I) of this paragraph (a)~~ SUBSECTION (9)(a)(I) OF THIS SECTION, all such sales tax collections must be paid into the funds of the municipality. When such bonds, loans, advances, and indebtedness, if any, including interest thereon and any premiums due in connection therewith, have been paid, all taxes upon the taxable property or the total municipal sales tax collections, or both, in such urban renewal area must be paid into the funds of the respective public bodies, and all ~~moneys~~ MONEY remaining in the special fund established pursuant to this ~~subparagraph (H)~~ SUBSECTION (9)(a)(II) that ~~have~~ HAS not previously been rebated and that originated as property tax increment generated based on the mill levy of a taxing body, other than the municipality, within the boundaries of the urban renewal area must be repaid to each taxing body based on the pro rata share of the prior year's property tax increment attributable to each taxing body's current mill levy in which property taxes were divided pursuant to this subsection (9). Any ~~moneys~~ MONEY remaining in the special fund not generated by property tax increment ~~are~~ IS excluded from any such repayment requirement. Notwithstanding any other provision of law, any additional revenues ~~the~~

~~municipality, county, special district, or school district receives either~~ RESULTING because the voters have authorized the municipality, county, special district, or school district to retain and spend said ~~moneys~~ REVENUES pursuant to section 20 (7)(d) of article X of the state constitution subsequent to the creation of the special fund pursuant to this ~~subparagraph (H)~~ SUBSECTION (9)(a)(II) or as a result of an increase in the property tax mill levy approved by the voters of the municipality, county, special district, or school district subsequent to the creation of the special fund, to the extent the total mill levy of the municipality, county, special district, or school district exceeds the respective mill levy in effect at the time of approval or substantial modification of the urban renewal plan, ~~are not included in the amount of the increment that is allocated to and, when collected, paid into the special fund of the authority~~ SHALL NOT BE PLEDGED BY AN AUTHORITY FOR THE PAYMENT OF ANY BONDS OF, ANY LOANS OR ADVANCES TO, OR ANY INDEBTEDNESS INCURRED BY THE AUTHORITY WITHOUT THE CONSENT OF THE RELEVANT MUNICIPALITY, COUNTY, SPECIAL DISTRICT, OR SCHOOL DISTRICT. TO THE EXTENT THE AUTHORITY HAS RECEIVED THE NOTIFICATION SPECIFIED IN THIS SUBSECTION (9)(a)(II), SUCH ADDITIONAL REVENUES SHALL THEN BE PROMPTLY REPAYED BY THE AUTHORITY TO THE MUNICIPALITY OR OTHER TAXING ENTITY. THE AUTHORITY SHALL BE NOTIFIED OF THE AMOUNT OF ADDITIONAL REVENUES AND THE CALCULATIONS USED IN COMPUTING THE AMOUNT BY THE APPLICABLE MUNICIPALITY OR OTHER TAXING ENTITY PRIOR TO MAKING REPAYMENT AND, IN ANY EVENT, NOT LATER THAN FEBRUARY 1 IN EACH FISCAL YEAR FOLLOWING THE YEAR IN WHICH A VOTER-APPROVED REVENUE INCREASE HAS TAKEN EFFECT. THE AUTHORITY AND MUNICIPALITY OR ANY OTHER TAXING ENTITY MAY NEGOTIATE FOR THE PURPOSE OF ENTERING INTO AN AGREEMENT ON THE ISSUES OF THE AMOUNT OF REPAYMENT, THE MECHANICS OF HOW REPAYMENT OF THE ADDITIONAL REVENUES WILL BE ACCOMPLISHED, A METHOD FOR RESOLVING DISPUTES REGARDING THE AMOUNT OF REPAYMENT, AND WHETHER THE MUNICIPALITY OR TAXING ENTITY WILL WAIVE THE REPAYMENT REQUIREMENT, SINGULARLY OR IN COMBINATION, AND MAY ENTER INTO AN INTERGOVERNMENTAL AGREEMENT REGARDING ANY OF THESE ISSUES.

(9.7) Notwithstanding any other provision of law:

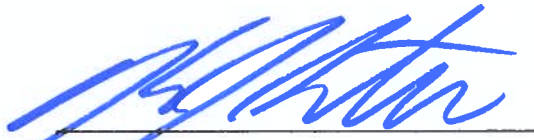
(b) The requirements of section 31-25-104 (2)(a), (2)(b), and (2.5), section 31-25-115 (1.5), the introductory portion of subsection (9)(a) of this section, subsections (9)(a)(II), (9)(i), and (9.5) of this section, as added by


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House Bill 15-1348, enacted in 2015, and as amended by Senate Bill 16-177, enacted in 2016, and the requirements of subsections (7) and (7.5) of this section as amended by Senate Bill 17-279, enacted in 2017, AND THE REQUIREMENTS OF SUBSECTION (9)(a)(II) OF THIS SECTION AS AMENDED BY SENATE BILL 18-248, ENACTED IN 2018, apply to municipalities, urban renewal authorities, and any urban renewal plans created on or after January 1, 2016, and to any substantial modification of any urban renewal plan where the modification is approved on or after January 1, 2016.


SECTION 2. Safety clause. The general assembly hereby finds,

determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.



Kevin J. Grantham
PRESIDENT OF
THE SENATE


Crisanta Duran
SPEAKER OF THE HOUSE
OF REPRESENTATIVES


Effie Ameen
SECRETARY OF
THE SENATE


Marilyn Eddins
CHIEF CLERK OF THE HOUSE
OF REPRESENTATIVES

APPROVED May 30th 2018 4:54pm


John W. Hickenlooper
GOVERNOR OF THE STATE OF COLORADO

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