

Second Regular Session
Seventy-fifth General Assembly
STATE OF COLORADO

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

LLS NO. 26-0279.01 Jacob Bennington x2371

HOUSE BILL 26-1059

HOUSE SPONSORSHIP

Hartsook and Stewart R.,

SENATE SPONSORSHIP

Frizell and Snyder,

House Committees

Finance
Appropriations

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING THE CASH FUNDS CREATED IN CONNECTION WITH MONEY**
102 **RETAINED BY THE DEPARTMENT OF REVENUE TO MITIGATE THE**
103 **ADMINISTRATIVE COSTS INCURRED BY THE DEPARTMENT IN**
104 **COLLECTING CERTAIN CHARGES.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)

Current law allows the department of revenue (department) to retain an amount equal to its administrative costs in collecting, administering, and enforcing the production fees for clean transit and

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words or numbers indicate deletions from existing law.

wildlife and land remediation, the enterprise per ride fees, and the retail delivery fees and the enterprise retail delivery fees. Current law also allows the department to retain 3% of the prepaid wireless trust cash fund to mitigate administrative costs. The money retained by the department is currently transmitted into multiple individual cost recovery cash funds that are used to mitigate the department's administrative costs of collecting those fees and charges. These cash funds include the oil and gas production fees collection fund, the enterprise per ride fees fund, and the retail delivery fees fund (cost recovery funds).

The bill repeals each of these cost recovery funds and directs the state treasurer to transmit the money retained by the department to mitigate the department's administrative costs for all the programs into a single cost recovery cash fund, which is created in the bill.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** 24-35-123 as
3 follows:

4 **24-35-123. Cost recovery cash fund - creation - definitions.**

5 (1) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
6 REQUIRES:

7 (a) "DEPARTMENT" MEANS THE DEPARTMENT OF REVENUE.

8 (b) "COST RECOVERY CASH FUND" OR "FUND" MEANS THE COST
9 RECOVERY CASH FUND CREATED IN SUBSECTION (2) OF THIS SECTION.

10 (2) (a) THE COST RECOVERY CASH FUND IS CREATED IN THE STATE
11 TREASURY. THE FUND CONSISTS OF MONEY RETAINED BY THE
12 DEPARTMENT AND CREDITED TO THE FUND BY THE STATE TREASURER IN
13 CONNECTION WITH THE FOLLOWING:

14 (I) THE COST OF COLLECTING, ADMINISTERING, AND ENFORCING
15 THE PREPAID WIRELESS 911 CHARGE PURSUANT TO SECTION 29-11-102.5
16 (3)(e)(II);

17 (II) THE COST OF COLLECTING, ADMINISTERING, AND ENFORCING
18 THE PRODUCTION FEES FOR CLEAN TRANSIT AND THE PRODUCTION FEES

1 FOR WILDLIFE AND LAND REMEDIATION PURSUANT TO SECTION 33-61-104
2 (1);

3 (III) THE COST OF COLLECTING, ADMINISTERING, AND ENFORCING
4 THE ENTERPRISE PER RIDE FEES PURSUANT TO SECTION 40-10.1-607.5 (4);
5 AND

6 (IV) THE COST OF COLLECTING, ADMINISTERING, AND ENFORCING
7 THE RETAIL DELIVERY FEE AND THE ENTERPRISE RETAIL DELIVERY FEES
8 PURSUANT TO SECTION 43-4-218 (4)(b).

9 (b) ALL MONEY IN THE COST RECOVERY CASH FUND IS
10 CONTINUOUSLY APPROPRIATED TO THE DEPARTMENT TO DEFRAY THE
11 COSTS INCURRED BY THE DEPARTMENT IN COLLECTING, ENFORCING, AND
12 ADMINISTERING THE FOLLOWING CHARGES AND FEES:

13 (I) THE PREPAID WIRELESS 911 CHARGE COLLECTED PURSUANT TO
14 PART 1 OF ARTICLE 11 OF TITLE 29;

15 (II) THE PRODUCTION FEES FOR CLEAN TRANSIT AND THE
16 PRODUCTION FEES FOR WILDLIFE AND LAND REMEDIATION COLLECTED
17 PURSUANT TO ARTICLE 61 OF TITLE 33;

18 (III) THE ENTERPRISE PER RIDE FEES COLLECTED PURSUANT TO
19 SECTION 40-10.1-607.5; AND

20 (IV) THE RETAIL DELIVERY FEES AND THE ENTERPRISE RETAIL
21 DELIVERY FEES COLLECTED PURSUANT TO SECTION 43-4-218.

22 (3) THE STATE TREASURER SHALL CREDIT ALL INTEREST AND
23 INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE
24 COST RECOVERY CASH FUND TO THE FUND.

25 (4) THE FUND IS EXEMPT FROM THE LIMITATIONS SET FORTH IN
26 SECTION 24-75-402.

27 (5) ON OR BEFORE NOVEMBER 1, 2027, AND ON OR BEFORE

1 NOVEMBER 1 OF EACH YEAR THEREAFTER, THE DEPARTMENT SHALL
2 SUBMIT A REPORT TO THE JOINT BUDGET COMMITTEE WITH THE
3 FOLLOWING:

4 (a) THE COST ASSOCIATED WITH COLLECTING, ADMINISTERING,
5 AND ENFORCING EACH FEE AND CHARGE THAT IS COLLECTED,
6 ADMINISTERED, AND ENFORCED FROM MONEY IN THE COST RECOVERY
7 CASH FUND; AND

8 (b) WHERE APPLICABLE AND WHEN INFORMATION IS READILY
9 AVAILABLE, DETAILS ON SPECIFIC TASKS THAT CONTRIBUTE A SIGNIFICANT
10 PORTION OF THE OVERALL WORKLOAD IN CONNECTION WITH THE FEES AND
11 CHARGES THAT HAVE THE LARGEST COST TO COLLECT, ADMINISTER, AND
12 ENFORCE.

13 SECTION 2. In Colorado Revised Statutes, 24-75-402, **amend**
14 (5)(mmm) and (5)(nnn); and **add** (5)(ooo) as follows:

15 **24-75-402. Cash funds - limit on uncommitted reserves -**
16 **reduction in the amount of fees - exclusions - definitions.**

17 (5) Notwithstanding any provision of this section to the contrary,
18 the following cash funds are excluded from the limitations specified in
19 this section:

20 (mmm) The reentry services for justice-involved individuals
21 reinvestment cash fund created in section 25.5-4-505.7; ~~and~~

22 (nnn) The health-related social needs reinvestment cash fund
23 created in section 25.5-5-340; AND

24 (ooo) THE COST RECOVERY CASH FUND CREATED IN SECTION
25 24-35-123 (2).

26 SECTION 3. In Colorado Revised Statutes, 29-11-102.5, **amend**
27 (3)(e)(II) as follows:

1 **29-11-102.5. Imposition of charge on prepaid wireless -**
2 **prepaid wireless trust cash fund - rules - transfer - applicability -**
3 **definitions - repeal.**

4 (3) (e) (II) ~~The department may expend~~ WHEN COLLECTING THE
5 PREPAID WIRELESS 911 CHARGE, THE EXECUTIVE DIRECTOR MAY RETAIN
6 an amount, not to exceed three percent of the collected charges in the
7 prepaid wireless trust cash fund, necessary to reimburse the department
8 for its direct costs of administering the collection and remittance of
9 prepaid wireless 911 charges AND SHALL TRANSMIT THE AMOUNT
10 RETAINED TO THE STATE TREASURER, WHO SHALL CREDIT THE AMOUNT TO
11 THE COST RECOVERY CASH FUND CREATED IN SECTION 24-35-123 (2).

12 **SECTION 4.** In Colorado Revised Statutes, 33-61-103, **amend**
13 (1)(d) as follows:

14 **33-61-103. Fee for oil and gas production - remediation of**
15 **harm to wildlife and land - cash fund.**

16 (1) (d) The executive director shall transmit any fees collected
17 pursuant to subsection (1)(c) of this section to the state treasurer, who
18 shall credit the fees, minus the costs to the department of revenue for
19 administering the fees pursuant to section 33-61-104, which costs shall
20 be credited to the ~~oil and gas production fees collection fund created in~~
21 ~~section 33-61-104 (1), to the~~ CASH fund SPECIFIED IN SECTION 33-61-104
22 (1).

23 **SECTION 5.** In Colorado Revised Statutes, 33-61-104, **amend**
24 (1) as follows:

25 **33-61-104. Collection and administration of production fees**
26 **- rules - transfer - repeal.**

27 (1) When collecting the production fees for clean transit and the

1 production fees for wildlife and land remediation, the executive director
2 shall retain an amount that does not exceed the total cost of collecting,
3 administering, and enforcing the production fees for clean transit and the
4 production fees for wildlife and land remediation and shall transmit the
5 amount retained to the state treasurer, who shall credit the AMOUNT AS
6 FOLLOWS: ~~production fees for clean transit and the production fees for~~
7 ~~wildlife and land remediation~~

8 (a) (I) PRIOR TO JULY 1, 2027, to the oil and gas production fees
9 collection fund, which is created in the state treasury. All money in the oil
10 and gas production fees collection fund is continuously appropriated to
11 the department of revenue to defray the costs incurred by the department
12 of revenue in collecting, enforcing, and administering the production fees
13 for wildlife and land remediation and the production fees for clean transit.

14 (II) THIS SUBSECTION (1)(a) IS REPEALED, EFFECTIVE JULY 1, 2027.
15 THE STATE TREASURER SHALL TRANSFER ALL UNEXPENDED AND
16 UNENCUMBERED MONEY REMAINING IN THE OIL AND GAS PRODUCTION
17 FEES COLLECTION FUND ON JUNE 30, 2027, TO THE COST RECOVERY CASH
18 FUND CREATED IN SECTION 24-35-123 (2).

19 (b) BEGINNING JULY 1, 2027, TO THE COST RECOVERY CASH FUND
20 CREATED IN SECTION 24-35-123 (2).

21 **SECTION 6.** In Colorado Revised Statutes, 40-10.1-607.5,
22 **amend** (4) as follows:

23 **40-10.1-607.5. Fees - enterprise per ride fees - collection -**
24 **distribution of fee proceeds - rules - transfer - definitions - repeal.**

25 (4) When collecting the enterprise per ride fees, the department of
26 revenue shall retain an amount that does not exceed the total cost of
27 collecting, administering, and enforcing the enterprise per ride fees and

1 shall transmit the amount retained to the state treasurer, who shall credit
2 ~~it~~ THE AMOUNT AS FOLLOWS:

3 (a) (I) PRIOR TO JULY 1, 2027, to the enterprise per ride fees fund,
4 which is hereby created in the state treasury. All money in the enterprise
5 per ride fees fund is continuously appropriated to the department of
6 revenue to defray the costs incurred by the department in collecting,
7 enforcing, and administering the enterprise per ride fees.

8 (II) THIS SUBSECTION (4)(a) IS REPEALED, EFFECTIVE JULY 1, 2027.
9 THE STATE TREASURER SHALL TRANSFER ALL UNEXPENDED AND
10 UNENCUMBERED MONEY REMAINING IN THE ENTERPRISE PER RIDE FEES
11 FUND ON JUNE 30, 2027, TO THE COST RECOVERY CASH FUND CREATED IN
12 SECTION 24-35-123 (2).

13 (b) BEGINNING JULY 1, 2027, TO THE COST RECOVERY CASH FUND
14 CREATED IN SECTION 24-35-123 (2).

15 **SECTION 7.** In Colorado Revised Statutes, 43-4-218, **amend**
16 (4)(b) as follows:

17 **43-4-218. Additional funding - retail delivery fee - cost**
18 **recovery cash fund - simultaneous collection of enterprise fees - rules**
19 **- legislative declaration - definitions - repeal.**

20 (4) (b) When collecting the retail delivery fee and, in accordance
21 with subsection (4)(a) of this section, the enterprise retail delivery fees,
22 the department of revenue shall retain an amount that does not exceed the
23 total cost of collecting, administering, and enforcing the retail delivery fee
24 and the enterprise retail delivery fees and shall transmit the amount
25 retained to the state treasurer, who shall credit ~~it~~ THE AMOUNT AS
26 FOLLOWS:

27 (I) (A) PRIOR TO JULY 1, 2027, to the retail delivery fees fund,

1 which is hereby created in the state treasury. All money in the retail
2 delivery fees fund is continuously appropriated to the department of
3 revenue to defray the costs incurred by the department in collecting,
4 enforcing, and administering the retail delivery fee and the enterprise
5 retail delivery fees.

6 (B) THIS SUBSECTION (4)(b)(I) IS REPEALED, EFFECTIVE JULY 1,
7 2027. THE STATE TREASURER SHALL TRANSFER ALL UNEXPENDED AND
8 UNENCUMBERED MONEY REMAINING IN THE RETAIL DELIVERY FEES FUND
9 ON JUNE 30, 2027, TO THE COST RECOVERY CASH FUND CREATED IN
10 SECTION 24-35-123 (2).

11 (II) BEGINNING JULY 1, 2027, TO THE COST RECOVERY CASH FUND
12 CREATED IN SECTION 24-35-123 (2).

13 **SECTION 8. Act subject to petition - effective date.** This act
14 takes effect at 12:01 a.m. on the day following the expiration of the
15 ninety-day period after final adjournment of the general assembly (August
16 12, 2026, if adjournment sine die is on May 13, 2026); except that, if a
17 referendum petition is filed pursuant to section 1 (3) of article V of the
18 state constitution against this act or an item, section, or part of this act
19 within such period, then the act, item, section, or part will not take effect
20 unless approved by the people at the general election to be held in
21 November 2026 and, in such case, will take effect on the date of the
22 official declaration of the vote thereon by the governor.