

CHAPTER 248

TAXATION

HOUSE BILL 20-1427

BY REPRESENTATIVE(S) Caraveo and McCluskie, Bird, Coleman, Duran, Kennedy, Kipp, Michaelson Jenet, Mullica, Roberts, Woodrow, Young, Becker, Buentello, Cutter, Esgar, Garnett, Herod, Snyder;
also SENATOR(S) Fields and Moreno, Fenberg, Foote, Ginal, Pettersen, Story, Todd, Winter.

AN ACT

CONCERNING THE TAXATION OF PRODUCTS THAT CONTAIN NICOTINE, AND, IN CONNECTION THEREWITH, INCREMENTALLY INCREASING THE CIGARETTE TAX AND THE TOBACCO PRODUCTS TAX; EXPANDING BOTH OF THESE TAXES TO APPLY TO SALES TO CONSUMERS FROM OUTSIDE OF THE STATE; CREATING AN INVENTORY TAX THAT APPLIES WHEN THE CIGARETTE TAX INCREASES; CREATING A MINIMUM TAX AMOUNT FOR MOIST SNUFF TOBACCO PRODUCTS; CREATING A TAX ON NICOTINE PRODUCTS THAT IS EQUAL TO THE TOTAL TAX ON TOBACCO PRODUCTS; ESTABLISHING NEW RATES FOR CIGARETTES, TOBACCO PRODUCTS, AND NICOTINE PRODUCTS THAT ARE MODIFIED RISK TOBACCO PRODUCTS THAT ARE HALF OF THE STATUTORY TAX; REFERRING A BALLOT ISSUE FOR PRIOR VOTER APPROVAL FOR THE NEW AND INCREASED TAXES; AND ALLOCATING THE NEW TAX REVENUE.

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

SECTION 1. In Colorado Revised Statutes, **add** part 4 to article 28 of title 39 as follows:

PART 4
SUBMISSION OF BALLOT ISSUE - CIGARETTES,
TOBACCO PRODUCTS, AND NICOTINE PRODUCTS TAXES

39-28-401. Submission of ballot issue - increased tax cigarettes and tobacco products - new tax on nicotine products - definition - repeal. (1) AS USED IN THIS SECTION, "BALLOT ISSUE" MEANS THE QUESTION REFERRED TO VOTERS IN SUBSECTION (2) OF THIS SECTION.

(2) AT THE ELECTION HELD ON NOVEMBER 3, 2020, THE SECRETARY OF STATE SHALL SUBMIT TO THE REGISTERED ELECTORS OF THE STATE FOR THEIR APPROVAL OR REJECTION THE FOLLOWING BALLOT ISSUE: "SHALL STATE TAXES BE INCREASED BY \$294,000,000 ANNUALLY BY IMPOSING A TAX ON NICOTINE LIQUIDS USED IN

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

E-CIGARETTES AND OTHER VAPING PRODUCTS THAT IS EQUAL TO THE TOTAL STATE TAX ON TOBACCO PRODUCTS WHEN FULLY PHASED IN, INCREMENTALLY INCREASING THE TOBACCO PRODUCTS TAX BY UP TO 22% OF THE MANUFACTURER'S LIST PRICE, INCREMENTALLY INCREASING THE CIGARETTE TAX BY UP TO 9 CENTS PER CIGARETTE, EXPANDING THE EXISTING CIGARETTE AND TOBACCO TAXES TO APPLY TO SALES TO CONSUMERS FROM OUTSIDE OF THE STATE, ESTABLISHING A MINIMUM TAX FOR MOIST SNUFF TOBACCO PRODUCTS, CREATING AN INVENTORY TAX THAT APPLIES FOR FUTURE CIGARETTE TAX INCREASES, AND INITIALLY USING THE TAX REVENUE PRIMARILY FOR PUBLIC SCHOOL FUNDING TO HELP OFFSET REVENUE THAT HAS BEEN LOST AS A RESULT OF THE ECONOMIC IMPACTS RELATED TO COVID-19 AND THEN FOR PROGRAMS THAT REDUCE THE USE OF TOBACCO AND NICOTINE PRODUCTS, ENHANCE THE VOLUNTARY COLORADO PRESCHOOL PROGRAM AND MAKE IT WIDELY AVAILABLE FOR FREE, AND MAINTAIN THE FUNDING FOR PROGRAMS THAT CURRENTLY RECEIVE REVENUE FROM TOBACCO TAXES, WITH THE STATE KEEPING AND SPENDING ALL OF THE NEW TAX REVENUE AS A VOTER-APPROVED REVENUE CHANGE?"

(3) FOR PURPOSES OF SECTION 1-5-407, THE BALLOT ISSUE IS A PROPOSITION. SECTION 1-40-106 (3)(d) DOES NOT APPLY TO THE BALLOT ISSUE.

(4) (a) IF A MAJORITY OF THE ELECTORS VOTING ON THE BALLOT ISSUE VOTE "NO/AGAINST", THEN THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2021.

(b) IF A MAJORITY OF THE ELECTORS VOTING ON THE BALLOT ISSUE VOTE "YES/FOR", THEN THIS SUBSECTION (4) IS REPEALED, EFFECTIVE JULY 1, 2021.

SECTION 2. In Colorado Revised Statutes, 39-28-101, **amend** the introductory portion, (3), and (4); and **add** (1.3), (1.7), and (2.7) as follows:

39-28-101. Definitions. As used in this ~~article~~ ARTICLE 28, unless the context otherwise requires:

(1.3) "DELIVERY SALE" MEANS A SALE OF CIGARETTES TO A CONSUMER IN THIS STATE WHEN:

(a) THE CONSUMER SUBMITS AN ORDER FOR CIGARETTES TO A DELIVERY SELLER FOR SALE BY MEANS OTHER THAN AN OVER-THE-COUNTER SALE ON THE DELIVERY SELLER'S PREMISES, INCLUDING, BUT NOT LIMITED TO, TELEPHONE OR OTHER VOICE TRANSMISSION, THE MAIL OR OTHER DELIVERY SERVICE, OR THE INTERNET OR OTHER ONLINE SERVICE; AND

(b) THE CIGARETTES ARE DELIVERED WHEN THE SELLER IS NOT IN THE PHYSICAL PRESENCE OF THE CONSUMER WHEN THE CONSUMER OBTAINS POSSESSION OF THE CIGARETTES BY USE OF A COMMON CARRIER, PRIVATE DELIVERY SERVICE, MAIL, OR ANY OTHER MEANS.

(1.7) "DELIVERY SELLER" MEANS A PERSON LOCATED OUTSIDE OF THIS STATE WHO MAKES DELIVERY SALES.

(2.7) "MODIFIED RISK TOBACCO PRODUCT" MEANS ANY TOBACCO PRODUCT FOR WHICH THE SECRETARY OF THE UNITED STATES DEPARTMENT OF HEALTH AND

HUMAN SERVICES HAS ISSUED AN ORDER AUTHORIZING THE PRODUCT TO BE COMMERCIALY MARKETED AS A MODIFIED RISK TOBACCO PRODUCT IN ACCORDANCE WITH 21 U.S.C. SEC. 387k, OR ANY SUCCESSOR SECTION.

(3) "Sale" or "resale" includes installment, credit, and conditional sales and means any exchange, barter, or transfer of title or possession, or both, for a consideration to any other person, firm, partnership, limited liability company, or corporation within this state. It includes:

(a) A gift by a person engaged in the business of selling cigarettes, for advertising, as a means of evading provisions of this ~~article~~ ARTICLE 28 or for any other purpose whatsoever; AND

(b) DELIVERY SALES.

(4) "Wholesaler" means any person, firm, limited liability company, partnership, or corporation who imports cigarettes into this state for sale or resale. THE TERM ALSO INCLUDES A DELIVERY SELLER.

SECTION 3. In Colorado Revised Statutes, **amend** 39-28-103 as follows:

39-28-103. Tax levied. (1) (a) PRIOR TO JANUARY 1, 2021, there is levied and shall be collected and paid to the department a tax upon the sale of cigarettes by wholesalers of ten mills on each cigarette.

(b) A TAX IS LEVIED UPON THE SALE OF CIGARETTES BY WHOLESALERS, EXCLUDING CIGARETTES THAT ARE MODIFIED RISK TOBACCO PRODUCTS, THAT IS EQUAL TO:

(I) SIX AND ONE-HALF CENTS PER CIGARETTE FOR SALES ON AND AFTER JANUARY 1, 2021, BUT PRIOR TO JULY 1, 2024;

(II) EIGHT CENTS PER CIGARETTE FOR SALES ON AND AFTER JULY 1, 2024, BUT PRIOR TO JULY 1, 2027; AND

(III) TEN CENTS PER CIGARETTE FOR SALES ON AND AFTER JULY 1, 2027.

(c) A TAX IS LEVIED ON THE SALE OF CIGARETTES THAT ARE MODIFIED RISK TOBACCO PRODUCTS THAT IS EQUAL TO:

(I) THREE AND ONE-QUARTER CENTS PER CIGARETTE FOR SALES ON AND AFTER JANUARY 1, 2021, BUT PRIOR TO JULY 1, 2024;

(II) FOUR CENTS PER CIGARETTE FOR SALES ON AND AFTER JULY 1, 2024, BUT PRIOR TO JULY 1, 2027; AND

(III) FIVE CENTS PER CIGARETTE FOR SALES ON AND AFTER JULY 1, 2027.

(d) THE WHOLESALER SHALL PAY THE TAX SET FORTH IN THIS SECTION TO THE DEPARTMENT, WHICH SHALL COLLECT THE TAX.

SECTION 4. In Colorado Revised Statutes, **add** 39-28-103.3 as follows:

39-28-103.3. Inventory tax - definition. (1) AS USED IN THIS SECTION, "COLORADO TAX STAMP" MEANS A STAMP THAT IS AFFIXED TO, OR AN IMPRINT OR IMPRESSION BY A SUITABLE METERING MACHINE APPROVED BY THE DEPARTMENT ON A PACKAGE CONTAINING CIGARETTES AS EVIDENCE OF THE PAYMENT OF TAX IMPOSED BY THIS ARTICLE 28, EXCLUDING THE TAX SET FORTH IN THIS SECTION.

(2) AFTER JANUARY 1, 2022, IN ADDITION TO ANY OTHER TAX IMPOSED UNDER THIS ARTICLE 28 OR SECTION 21 OF ARTICLE X OF THE STATE CONSTITUTION, THERE IS LEVIED A TAX ON CIGARETTES IN A WHOLESALER'S OR WHOLESALE SUBCONTRACTOR'S POSSESSION OR CONTROL THAT HAVE A COLORADO TAX STAMP THAT APPLIES ANY TIME THAT THE CIGARETTE TAX IS INCREASED. THE TAX IS EQUAL TO THE DIFFERENCE BETWEEN THE TAX PAID FOR THE COLORADO TAX STAMP CURRENTLY AFFIXED TO A PACKAGE OF CIGARETTES AND THE TAX THAT WILL BE OWED FOR THE SAME COLORADO TAX STAMP AFTER THE INCREASE IN THE TAX IMPOSED PER CIGARETTE. IT IS UNLAWFUL FOR ANY PERSON TO AFFIX A COLORADO TAX STAMP ON OR AFTER 12:01 A.M. ON THE DAY THAT A RATE INCREASE WILL TAKE EFFECT, TO A PACKAGE OF CIGARETTES THAT REFLECTS PAYMENT OF THE TAX IMPOSED PRIOR TO THE INCREASE. ANY UNAFFIXED STAMPS MAY BE REDEEMED FOR CREDIT PURSUANT TO SECTION 39-28-104 (3).

(3) (a) AFTER JANUARY 1, 2022, A WHOLESALER SHALL TAKE AN INVENTORY OF ALL PACKAGES OF CIGARETTES WITH A COLORADO TAX STAMP AFFIXED THERETO AND OF ALL UNAFFIXED COLORADO TAX STAMPS IN THE WHOLESALER'S POSSESSION OR CONTROL AS OF 12:01 A.M. ON THE DAY THAT A RATE INCREASE WILL TAKE EFFECT.

(b) AFTER JANUARY 1, 2022, A WHOLESALE SUBCONTRACTOR SHALL TAKE AN INVENTORY OF ALL PACKAGES OF CIGARETTES WITH A COLORADO TAX STAMP AFFIXED THERETO IN THE WHOLESALE SUBCONTRACTOR'S POSSESSION OR CONTROL AS OF 12:01 A.M. ON THE DAY THAT A RATE INCREASE WILL TAKE EFFECT.

(4) EVERY WHOLESALER AND WHOLESALE SUBCONTRACTOR SHALL FILE A REPORT, ON A FORM CREATED BY THE DEPARTMENT, OF THE INVENTORY IDENTIFIED IN ACCORDANCE WITH SUBSECTION (3) OF THIS SECTION AND PAY THE TAX IMPOSED UNDER THIS SECTION FOR THE INVENTORY. A WHOLESALER SHALL SEPARATELY IDENTIFY THE NUMBER OF PACKAGES WITH A COLORADO TAX STAMP AND THE UNAFFIXED COLORADO TAX STAMPS. THE WHOLESALER OR WHOLESALE SUBCONTRACTOR SHALL REMIT THE TAX PAYMENT ON OR BEFORE THE TENTH DAY OF THE MONTH FOLLOWING THE REQUIRED INVENTORY. IF PAYMENT IS MADE ON OR BEFORE THE DUE DATE, THE WHOLESALER OR WHOLESALE SUBCONTRACTOR MAY DEDUCT THREE PERCENT OF THE TAX IMPOSED UNDER THIS SECTION, BUT, IF ANY WHOLESALER OR WHOLESALE SUBCONTRACTOR IS DELINQUENT IN REMITTING SUCH PAYMENT, OTHER THAN IN UNUSUAL CIRCUMSTANCES SHOWN TO THE SATISFACTION OF THE EXECUTIVE DIRECTOR OF THE DEPARTMENT, THE WHOLESALER OR WHOLESALE SUBCONTRACTOR SHALL NOT BE ALLOWED TO RETAIN ANY AMOUNTS TO COVER THE EXPENSE IN COLLECTING AND REMITTING THE TAX AND THE PENALTY IMPOSED UNDER SECTION 39-28-108 (2) APPLIES.

(5) THE DEPARTMENT MAY REQUIRE WHOLESALERS AND WHOLESALE

SUBCONTRACTORS TO USE ELECTRONIC FUNDS TRANSFERS TO REMIT TAX PAYMENTS DUE UNDER THIS SECTION AND MAY REQUIRE WHOLESALERS AND WHOLESALE SUBCONTRACTORS TO FILE TAX RETURNS ELECTRONICALLY. THE DEPARTMENT MAY PROMULGATE RULES GOVERNING ELECTRONIC PAYMENT AND FILING.

SECTION 5. In Colorado Revised Statutes, 39-28-104, **amend** (1)(a) and (3) as follows:

39-28-104. Evidence of payment of tax - credits - redemptions.

(1) (a) (I) Payment of the taxes imposed by ~~the provisions of this article~~ SECTIONS 39-28-103 AND 39-28-103.5 and section 21 of article X of the state constitution shall be evidenced by the affixing of stamps to, or by an imprint or impression by suitable metering machines approved by the department on, packages containing cigarettes. The department shall procure stamps of such design and legend as it deems necessary and suitable for the purpose. Except as provided in ~~paragraph (b) of this subsection~~ (1) SUBSECTION (1)(b) OF THIS SECTION, the department shall sell such stamps for cash to licensed wholesalers at a discount of four percent of their face value for sales occurring ~~prior to July 1, 2003, or on or after July 1, 2005, and three percent of their face value for sales occurring on or after July 1, 2003, but before July 1, 2005~~ BUT BEFORE JANUARY 1, 2021, AND FOUR-TENTHS PERCENT OF THEIR FACE VALUE FOR SALES OCCURRING ON AND AFTER JANUARY 1, 2021, if payment is made on or before the tenth day of the month following the month in which the purchase is made to cover the licensed wholesaler's expense in the collection and remittance of such tax; but, if any licensed wholesaler is delinquent in remitting such payment, other than in unusual circumstances shown to the satisfaction of the executive director of the department, the licensed wholesaler shall not be allowed to retain any amounts to cover his or her expense in collecting and remitting said tax, and, in addition, the penalty imposed under section 39-28-108 (2) shall apply. The department shall keep accurate records of all stamps sold to each wholesaler. No wholesaler shall sell or transfer any stamps purchased pursuant to ~~the provisions of this article~~ ARTICLE 28.

(II) THE EXECUTIVE DIRECTOR OF THE DEPARTMENT MAY ENTER INTO CONTRACTS WITH THIRD PARTIES TO ACT AS THE DEPARTMENT'S AGENTS FOR THE SALE OF STAMPS AND MATTERS RELATING TO THE SALE OF STAMPS.

(3) Credit shall be given by the department for all taxes levied pursuant to ~~the provisions of this article~~ ARTICLE 28 on unsalable merchandise when the department is satisfied that the same has been returned to the manufacturer or has been destroyed by the wholesaler OR WHEN THE STAMPS ARE UNUSABLE BECAUSE THE TAX RATE HAS CHANGED. The department shall redeem any unused and uncanceled stamps presented by any wholesaler within one year after the date of issue of said stamps at the price paid therefor by such wholesaler.

SECTION 6. In Colorado Revised Statutes, 39-28-107, **amend** (1)(b) as follows:

39-28-107. Unstamped packages - tax collected - fines - subject to confiscation - tobacco tax enforcement cash fund - creation. (1) (b) There is hereby created in the state treasury the tobacco tax enforcement cash fund. The fund ~~shall consist of moneys~~ CONSISTS OF MONEY deposited therein pursuant to ~~paragraph (a) of this subsection~~ (1) SUBSECTION (1)(a) OF THIS SECTION and ~~section~~

~~39-28.5-106(4)~~ SECTIONS 39-28-116(5), 39-28.5-106(4) AND 39-28.6-107(4). The ~~moneys~~ MONEY in the fund ~~shall be~~ IS subject to annual appropriation by the general assembly to the department for the purpose of enforcing the provisions of this article ARTICLE 28 and ~~article 28.5~~ ARTICLES 28.5 AND 28.6 of this title TITLE 39. Any ~~moneys~~ MONEY not appropriated by the general assembly ~~shall remain~~ REMAINS in the fund and shall not be transferred or revert to the general fund at the end of any fiscal year.

SECTION 7. In Colorado Revised Statutes, 39-28-108, **amend** (2)(b) as follows:

39-28-108. Penalty. (2) (b) If a person fails to pay the tax in the time allowed for the discount in section 39-28-104 (1) OR 39-28-103.3, a penalty equal to ten percent thereof plus one-half of one percent per month from the date when due, not to exceed eighteen percent in the aggregate, together with interest on such delinquent taxes at the rate computed under section 39-21-110.5, shall apply.

SECTION 8. In Colorado Revised Statutes, 39-28-110, **amend** (1) as follows:

39-28-110. Distribution of tax collected. (1) (a) All ~~sums of~~ money received and collected in payment of the tax imposed by ~~the provisions of this article~~ ARTICLE 28, except license fees received under section 39-28-102 and the ~~moneys~~ MONEY collected pursuant to section 39-28-103.5, shall be transmitted to the state treasurer who shall distribute the money as follows: Fifteen percent to the general fund and eighty-five percent to the old age pension fund.

(b) THE NET REVENUE THAT IS CREDITED TO THE OLD AGE PENSION FUND CREATED IN SECTION 1 OF ARTICLE XXIV OF THE STATE CONSTITUTION IN ACCORDANCE WITH SUBSECTION (1)(a) OF THIS SECTION AND SECTION 2 (a) OF ARTICLE XXIV OF THE STATE CONSTITUTION IS TRANSFERRED TO THE GENERAL FUND IN ACCORDANCE WITH SECTION 7 (c) OF ARTICLE XXIV OF THE STATE CONSTITUTION. OF THIS MONEY OR THE FIFTEEN PERCENT THAT IS DIRECTLY CREDITED TO THE GENERAL FUND, THE STATE TREASURER SHALL TRANSFER AN AMOUNT EQUAL TO THE TOTAL REVENUE THAT IS ATTRIBUTABLE TO THE TAX IMPOSED UNDER SECTION 39-28-103.3 AND THE TAX INCREASE SET FORTH IN SECTION 39-28-103 APPROVED BY THE VOTERS AT THE STATEWIDE ELECTION IN NOVEMBER 2020 TO THE 2020 TAX HOLDING FUND CREATED IN SECTION 24-22-118 (1).

SECTION 9. In Colorado Revised Statutes, **add** 39-28-110.5 as follows:

39-28-110.5. Revenue and spending limitations. NOTWITHSTANDING ANY LIMITATIONS ON REVENUE, SPENDING, OR APPROPRIATIONS CONTAINED IN SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION OR ANY OTHER PROVISION OF LAW, ANY REVENUE GENERATED BY THE INVENTORY TAX IMPOSED UNDER SECTION 39-28-103.3 AND THE PER CIGARETTE TAX INCREASE SET FORTH IN SECTION 39-28-103 APPROVED BY THE VOTERS AT THE STATEWIDE ELECTION IN NOVEMBER 2020, MAY BE COLLECTED AND SPENT AS A VOTER-APPROVED REVENUE CHANGE.

SECTION 10. In Colorado Revised Statutes, **add** 39-28-116 as follows:

39-28-116. Minimum price for cigarettes. (1) ON AND AFTER JANUARY 1, 2021,

BUT BEFORE JULY 1, 2024, NO PERSON SHALL SELL OR OFFER FOR SALE CIGARETTES TO A CONSUMER FOR LESS THAN SEVEN DOLLARS PER PACKAGE OF TWENTY CIGARETTES OR SEVENTY DOLLARS PER CARTON OF TWO HUNDRED CIGARETTES, INCLUDING ALL APPLICABLE TAXES.

(2) ON AND AFTER JULY 1, 2024, NO PERSON SHALL SELL OR OFFER FOR SALE CIGARETTES TO A CONSUMER FOR LESS THAN SEVEN DOLLARS AND FIFTY CENTS PER PACKAGE OF TWENTY CIGARETTES OR SEVENTY-FIVE DOLLARS PER CARTON OF TWO HUNDRED CIGARETTES, INCLUDING ALL APPLICABLE TAXES.

(3) A PERSON WHO VIOLATES SUBSECTION (1) OR (2) OF THIS SECTION, IN ADDITION TO OTHER PENALTIES PROVIDED BY LAW, SHALL BE LIABLE FOR A CIVIL PENALTY IN THE FOLLOWING AMOUNTS:

(a) FIVE HUNDRED DOLLARS FOR A FIRST VIOLATION WITHIN A FIVE-YEAR PERIOD;

(b) ONE THOUSAND DOLLARS FOR A SECOND VIOLATION WITHIN A FIVE-YEAR PERIOD; AND

(c) ONE THOUSAND FIVE HUNDRED DOLLARS FOR A THIRD VIOLATION WITHIN A FIVE-YEAR PERIOD.

(4) NO PERSON SHALL BE LIABLE UNDER THIS SECTION FOR MORE THAN ONE VIOLATION OF THIS SECTION DURING A SINGLE DAY.

(5) THE DEPARTMENT OF REVENUE SHALL REMIT ANY CIVIL PENALTIES RECEIVED PURSUANT TO THIS SECTION TO THE STATE TREASURER FOR DEPOSIT IN THE TOBACCO TAX ENFORCEMENT CASH FUND CREATED SECTION 39-28-107 (1)(b).

(6) IN ITS ANNUAL JUNE FORECAST, LEGISLATIVE COUNCIL STAFF SHALL REPORT AN ESTIMATE FOR THE CURRENT STATE FISCAL YEAR OF THE ADDITIONAL SALES TAX REVENUE THAT IS ATTRIBUTABLE TO THE APPLICABLE MINIMUM PRICE SET FORTH IN THIS SECTION. ON JUNE 30 OF THE FISCAL YEAR, THE STATE TREASURER SHALL TRANSFER AN AMOUNT EQUAL TO SEVENTY-THREE PERCENT OF THE LEGISLATIVE COUNCIL STAFF ESTIMATE FROM THE GENERAL FUND TO THE PRESCHOOL PROGRAMS CASH FUND CREATED IN SECTION 24-22-118 (3)(a).

SECTION 11. In Colorado Revised Statutes, 39-28.5-101, **amend** the introductory portion, (1), (2), and (4); and **add** (1.2), (1.4), (3.3), and (3.7) as follows:

39-28.5-101. Definitions. As used in this ~~article~~ ARTICLE 28.5, unless the context otherwise requires:

(1) ~~"Department" means the department of revenue~~ "DELIVERY SALE" MEANS THE SALE OF TOBACCO PRODUCTS TO A CONSUMER IN THIS STATE WHEN:

(a) THE CONSUMER SUBMITS AN ORDER FOR THE TOBACCO PRODUCTS TO A DELIVERY SELLER FOR SALE BY MEANS OTHER THAN AN OVER-THE-COUNTER SALE ON THE DELIVERY SELLER'S PREMISES, INCLUDING, BUT NOT LIMITED TO, TELEPHONE OR OTHER VOICE TRANSMISSION, THE MAIL OR OTHER DELIVERY SERVICE, OR THE

INTERNET OR OTHER ONLINE SERVICE; AND

(b) THE TOBACCO PRODUCTS ARE DELIVERED WHEN THE SELLER IS NOT IN THE PHYSICAL PRESENCE OF THE CONSUMER WHEN THE CONSUMER OBTAINS POSSESSION OF THE TOBACCO PRODUCTS BY USE OF A COMMON CARRIER, PRIVATE DELIVERY SERVICE, MAIL, OR ANY OTHER MEANS.

(1.2) "DELIVERY SELLER" MEANS A PERSON LOCATED OUTSIDE OF THIS STATE WHO MAKES DELIVERY SALES.

(1.4) "DEPARTMENT" MEANS THE DEPARTMENT OF REVENUE.

(2) "Distributor" means every person who:

(a) First receives tobacco products in this state;

(b) ~~every person who~~ Sells tobacco products in this state ~~who~~ AND is primarily liable for the tobacco products tax on such products;

(c) ~~and every person who~~ First sells or offers for sale in this state tobacco products imported into this state from any other state or country; OR

(d) IS A DELIVERY SELLER.

(3.3) "MODIFIED RISK TOBACCO PRODUCT" MEANS ANY TOBACCO PRODUCT FOR WHICH THE SECRETARY OF THE UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES HAS ISSUED AN ORDER AUTHORIZING THE PRODUCT TO BE COMMERCIALY MARKETED AS A MODIFIED RISK TOBACCO PRODUCT IN ACCORDANCE WITH 21 U.S.C. SEC. 387k, OR ANY SUCCESSOR SECTION.

(3.7) "MOIST SNUFF" MEANS ANY FINELY CUT, GROUND, OR POWDERED TOBACCO THAT IS NOT INTENDED TO BE SMOKED BUT DOES NOT INCLUDE ANY FINELY CUT, GROUND, OR POWDERED TOBACCO THAT IS INTENDED TO BE PLACED IN THE NASAL CAVITY.

(4) "Sale" means any transfer, exchange, or barter, in any manner or by any means whatsoever, for a consideration, including all sales made by any person. The term includes:

(a) A gift by a person engaged in the business of selling tobacco products, for advertising, as a means of evading the provisions of this article or for any other purposes whatsoever; AND

(b) A DELIVERY SALE.

SECTION 12. In Colorado Revised Statutes, **repeal and reenact, with amendments**, 39-28.5-102 as follows:

39-28.5-102. Tax levied. (1) EXCEPT AS SET FORTH IN SUBSECTION (3) OF THIS SECTION, THERE IS LEVIED A TAX UPON THE SALE, USE, CONSUMPTION, HANDLING, OR DISTRIBUTION OF ALL TOBACCO PRODUCTS IN THIS STATE, EXCLUDING MODIFIED

RISK TOBACCO PRODUCTS, AT THE RATE OF:

(a) TWENTY PERCENT OF THE MANUFACTURER'S LIST PRICE OF THE TOBACCO PRODUCTS FOR THE TAX LEVIED PRIOR TO JANUARY 1, 2021;

(b) THIRTY PERCENT OF THE MANUFACTURER'S LIST PRICE OF THE TOBACCO PRODUCTS FOR THE TAX LEVIED ON AND AFTER JANUARY 1, 2021, BUT PRIOR TO JULY 1, 2024;

(c) THIRTY-SIX PERCENT OF THE MANUFACTURER'S LIST PRICE OF THE TOBACCO PRODUCTS FOR THE TAX LEVIED ON AND AFTER JULY 1, 2024, BUT PRIOR TO JULY 1, 2027; AND

(d) FORTY-TWO PERCENT OF THE MANUFACTURER'S LIST PRICE OF THE TOBACCO PRODUCTS FOR THE TAX LEVIED ON AND AFTER JULY 1, 2027.

(2) THERE IS LEVIED A TAX UPON THE SALE, USE, CONSUMPTION, HANDLING, OR DISTRIBUTION OF MODIFIED RISK TOBACCO PRODUCTS IN THIS STATE AT THE RATE OF:

(a) FIFTEEN PERCENT OF THE MANUFACTURER'S LIST PRICE OF THE MODIFIED RISK TOBACCO PRODUCTS FOR THE TAX LEVIED ON AND AFTER JANUARY 1, 2021, BUT PRIOR TO JULY 1, 2024;

(b) EIGHTEEN PERCENT OF THE MANUFACTURER'S LIST PRICE OF THE MODIFIED RISK TOBACCO PRODUCTS FOR THE TAX LEVIED ON AND AFTER JULY 1, 2024, BUT PRIOR TO JULY 1, 2027; AND

(c) TWENTY-ONE PERCENT OF THE MANUFACTURER'S LIST PRICE OF THE MODIFIED RISK TOBACCO PRODUCTS FOR THE TAX LEVIED ON AND AFTER JULY 1, 2027.

(3) (a) IF THE TOTAL OF THE TAX IMPOSED UPON THE SALE, USE, CONSUMPTION, HANDLING, OR DISTRIBUTION OF MOIST SNUFF UNDER SUBSECTION (1) OF THIS SECTION AND SECTION 39-28.5-102.5 IS LESS THAN THE MINIMUM MOIST SNUFF TAX SPECIFIED IN SUBSECTION (3)(b) OF THIS SECTION, THEN THE TAX IMPOSED UPON THE SALE, USE, CONSUMPTION, HANDLING, OR DISTRIBUTION OF MOIST SNUFF UNDER THIS SECTION IS EQUAL TO THE MINIMUM MOIST SNUFF TAX MINUS THE TAX IMPOSED UNDER SECTION 39-28.5-102.5.

(b) (I) THE MINIMUM MOIST SNUFF TAX IS EQUAL TO:

(A) ONE DOLLAR FORTY-EIGHT CENTS FOR EACH ONE AND TWO-TENTH OUNCE CONTAINER FOR THE TAX LEVIED ON AND AFTER JANUARY 1, 2021, BUT PRIOR TO JULY 1, 2024;

(B) ONE DOLLAR EIGHTY-FOUR CENTS FOR EACH ONE AND TWO-TENTH OUNCE CONTAINER FOR THE TAX LEVIED ON AND AFTER JULY 1, 2024, BUT PRIOR TO JULY 1, 2027; AND

(C) TWO DOLLARS TWENTY-SIX CENTS FOR EACH ONE AND TWO-TENTH OUNCE CONTAINER FOR THE TAX LEVIED ON AND AFTER JULY 1, 2027.

(II) THE AMOUNT SPECIFIED IN SUBSECTION (3)(b)(I) OF THIS SECTION IS PROPORTIONALLY INCREASED FOR ANY CONTAINER LARGER THAN ONE AND TWO-TENTHS OUNCES.

(4) THE TAX SET FORTH IN THIS SECTION IS COLLECTED BY THE DEPARTMENT AND IS IMPOSED AT THE TIME THE DISTRIBUTOR:

(a) BRINGS, OR CAUSES TO BE BROUGHT, INTO THIS STATE FROM WITHOUT THE STATE TOBACCO PRODUCTS FOR SALE;

(b) MAKES, MANUFACTURES, OR FABRICATES TOBACCO PRODUCTS IN THIS STATE FOR SALE IN THIS STATE;

(c) SHIPS OR TRANSPORTS TOBACCO PRODUCTS TO RETAILERS IN THIS STATE TO BE SOLD BY THOSE RETAILERS; OR

(d) MAKES A DELIVERY SALE.

SECTION 13. In Colorado Revised Statutes, 39-28.5-105, **amend** (1) and (3) as follows:

39-28.5-105. Books and records to be preserved. (1) Every distributor shall keep at each licensed place of business complete and accurate records for that place of business, including itemized invoices of tobacco products held, purchased, manufactured, brought in or caused to be brought in from without the state, or shipped or transported to retailers in this state, and of all sales of tobacco products made, except sales to the ultimate consumer WITHIN THE STATE.

(3) When a licensed distributor sells tobacco products exclusively to the ultimate consumer WITHIN THE STATE at the address given in the license, no invoice of those sales shall be required, but itemized invoices shall be made of all tobacco products transferred to other retail outlets owned or controlled by that licensed distributor. All books, records, and other papers and documents required by this section to be kept shall be preserved for a period of at least three years after the date of the documents, unless the department, in writing, authorizes their destruction or disposal at an earlier date.

SECTION 14. In Colorado Revised Statutes, 39-28.5-106, **amend** (2) as follows:

39-28.5-106. Returns and remittance of tax - civil penalty. (2) Every distributor shall file a return with the department by the twentieth day of the month following the month reported and shall therewith remit the amount of tax due, less three and one-third percent of any sum so remitted that consists of tax collected before July 1, 2003, or on or after July 1, 2005, and less two and one-third percent of any sum so remitted that consists of tax collected on or after July 1, 2003, but before July 1, 2005 BUT BEFORE JANUARY 1, 2021, AND LESS ONE AND SIX-TENTHS PERCENT OF ANY SUM SO REMITTED THAT CONSISTS OF TAX COLLECTED ON OR AFTER JANUARY 1, 2021, to cover the distributor's expense in the collection and remittance of said tax; except that no part of the tax imposed pursuant to section 39-28.5-102.5 and section 21 of article X of the state constitution shall be subject to the discount provided for in this subsection (2). If any distributor is delinquent in remitting said

tax, other than in unusual circumstances shown to the satisfaction of the executive director of the department, the distributor shall not be allowed to retain any amounts to cover his or her expense in collecting and remitting said tax, and in addition the penalty imposed under section 39-28.5-110 (2)(b) shall apply.

SECTION 15. In Colorado Revised Statutes, 39-28.5-107, **amend** (1) as follows:

39-28.5-107. When credit may be obtained for tax paid. (1) Where tobacco products, upon which the tax imposed by this ~~article~~ ARTICLE 28.5 has been reported and paid, are shipped or transported by the distributor to retailers without the state to be sold by those retailers, are shipped or transported by the distributor to a consumer without the state on or after ~~September 1, 2015, but prior to September 1, 2018~~ JANUARY 1, 2021, or are returned to the manufacturer by the distributor or destroyed by the distributor, credit of such tax may be made to the distributor in accordance with regulations prescribed by the department.

SECTION 16. In Colorado Revised Statutes, 39-28.5-108, **amend** (1) as follows:

39-28.5-108. Distribution of tax collected. (1) (a) All ~~sums of~~ money received and collected in payment of the tax imposed by ~~the provisions of this article~~ ARTICLE 28.5, except license fees received under section 39-28.5-104 and the ~~moneys~~ MONEY collected pursuant to section 39-28.5-102.5, shall be transmitted to the state treasurer, who shall distribute such money as follows: Fifteen percent to the general fund and eighty-five percent to the old age pension fund.

(b) THE NET REVENUE THAT IS CREDITED TO THE OLD AGE PENSION FUND CREATED IN SECTION 1 OF ARTICLE XXIV OF THE STATE CONSTITUTION IN ACCORDANCE WITH SUBSECTION (1)(a) OF THIS SECTION AND SECTION 2 (a) OF ARTICLE XXIV OF THE STATE CONSTITUTION IS TRANSFERRED TO THE GENERAL FUND IN ACCORDANCE WITH SECTION 7 (c) OF ARTICLE XXIV OF THE STATE CONSTITUTION. OF THIS MONEY OR THE FIFTEEN PERCENT THAT IS DIRECTLY CREDITED TO THE GENERAL FUND, THE STATE TREASURER SHALL TRANSFER AN AMOUNT EQUAL TO THE TOTAL REVENUE THAT IS ATTRIBUTABLE TO THE TAX INCREASE SET FORTH IN SECTION 39-28.5-102, APPROVED BY THE VOTERS AT THE STATEWIDE ELECTION IN NOVEMBER 2020, TO THE 2020 TAX HOLDING FUND CREATED IN SECTION 24-22-118 (1).

SECTION 17. In Colorado Revised Statutes, **add** 39-28.5-108.5 as follows:

39-28.5-108.5. Revenue and spending limitations. NOTWITHSTANDING ANY LIMITATIONS ON REVENUE, SPENDING, OR APPROPRIATIONS CONTAINED IN SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION OR ANY OTHER PROVISION OF LAW, ANY REVENUE GENERATED BY THE TAX INCREASE SET FORTH IN SECTION 39-28.5-102, APPROVED BY THE VOTERS AT THE STATEWIDE ELECTION IN NOVEMBER 2020, MAY BE COLLECTED AND SPENT AS A VOTER-APPROVED REVENUE CHANGE.

SECTION 18. In Colorado Revised Statutes, **add** article 28.6 to title 39 as follows:

ARTICLE 28.6
Nicotine Products Tax

39-28.6-101. Legislative declaration. (1) THE GENERAL ASSEMBLY HEREBY FINDS AND DECLARES THAT:

(a) NICOTINE IS A HIGHLY ADDICTIVE AND TOXIC SUBSTANCE;

(b) THERE HAS BEEN A SIGNIFICANT INCREASE IN THE USE OF ELECTRONIC CIGARETTES, WHICH HEAT NICOTINE, FLAVORINGS, AND OTHER CHEMICALS TO CREATE AN AEROSOL THAT IS INHALED;

(c) CHILDREN IN MIDDLE SCHOOL AND HIGH SCHOOL HAVE REPORTED USING ELECTRONIC CIGARETTES AT ALARMING RATES, AND STUDIES HAVE LINKED ELECTRONIC CIGARETTE USE AMONG YOUTH TO NICOTINE ADDICTION AND CIGARETTE SMOKING;

(d) THE LONG-TERM HEALTH RISKS OF THIS USE ARE UNKNOWN, BUT ELECTRONIC CIGARETTE AEROSOL CAN CONTAIN HARMFUL AND POTENTIALLY HARMFUL SUBSTANCES INCLUDING NICOTINE, CANCER-CAUSING CHEMICALS, HEAVY METALS, FLAVORING CHEMICALS, ULTRAFINE PARTICLES, AND VOLATILE ORGANIC COMPOUNDS;

(e) YET NICOTINE PRODUCTS ARE NOT SUBJECT TO THE SAME EXCISE TAX AS CIGARETTES AND TOBACCO PRODUCTS;

(f) TAXING NICOTINE PRODUCTS AT THE WHOLESALE LEVEL WILL INCREASE THE TOTAL COST, WHICH MAY SERVE AS A DETERRENT TO CHILDREN AND ADOLESCENTS AND IN TURN PREVENT AND REDUCE CONSUMPTION; AND

(g) REVENUE FROM THE TAX CAN BE USED TOWARD POSITIVE OUTCOMES IN CHILDREN'S LIVES.

(2) THEREFORE, THE GENERAL ASSEMBLY INTENDS TO CREATE A TAX ON NICOTINE PRODUCTS SO THAT THEY ARE TAXED IN THE SAME MANNER AS TOBACCO PRODUCTS, INCLUDING THE LICENSING REQUIREMENTS THAT FACILITATE THE COLLECTION OF THE TAX.

39-28.6-102. Definitions. AS USED IN THIS ARTICLE 28.6, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(1) "DELIVERY SALE" MEANS A SALE OF NICOTINE PRODUCTS TO A CONSUMER IN THIS STATE WHEN:

(a) THE CONSUMER SUBMITS AN ORDER FOR THE NICOTINE PRODUCTS TO A DELIVERY SELLER FOR SALE BY MEANS OTHER THAN AN OVER-THE-COUNTER SALE ON THE DELIVERY SELLER'S PREMISES, INCLUDING, BUT NOT LIMITED TO, TELEPHONE OR OTHER VOICE TRANSMISSION, THE MAIL OR OTHER DELIVERY SERVICE, OR THE INTERNET OR OTHER ONLINE SERVICE; AND

(b) THE NICOTINE PRODUCTS ARE DELIVERED WHEN THE SELLER IS NOT IN THE PHYSICAL PRESENCE OF THE CONSUMER WHEN THE CONSUMER OBTAINS POSSESSION OF THE NICOTINE PRODUCTS BY USE OF A COMMON CARRIER, PRIVATE DELIVERY SERVICE, MAIL, OR ANY OTHER MEANS.

(2) "DELIVERY SELLER" MEANS A PERSON LOCATED OUTSIDE OF THIS STATE WHO MAKES DELIVERY SALES.

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

(4) "DISTRIBUTOR" MEANS EVERY PERSON WHO:

(a) FIRST RECEIVES NICOTINE PRODUCTS IN THIS STATE;

(b) SELLS NICOTINE PRODUCTS IN THIS STATE AND IS PRIMARILY LIABLE FOR THE NICOTINE PRODUCTS TAX ON THE NICOTINE PRODUCTS;

(c) FIRST SELLS OR OFFERS FOR SALE IN THIS STATE NICOTINE PRODUCTS IMPORTED INTO THIS STATE FROM ANY OTHER STATE OR COUNTRY; OR

(d) MAKES A DELIVERY SALE.

(5) "MANUFACTURER'S LIST PRICE" MEANS THE INVOICE PRICE FOR WHICH A MANUFACTURER OR SUPPLIER SELLS A NICOTINE PRODUCT TO A DISTRIBUTOR EXCLUSIVE OF ANY DISCOUNT OR OTHER REDUCTION.

(6) "MODIFIED RISK TOBACCO PRODUCT" MEANS ANY TOBACCO PRODUCT FOR WHICH THE SECRETARY OF THE UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES HAS ISSUED AN ORDER AUTHORIZING THE PRODUCT TO BE COMMERCIALY MARKETED AS A MODIFIED RISK TOBACCO PRODUCT IN ACCORDANCE WITH 21 U.S.C. SEC. 387k, OR ANY SUCCESSOR SECTION; EXCEPT THAT THE TERM DOES NOT INCLUDE A NONCOMBUSTIBLE PRODUCT THAT PRODUCES VAPOR OR AEROSOL FOR INHALATION FROM THE APPLICATION OF A HEATING ELEMENT TO A LIQUID SUBSTANCE CONTAINING NICOTINE.

(7) "NICOTINE PRODUCT" MEANS A PRODUCT THAT CONTAINS NICOTINE DERIVED FROM TOBACCO OR CREATED SYNTHETICALLY THAT IS INTENDED FOR HUMAN CONSUMPTION, WHETHER BY VAPORIZING, CHEWING, SMOKING, ABSORBING, DISSOLVING, INHALING, SNORTING, SNIFFING, AEROSOLIZING, OR BY ANY OTHER MEANS, AND THAT IS NOT:

(a) A CIGARETTE;

(b) TOBACCO PRODUCTS, AS DEFINED IN SECTION 39-28.5-101 (5); OR

(c) A DRUG, DEVICE, OR COMBINATION PRODUCT AUTHORIZED FOR SALE BY THE UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES, AS THOSE TERMS ARE DEFINED IN THE "FEDERAL FOOD, DRUG, AND COSMETIC ACT", 21 U.S.C. SEC. 301 ET SEQ.

(8) "SALE" MEANS ANY TRANSFER, EXCHANGE, OR BARTER, IN ANY MANNER OR BY ANY MEANS WHATSOEVER, FOR A CONSIDERATION, INCLUDING ALL SALES MADE BY ANY PERSON. THE TERM INCLUDES:

(a) A GIFT BY A PERSON ENGAGED IN THE BUSINESS OF SELLING NICOTINE PRODUCTS, FOR ADVERTISING, AS A MEANS OF EVADING THE PROVISIONS OF THIS

ARTICLE 28.6, OR FOR ANY OTHER PURPOSES WHATSOEVER; AND

(b) A DELIVERY SALE.

39-28.6-103. Tax levied. (1) THERE IS LEVIED A TAX UPON THE SALE, USE, CONSUMPTION, HANDLING, OR DISTRIBUTION OF ALL NICOTINE PRODUCTS IN THIS STATE, EXCLUDING NICOTINE PRODUCTS THAT ARE MODIFIED RISK TOBACCO PRODUCTS, AT THE RATE OF:

(a) THIRTY PERCENT OF THE MANUFACTURER'S LIST PRICE OF THE NICOTINE PRODUCTS FOR THE TAX LEVIED ON AND AFTER JANUARY 1, 2021, BUT PRIOR TO JANUARY 1, 2022;

(b) THIRTY-FIVE PERCENT OF THE MANUFACTURER'S LIST PRICE OF THE NICOTINE PRODUCTS FOR THE TAX LEVIED ON AND AFTER JANUARY 1, 2022, BUT PRIOR TO JANUARY 1, 2023;

(c) FIFTY PERCENT OF THE MANUFACTURER'S LIST PRICE OF THE NICOTINE PRODUCTS FOR THE TAX LEVIED ON AND AFTER JANUARY 1, 2023, BUT PRIOR TO JULY 1, 2024;

(d) FIFTY-SIX PERCENT OF THE MANUFACTURER'S LIST PRICE OF THE NICOTINE PRODUCTS FOR THE TAX LEVIED ON AND AFTER JULY 1, 2024, BUT PRIOR TO JULY 1, 2027; AND

(e) SIXTY-TWO PERCENT OF THE MANUFACTURER'S LIST PRICE OF THE NICOTINE PRODUCTS FOR THE TAX LEVIED ON AND AFTER JULY 1, 2027.

(2) THERE IS LEVIED A TAX UPON THE SALE, USE, CONSUMPTION, HANDLING, OR DISTRIBUTION OF NICOTINE PRODUCTS THAT ARE MODIFIED RISK TOBACCO PRODUCTS IN THIS STATE AT THE RATE OF:

(a) FIFTEEN PERCENT OF THE MANUFACTURER'S LIST PRICE OF THE NICOTINE PRODUCTS FOR THE TAX LEVIED ON AND AFTER JANUARY 1, 2021, BUT PRIOR TO JANUARY 1, 2022;

(b) SEVENTEEN AND ONE-HALF PERCENT OF THE MANUFACTURER'S LIST PRICE OF THE NICOTINE PRODUCTS FOR THE TAX LEVIED ON AND AFTER JANUARY 1, 2022, BUT PRIOR TO JANUARY 1, 2023;

(c) TWENTY-FIVE PERCENT OF THE MANUFACTURER'S LIST PRICE OF THE NICOTINE PRODUCTS FOR THE TAX LEVIED ON AND AFTER JANUARY 1, 2023, BUT PRIOR TO JULY 1, 2024;

(d) TWENTY-EIGHT PERCENT OF THE MANUFACTURER'S LIST PRICE OF THE NICOTINE PRODUCTS FOR THE TAX LEVIED ON AND AFTER JULY 1, 2024, BUT PRIOR TO JULY 1, 2027; AND

(e) THIRTY-ONE PERCENT OF THE MANUFACTURER'S LIST PRICE OF THE NICOTINE PRODUCTS FOR THE TAX LEVIED ON AND AFTER JULY 1, 2027.

(3) THE TAX SET FORTH IN THIS SECTION IS COLLECTED BY THE DEPARTMENT AND IS IMPOSED AT THE TIME THE DISTRIBUTOR:

(a) BRINGS, OR CAUSES TO BE BROUGHT, INTO THIS STATE FROM WITHOUT THE STATE NICOTINE PRODUCTS FOR SALE;

(b) MAKES, MANUFACTURES, OR FABRICATES NICOTINE PRODUCTS IN THIS STATE FOR SALE IN THIS STATE;

(c) SHIPS OR TRANSPORTS NICOTINE PRODUCTS TO RETAILERS IN THIS STATE TO BE SOLD BY THOSE RETAILERS; OR

(d) MAKES A DELIVERY SALE.

39-28.6-104. Exempt sales. THE TAX IMPOSED BY SECTION 39-28.6-103 SHALL NOT APPLY WITH RESPECT TO ANY NICOTINE PRODUCTS THAT, UNDER THE CONSTITUTION AND LAWS OF THE UNITED STATES, MAY NOT BE MADE THE SUBJECT OF TAXATION BY THIS STATE. A PERSON SHALL REPORT THE EXEMPT SALES TO THE DEPARTMENT, AS REQUIRED BY THE DEPARTMENT.

39-28.6-105. Licensing required - rules - fines. BEGINNING JANUARY 1, 2021, IT IS UNLAWFUL FOR ANY PERSON TO ENGAGE IN THE BUSINESS OF A DISTRIBUTOR OF NICOTINE PRODUCTS AT ANY PLACE OF BUSINESS WITHOUT FIRST OBTAINING A LICENSE GRANTED AND ISSUED BY THE DEPARTMENT, WHICH LICENSE IS IN EFFECT UNTIL JUNE 30 FOLLOWING THE DATE OF ISSUE, UNLESS SOONER REVOKED. THE DEPARTMENT SHALL GRANT A LICENSE ONLY TO A PERSON WHO OWNS OR OPERATES THE PLACE FROM WHICH THE PERSON ENGAGES IN THE BUSINESS OF A DISTRIBUTOR OF NICOTINE PRODUCTS, AND, IF THE BUSINESS IS OPERATED IN TWO OR MORE SEPARATE PLACES BY THE PERSON, A SEPARATE LICENSE FOR EACH PLACE OF BUSINESS IS REQUIRED. A LICENSE MAY BE RENEWED ONLY UPON TIMELY APPLICATION AND PAYMENT OF THE REQUIRED FEE PRIOR TO EXPIRATION. A LICENSE MAY BE TRANSFERRED IN THE DISCRETION OF AND PURSUANT TO THE RULES ADOPTED BY THE DEPARTMENT. THE FEE FOR A LICENSE IS TEN DOLLARS PER YEAR, AND THE FEE IS CREDITED TO THE GENERAL FUND. THE FEE IS REDUCED AT THE RATE OF TWO DOLLARS AND FIFTY CENTS FOR EACH EXPIRED QUARTER OF THE LICENSE YEAR. THE DEPARTMENT SHALL, ON REASONABLE NOTICE AND AFTER A HEARING, SUSPEND OR REVOKE THE LICENSE OF ANY PERSON VIOLATING ANY PROVISION OF THIS ARTICLE 28.6, AND THE DEPARTMENT SHALL NOT ISSUE A LICENSE TO THE SAME PERSON WITHIN A PERIOD OF TWO YEARS THEREAFTER. THE DEPARTMENT MAY SHARE INFORMATION ON THE NAMES AND ADDRESSES OF PERSONS WHO PURCHASED NICOTINE PRODUCTS FOR RESALE WITH THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT AND COUNTY AND DISTRICT PUBLIC HEALTH AGENCIES. THE DEPARTMENT SHALL REFUSE TO ISSUE A NEW OR RENEWAL DISTRIBUTOR LICENSE, AND SHALL REVOKE A DISTRIBUTOR'S LICENSE, IF THE DISTRIBUTOR OWES THE STATE ANY DELINQUENT TAXES ADMINISTERED BY THE DEPARTMENT OR INTEREST THEREON PURSUANT TO THIS TITLE 39 THAT HAVE BEEN DETERMINED BY LAW TO BE DUE AND UNPAID, UNLESS THE DISTRIBUTOR HAS ENTERED INTO AN AGREEMENT APPROVED BY THE DEPARTMENT TO PAY THE AMOUNT DUE. THE DEPARTMENT SHALL ONLY ISSUE A NEW OR RENEWAL DISTRIBUTOR LICENSE TO A DISTRIBUTOR THAT HAS A CURRENT LICENSE ISSUED PURSUANT TO SECTION 39-26-103.

39-28.6-106. Books and records to be preserved. (1) EVERY DISTRIBUTOR SHALL KEEP AT EACH LICENSED PLACE OF BUSINESS COMPLETE AND ACCURATE RECORDS FOR THAT PLACE OF BUSINESS, INCLUDING ITEMIZED INVOICES OF NICOTINE PRODUCTS HELD, PURCHASED, MANUFACTURED, BROUGHT IN OR CAUSED TO BE BROUGHT IN FROM WITHOUT THE STATE, OR SHIPPED OR TRANSPORTED TO RETAILERS IN THIS STATE, AND OF ALL SALES OF NICOTINE PRODUCTS MADE, EXCEPT SALES TO THE ULTIMATE CONSUMER WITHIN THE STATE.

(2) THE DISTRIBUTOR'S RECORDS MUST SHOW THE NAMES AND ADDRESSES OF PURCHASERS, THE INVENTORY OF ALL NICOTINE PRODUCTS ON HAND, AND OTHER PERTINENT PAPERS AND DOCUMENTS RELATING TO THE PURCHASE, SALE, OR DISPOSITION OF NICOTINE PRODUCTS.

(3) WHEN A LICENSED DISTRIBUTOR SELLS NICOTINE PRODUCTS EXCLUSIVELY TO THE ULTIMATE CONSUMER WITHIN THE STATE AT THE ADDRESS GIVEN IN THE LICENSE, NO INVOICE OF THOSE SALES IS REQUIRED, BUT THE LICENSED DISTRIBUTOR SHALL MAKE ITEMIZED INVOICES OF ALL NICOTINE PRODUCTS TRANSFERRED TO OTHER RETAIL OUTLETS OWNED OR CONTROLLED BY THAT LICENSED DISTRIBUTOR. A DISTRIBUTOR SHALL PRESERVE ALL BOOKS, RECORDS, AND OTHER PAPERS AND DOCUMENTS REQUIRED BY THIS SECTION TO BE KEPT FOR A PERIOD OF AT LEAST THREE YEARS AFTER THE DATE OF THE DOCUMENTS, UNLESS THE DEPARTMENT, IN WRITING, AUTHORIZES THEIR DESTRUCTION OR DISPOSAL AT AN EARLIER DATE.

(4)(a) EVERY RETAILER THAT IS NOT ALSO A LICENSED DISTRIBUTOR SHALL KEEP AT ITS PLACE OF BUSINESS COMPLETE AND ACCURATE RECORDS TO SHOW THAT ALL NICOTINE PRODUCTS RECEIVED BY THE RETAILER WERE PURCHASED FROM A LICENSED DISTRIBUTOR. THE RETAILER SHALL PROVIDE A COPY OF SUCH RECORDS TO THE DEPARTMENT IF SO REQUESTED. THE DEPARTMENT MAY ESTABLISH THE ACCEPTABLE FORM OF SUCH RECORDS.

(b) THE GENERAL ASSEMBLY SHALL APPROPRIATE MONEY FOR ANY EXPENSES INCURRED BY THE DEPARTMENT RELATED TO ENFORCING SUBSECTION (4)(a) OF THIS SECTION FROM THE TOBACCO TAX ENFORCEMENT CASH FUND CREATED IN SECTION 39-28-107 (1)(b).

39-28.6-107. Returns and remittance of tax - civil penalty - rules. (1) EVERY DISTRIBUTOR SHALL FILE A RETURN WITH THE DEPARTMENT EACH QUARTER. THE RETURN, WHICH MUST BE UPON FORMS PRESCRIBED AND FURNISHED BY THE DEPARTMENT, MUST CONTAIN, AMONG OTHER THINGS, THE TOTAL AMOUNT OF NICOTINE PRODUCTS PURCHASED BY THE DISTRIBUTOR DURING THE PRECEDING QUARTER AND THE TAX DUE THEREON.

(2) EVERY DISTRIBUTOR SHALL FILE A RETURN WITH THE DEPARTMENT BY THE TWENTIETH DAY OF THE MONTH FOLLOWING THE MONTH REPORTED AND SHALL THEREWITH REMIT THE AMOUNT OF TAX DUE, LESS ONE AND ONE-TENTH PERCENT OF ANY AMOUNT REMITTED TO COVER THE DISTRIBUTOR'S EXPENSE IN THE COLLECTION AND REMITTANCE OF THE TAX. IF ANY DISTRIBUTOR IS DELINQUENT IN REMITTING THE TAX, OTHER THAN IN UNUSUAL CIRCUMSTANCES SHOWN TO THE SATISFACTION OF THE EXECUTIVE DIRECTOR OF THE DEPARTMENT, THE DISTRIBUTOR IS NOT ALLOWED TO RETAIN ANY AMOUNTS TO COVER HIS OR HER EXPENSE IN COLLECTING AND REMITTING THE TAX AND, IN ADDITION, THE PENALTY IMPOSED UNDER SECTION

39-28.6-111 (2)(b) APPLIES.

(3) THE DEPARTMENT SHALL REQUIRE DISTRIBUTORS TO USE ELECTRONIC FUNDS TRANSFERS TO REMIT TAX PAYMENTS DUE PURSUANT TO THIS ARTICLE 28.6 TO THE DEPARTMENT AND SHALL REQUIRE DISTRIBUTORS TO FILE TAX RETURNS ELECTRONICALLY. THE DEPARTMENT MAY PROMULGATE RULES GOVERNING ELECTRONIC PAYMENT AND FILING.

(4) (a) ANY PERSON, FIRM, LIMITED LIABILITY COMPANY, PARTNERSHIP, OR CORPORATION, OTHER THAN A DISTRIBUTOR, IN POSSESSION OF NICOTINE PRODUCTS FOR WHICH TAXES HAVE NOT OTHERWISE BEEN REMITTED PURSUANT TO THIS SECTION IS LIABLE AND RESPONSIBLE FOR THE UNCOLLECTED TAX THAT IS LEVIED PURSUANT TO SECTION 39-28.6-103 ON BEHALF OF THE DISTRIBUTOR WHO FAILED TO PAY THE TAX. THE PERSON OR ENTITY SHALL MAKE THE PAYMENT TO THE DEPARTMENT WITHIN THIRTY DAYS OF FIRST TAKING POSSESSION OF THE NICOTINE PRODUCT. THE DEPARTMENT SHALL ESTABLISH A FORM TO BE USED FOR REMITTANCE OF THE PAYMENT. THE DEPARTMENT SHALL REMIT THE PROCEEDS IT RECEIVES PURSUANT TO THIS SUBSECTION (4)(a) TO THE STATE TREASURER, AND THE STATE TREASURER SHALL CREDIT FIFTEEN PERCENT OF THE PROCEEDS TO THE TOBACCO TAX ENFORCEMENT CASH FUND CREATED IN SECTION 39-28-107 (1)(b) AND EIGHTY-FIVE PERCENT TO THE OLD AGE PENSION FUND CREATED IN SECTION 1 OF ARTICLE XXIV OF THE STATE CONSTITUTION.

(b) THE EXECUTIVE DIRECTOR OF THE DEPARTMENT MAY IMPOSE A CIVIL PENALTY ON ANY PERSON, FIRM, LIMITED LIABILITY COMPANY, PARTNERSHIP, OR CORPORATION IN POSSESSION OF NICOTINE PRODUCTS THAT FAILS TO MAKE A PAYMENT REQUIRED PURSUANT TO SUBSECTION (4)(a) OF THIS SECTION OR WHO IS A DISTRIBUTOR BY VIRTUE OF BEING THE FIRST PERSON WHO RECEIVES THE NICOTINE PRODUCTS IN THE STATE AND WHO FAILS TO MAKE A PAYMENT REQUIRED PURSUANT TO THIS SECTION IN AN AMOUNT THAT DOES NOT EXCEED FIVE HUNDRED PERCENT OF SUCH PAYMENT. THE DEPARTMENT SHALL REMIT ANY MONEY RECEIVED PURSUANT TO THIS SUBSECTION (4)(b) TO THE STATE TREASURER FOR DEPOSIT IN THE TOBACCO TAX ENFORCEMENT CASH FUND CREATED IN SECTION 39-28-107 (1)(b).

39-28.6-108. When credit may be obtained for tax paid. WHERE NICOTINE PRODUCTS, UPON WHICH THE TAX IMPOSED BY THIS ARTICLE 28.6 HAS BEEN REPORTED AND PAID, ARE SHIPPED OR TRANSPORTED BY THE DISTRIBUTOR TO RETAILERS WITHOUT THE STATE TO BE SOLD BY THOSE RETAILERS, ARE SHIPPED OR TRANSPORTED BY THE DISTRIBUTOR TO A CONSUMER WITHOUT THE STATE ON OR AFTER JANUARY 1, 2021, OR ARE RETURNED TO THE MANUFACTURER BY THE DISTRIBUTOR OR DESTROYED BY THE DISTRIBUTOR, CREDIT OF SUCH TAX MAY BE MADE TO THE DISTRIBUTOR IN ACCORDANCE WITH REGULATIONS PRESCRIBED BY THE DEPARTMENT.

39-28.6-109. Distribution of tax collected. (1) THE STATE TREASURER SHALL CREDIT THE MONEY COLLECTED FOR PAYMENT OF THE TAX IMPOSED UNDER THIS ARTICLE 28.6 TO THE OLD AGE PENSION FUND CREATED IN SECTION 1 OF ARTICLE XXIV OF THE STATE CONSTITUTION IN ACCORDANCE WITH SECTION 2 (a) AND (f) OF ARTICLE XXIV OF THE STATE CONSTITUTION AND SHALL FURTHER TRANSFER AN AMOUNT EQUAL TO THIS AMOUNT TO THE GENERAL FUND IN ACCORDANCE WITH SECTION 7 (c) OF ARTICLE XXIV OF THE STATE CONSTITUTION.

(2) THE STATE TREASURER SHALL TRANSFER AN AMOUNT EQUAL TO THE TAX IMPOSED UNDER THIS ARTICLE 28.6 FROM THE GENERAL FUND TO THE 2020 TAX HOLDING FUND CREATED IN SECTION 24-22-118 (1).

39-28.6-110. Taxation by cities and towns. THIS ARTICLE 28.6 DOES NOT PREVENT A STATUTORY OR HOME RULE MUNICIPALITY, COUNTY, OR CITY AND COUNTY FROM IMPOSING, LEVYING, AND COLLECTING ANY SPECIAL SALES TAX UPON SALES OF CIGARETTES, TOBACCO PRODUCTS, OR NICOTINE PRODUCTS, AS THAT TERM IS DEFINED IN SECTION 18-13-121 (5), OR UPON THE OCCUPATION OR PRIVILEGE OF SELLING CIGARETTES, TOBACCO PRODUCTS, OR NICOTINE PRODUCTS. THIS ARTICLE 28.6 DOES NOT AFFECT ANY EXISTING AUTHORITY OF LOCAL GOVERNMENTS TO IMPOSE A SPECIAL SALES TAX ON CIGARETTES, TOBACCO PRODUCTS, OR NICOTINE PRODUCTS, IN ACCORDANCE WITH SECTION 39-28-112, TO BE USED FOR LOCAL AND GOVERNMENTAL PURPOSES.

39-28.6-111. Prohibited acts - penalties. (1) BEGINNING JANUARY 1, 2021, IT IS UNLAWFUL FOR ANY DISTRIBUTOR TO SELL AND DISTRIBUTE ANY NICOTINE PRODUCTS IN THIS STATE WITHOUT A LICENSE AS REQUIRED IN SECTION 39-28.6-105, OR TO WILLFULLY MAKE ANY FALSE OR FRAUDULENT RETURN OR FALSE STATEMENT ON ANY RETURN, OR TO WILLFULLY EVADE THE PAYMENT OF THE TAX, OR ANY PART THEREOF, AS IMPOSED BY THIS ARTICLE 28.6. ANY DISTRIBUTOR OR AGENT THEREOF WHO WILLFULLY VIOLATES ANY PROVISION OF THIS ARTICLE 28.6 IS SUBJECT TO PUNISHMENT AS PROVIDED BY SECTION 39-21-118.

(2) (a) IF A PERSON NEGLECTS OR REFUSES TO MAKE A RETURN AS REQUIRED BY THIS ARTICLE 28.6 AND NO AMOUNT OF TAX IS DUE, THE EXECUTIVE DIRECTOR OF THE DEPARTMENT SHALL IMPOSE A PENALTY IN THE AMOUNT OF TWENTY-FIVE DOLLARS.

(b) IF A PERSON FAILS TO PAY THE TAX IN THE TIME ALLOWED IN SECTION 39-28.6-107, A PENALTY EQUAL TO TEN PERCENT OF THE TAX PLUS ONE-HALF OF ONE PERCENT PER MONTH FROM THE DATE WHEN DUE, TOGETHER WITH INTEREST ON SUCH DELINQUENT TAXES AT THE RATE COMPUTED UNDER SECTION 39-21-110.5, APPLIES.

(c) IN COMPUTING AND ASSESSING THE PENALTY, PENALTY INTEREST, AND INTEREST PURSUANT TO SUBSECTION (2)(b) OF THIS SECTION, THE EXECUTIVE DIRECTOR OF THE DEPARTMENT MAY MAKE AN ESTIMATE, BASED UPON INFORMATION AS MAY BE AVAILABLE, OF THE AMOUNT OF TAXES DUE FOR THE PERIOD FOR WHICH THE TAXPAYER IS DELINQUENT.

39-28.6-112. Revenue and spending limitations. NOTWITHSTANDING ANY LIMITATIONS ON REVENUE, SPENDING, OR APPROPRIATIONS CONTAINED IN SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION OR ANY OTHER PROVISION OF LAW, ANY REVENUE GENERATED BY THE TAX IMPOSED BY THIS ARTICLE 28.6 APPROVED BY THE VOTERS AT THE STATEWIDE ELECTION IN NOVEMBER 2020 MAY BE COLLECTED AND SPENT AS A VOTER-APPROVED REVENUE CHANGE.

SECTION 19. In Colorado Revised Statutes, 13-40-127, **amend** (5)(a) as follows:

13-40-127. Eviction legal assistance - fund - rules - report - definitions.

(5) (a) In addition to MONEY TRANSFERRED TO THE FUND PURSUANT TO SECTION 24-22-118 (2) AND any appropriation from the general fund, the administrator may seek, accept, and expend gifts, grants, or donations from private or public sources for the purposes of this section. The administrator shall transmit all money received through gifts, grants, or donations to the state treasurer, who shall credit the money to the fund.

SECTION 20. In Colorado Revised Statutes, add 22-54-142 as follows:

22-54-142. Rural school funding - rural schools cash fund - created - definitions - repeal. (1) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(a) "DISTRIBUTION YEAR" MEANS THE BUDGET YEAR IN WHICH RURAL SCHOOL FUNDING IS DISTRIBUTED PURSUANT TO THIS SECTION.

(b) "ELIGIBLE INSTITUTE CHARTER SCHOOL" MEANS AN INSTITUTE CHARTER SCHOOL THAT HAS A SMALL RURAL DISTRICT OR A LARGE RURAL DISTRICT AS ITS ACCOUNTING DISTRICT.

(c) "FUND" MEANS THE RURAL SCHOOLS CASH FUND CREATED IN SUBSECTION (5) OF THIS SECTION.

(d) "LARGE RURAL DISTRICT" MEANS A DISTRICT THAT THE DEPARTMENT OF EDUCATION DETERMINES IS A RURAL DISTRICT, BASED ON THE GEOGRAPHIC SIZE OF THE DISTRICT AND THE DISTANCE OF THE DISTRICT FROM THE NEAREST LARGE, URBANIZED AREA, AND THAT HAD A FUNDED PUPIL COUNT FOR THE BUDGET YEAR IMMEDIATELY PRECEDING THE DISTRIBUTION YEAR OF AT LEAST ONE THOUSAND BUT FEWER THAN SIX THOUSAND FIVE HUNDRED PUPILS IN KINDERGARTEN THROUGH TWELFTH GRADE.

(e) "PER PUPIL DISTRIBUTION AMOUNT" MEANS:

(I) FOR A LARGE RURAL DISTRICT, AN AMOUNT EQUAL TO THE AMOUNT APPROPRIATED PURSUANT TO SUBSECTION (6) OF THIS SECTION FOR THE APPLICABLE DISTRIBUTION YEAR MULTIPLIED BY THE PERCENTAGE SPECIFIED IN SUBSECTION (2)(a) OF THIS SECTION AND THEN DIVIDED BY THE SUM OF THE TOTAL FUNDED PUPIL COUNT FOR THE BUDGET YEAR IMMEDIATELY PRECEDING THE DISTRIBUTION YEAR OF ALL LARGE RURAL DISTRICTS AND THE TOTAL STUDENT ENROLLMENT FOR THE BUDGET YEAR IMMEDIATELY PRECEDING THE DISTRIBUTION YEAR OF ALL ELIGIBLE INSTITUTE CHARTER SCHOOLS THAT HAVE A LARGE RURAL DISTRICT AS THE ACCOUNTING DISTRICT; OR

(II) FOR A SMALL RURAL DISTRICT, AN AMOUNT EQUAL TO THE AMOUNT APPROPRIATED PURSUANT TO SUBSECTION (6) OF THIS SECTION FOR THE APPLICABLE DISTRIBUTION YEAR MULTIPLIED BY THE PERCENTAGE SPECIFIED IN SUBSECTION (2)(b) OF THIS SECTION AND THEN DIVIDED BY THE SUM OF THE TOTAL FUNDED PUPIL COUNT FOR THE BUDGET YEAR IMMEDIATELY PRECEDING THE DISTRIBUTION YEAR OF ALL SMALL RURAL DISTRICTS AND THE TOTAL STUDENT ENROLLMENT FOR THE BUDGET YEAR IMMEDIATELY PRECEDING THE DISTRIBUTION YEAR OF ALL ELIGIBLE

INSTITUTE CHARTER SCHOOLS THAT HAVE A SMALL RURAL DISTRICT AS THE ACCOUNTING DISTRICT.

(f) "SMALL RURAL DISTRICT" MEANS A DISTRICT THAT THE DEPARTMENT OF EDUCATION DETERMINES IS A RURAL DISTRICT, BASED ON THE GEOGRAPHIC SIZE OF THE DISTRICT AND THE DISTANCE OF THE DISTRICT FROM THE NEAREST LARGE, URBANIZED AREA, AND THAT HAD A FUNDED PUPIL COUNT FOR THE BUDGET YEAR IMMEDIATELY PRECEDING THE DISTRIBUTION YEAR OF FEWER THAN ONE THOUSAND PUPILS IN KINDERGARTEN THROUGH TWELFTH GRADE.

(2) FOR THE 2020-21, 2021-22, AND 2022-23 BUDGET YEARS, THE DEPARTMENT OF EDUCATION SHALL DISTRIBUTE THE AMOUNT APPROPRIATED PURSUANT TO SUBSECTION (6) OF THIS SECTION FOR THE APPLICABLE DISTRIBUTION YEAR TO LARGE RURAL DISTRICTS, SMALL RURAL DISTRICTS, AND ELIGIBLE INSTITUTE CHARTER SCHOOLS. THE DEPARTMENT OF EDUCATION SHALL DISTRIBUTE:

(a) FIFTY-FIVE PERCENT OF THE MONEY APPROPRIATED FOR THE APPLICABLE DISTRIBUTION YEAR TO LARGE RURAL DISTRICTS AND TO ELIGIBLE INSTITUTE CHARTER SCHOOLS IN LARGE RURAL DISTRICTS, AS PROVIDED IN THIS SECTION; AND

(b) FORTY-FIVE PERCENT OF THE MONEY APPROPRIATED FOR THE APPLICABLE DISTRIBUTION YEAR TO SMALL RURAL DISTRICTS AND TO ELIGIBLE INSTITUTE CHARTER SCHOOLS IN SMALL RURAL DISTRICTS, AS PROVIDED IN THIS SECTION.

(3) (a) THE DEPARTMENT OF EDUCATION SHALL DISTRIBUTE TO EACH LARGE RURAL DISTRICT AND EACH SMALL RURAL DISTRICT AN AMOUNT EQUAL TO THE APPLICABLE PER PUPIL DISTRIBUTION AMOUNT FOR THE APPLICABLE DISTRIBUTION YEAR MULTIPLIED BY THE LARGE RURAL DISTRICT'S OR SMALL RURAL DISTRICT'S FUNDED PUPIL COUNT FOR THE BUDGET YEAR IMMEDIATELY PRECEDING THE DISTRIBUTION YEAR.

(b) EACH LARGE RURAL DISTRICT AND EACH SMALL RURAL DISTRICT THAT IS THE AUTHORIZER FOR A CHARTER SCHOOL SHALL DISTRIBUTE TO THE CHARTER SCHOOL ONE HUNDRED PERCENT OF AN AMOUNT EQUAL TO THE APPLICABLE PER PUPIL DISTRIBUTION AMOUNT FOR THE APPLICABLE DISTRIBUTION YEAR MULTIPLIED BY THE NUMBER OF STUDENTS ENROLLED IN THE CHARTER SCHOOL FOR THE BUDGET YEAR IMMEDIATELY PRECEDING THE DISTRIBUTION YEAR.

(4) THE DEPARTMENT OF EDUCATION SHALL CALCULATE FOR EACH ELIGIBLE INSTITUTE CHARTER SCHOOL AND DISTRIBUTE TO THE STATE CHARTER SCHOOL INSTITUTE AN AMOUNT EQUAL TO THE APPLICABLE PER PUPIL DISTRIBUTION AMOUNT FOR THE APPLICABLE DISTRIBUTION YEAR MULTIPLIED BY THE NUMBER OF STUDENTS ENROLLED IN THE ELIGIBLE INSTITUTE CHARTER SCHOOL FOR THE BUDGET YEAR IMMEDIATELY PRECEDING THE DISTRIBUTION YEAR. THE STATE CHARTER SCHOOL INSTITUTE SHALL DISTRIBUTE TO EACH ELIGIBLE INSTITUTE CHARTER SCHOOL ONE HUNDRED PERCENT OF THE AMOUNT RECEIVED FOR THE ELIGIBLE INSTITUTE CHARTER SCHOOL PURSUANT TO THIS SUBSECTION (4).

(5) THE RURAL SCHOOLS CASH FUND IS HEREBY CREATED IN THE STATE TREASURY. THE FUND CONSISTS OF MONEY TRANSFERRED TO THE FUND PURSUANT TO SECTION 24-22-118(2). THE STATE TREASURER SHALL CREDIT ALL INTEREST AND

INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE RURAL SCHOOLS CASH FUND TO THE FUND.

(6) (a) FOR THE 2020-21 BUDGET YEAR, THE GENERAL ASSEMBLY SHALL APPROPRIATE TWENTY-FIVE MILLION DOLLARS FROM THE FUND TO THE DEPARTMENT OF EDUCATION TO PROVIDE ADDITIONAL FUNDING FOR LARGE RURAL DISTRICTS, SMALL RURAL DISTRICTS, AND ELIGIBLE INSTITUTE CHARTER SCHOOLS PURSUANT TO THIS SECTION.

(b) FOR THE 2021-22 BUDGET YEAR, THE GENERAL ASSEMBLY SHALL APPROPRIATE THIRTY MILLION DOLLARS FROM THE FUND TO THE DEPARTMENT OF EDUCATION TO PROVIDE ADDITIONAL FUNDING FOR LARGE RURAL DISTRICTS, SMALL RURAL DISTRICTS, AND ELIGIBLE INSTITUTE CHARTER SCHOOLS PURSUANT TO THIS SECTION.

(c) FOR THE 2022-23 BUDGET YEAR, THE GENERAL ASSEMBLY SHALL APPROPRIATE THIRTY-FIVE MILLION DOLLARS FROM THE FUND TO THE DEPARTMENT OF EDUCATION TO PROVIDE ADDITIONAL FUNDING FOR LARGE RURAL DISTRICTS, SMALL RURAL DISTRICTS, AND ELIGIBLE INSTITUTE CHARTER SCHOOLS PURSUANT TO THIS SECTION.

(7) EACH DISTRICT, DISTRICT CHARTER SCHOOL AND ELIGIBLE INSTITUTE CHARTER SCHOOL THAT RECEIVES MONEY PURSUANT TO THIS SECTION SHALL REPORT TO THE DEPARTMENT OF EDUCATION, BY A DATE DETERMINED BY THE DEPARTMENT, THE SPECIFIC EXPENDITURES FOR WHICH THE DISTRICT OR CHARTER SCHOOL USED THE MONEY RECEIVED PURSUANT TO THIS SECTION.

(8) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2023.

SECTION 21. In Colorado Revised Statutes, 24-22-117, **amend** (1)(a) and (2)(c)(I) as follows:

24-22-117. Tobacco tax cash fund - accounts - creation - legislative declaration. (1) (a) There is hereby created in the state treasury the tobacco tax cash fund, which fund is referred to in this section as the "cash fund". The cash fund ~~shall consist~~ CONSISTS OF ~~moneys~~ MONEY collected from the cigarette and tobacco taxes imposed pursuant to section 21 of article X of the state constitution AND MONEY TRANSFERRED IN ACCORDANCE WITH SECTION 24-22-118 (2). All interest and income derived from the deposit and investment of ~~moneys~~ MONEY in the cash fund shall be credited to the cash fund; except that all interest and income derived from the deposit and investment of ~~moneys~~ MONEY in the cash fund during the 2008-09, 2009-10, 2010-11, and 2011-12 fiscal years shall be credited to the general fund. Any unexpended and unencumbered ~~moneys~~ MONEY remaining in the cash fund at the end of a fiscal year shall remain in the cash fund and shall not be credited or transferred to the general fund or any other fund, except as otherwise provided in this section.

(2) There are hereby created in the state treasury the following funds:

(c) (I) The tobacco education programs fund is to be administered by the department of public health and environment. The state treasurer and the controller

shall transfer an amount equal to sixteen percent of the ~~moneys~~ MONEY deposited into the cash fund, plus sixteen percent of the interest and income earned on the deposit and investment of ~~those moneys~~ SUCH MONEY AND THE AMOUNTS SPECIFIED IN SECTION 24-22-118 (2), to the tobacco education programs fund; except that, for the 2008-09, 2009-10, 2010-11, and 2011-12 fiscal years, the state treasurer and the controller shall transfer to the tobacco education programs fund only an amount equal to sixteen percent of the ~~moneys~~ MONEY deposited into the cash fund. All interest and income derived from the deposit and investment of ~~moneys~~ MONEY in the tobacco education programs fund shall be credited to the tobacco education programs fund; except that all interest and income derived from the deposit and investment of ~~moneys~~ MONEY in the tobacco education programs fund during the 2008-09, 2009-10, 2010-11, and 2011-12 fiscal years shall be credited to the general fund. Any unexpended and unencumbered ~~moneys~~ MONEY remaining in the tobacco education programs fund at the end of a fiscal year shall remain in the fund and shall not be credited or transferred to the general fund or any other fund.

SECTION 22. In Colorado Revised Statutes, **add** 24-22-118 as follows:

24-22-118. Revenue from nicotine products and additional tobacco taxes - 2020 tax holding fund - preschool programs cash fund - creation - definitions.

(1) THE 2020 TAX HOLDING FUND IS HEREBY CREATED IN THE STATE TREASURY. THE FUND CONSISTS OF MONEY CREDITED TO THE FUND PURSUANT TO SECTIONS 39-28-110 (1)(b), 39-28.5-108 (1)(b), AND 39-28.6-109 (2).

(2) THE STATE TREASURER SHALL TRANSFER THE MONEY IN THE 2020 TAX HOLDING FUND AS FOLLOWS:

(a) FOR THE FISCAL YEAR COMMENCING ON JULY 1, 2020:

(I) FIVE MILLION FOUR HUNDRED SEVENTY-FIVE THOUSAND DOLLARS TO THE TOBACCO TAX CASH FUND CREATED IN SECTION 24-22-117 (1);

(II) TWO MILLION TWENTY-FIVE THOUSAND DOLLARS TO THE GENERAL FUND;

(III) ELEVEN MILLION ONE HUNDRED SIXTY-SIX THOUSAND DOLLARS TO THE HOUSING DEVELOPMENT GRANT FUND CREATED IN SECTION 24-32-721 (1);

(IV) FIVE HUNDRED THOUSAND DOLLARS TO THE EVICTION LEGAL DEFENSE FUND CREATED IN SECTION 13-40-127 (2);

(V) TWENTY-FIVE MILLION DOLLARS TO THE RURAL SCHOOLS CASH FUND CREATED IN SECTION 22-54-142; AND

(VI) THE REMAINDER TO THE STATE EDUCATION FUND CREATED IN SECTION 17(4) OF ARTICLE IX OF THE STATE CONSTITUTION.

(b) FOR THE FISCAL YEAR COMMENCING ON JULY 1, 2021:

(I) TEN MILLION NINE HUNDRED FIFTY THOUSAND DOLLARS TO THE TOBACCO TAX CASH FUND CREATED IN SECTION 24-22-117 (1);

(II) FOUR MILLION FIFTY THOUSAND DOLLARS TO THE GENERAL FUND;

(III) ELEVEN MILLION ONE HUNDRED SIXTY-SEVEN THOUSAND DOLLARS TO THE HOUSING DEVELOPMENT GRANT FUND CREATED IN SECTION 24-32-721 (1);

(IV) FIVE HUNDRED THOUSAND DOLLARS TO THE EVICTION LEGAL DEFENSE FUND CREATED IN SECTION 13-40-127 (2);

(V) THIRTY MILLION DOLLARS TO THE RURAL SCHOOLS CASH FUND CREATED IN SECTION 22-54-142; AND

(VI) THE REMAINDER TO THE STATE EDUCATION FUND CREATED IN SECTION 17(4) OF ARTICLE IX OF THE STATE CONSTITUTION;

(c) FOR THE FISCAL YEAR COMMENCING ON JULY 1, 2022:

(I) TEN MILLION NINE HUNDRED FIFTY THOUSAND DOLLARS TO THE TOBACCO TAX CASH FUND CREATED IN SECTION 24-22-117 (1);

(II) FOUR MILLION FIFTY THOUSAND DOLLARS TO THE GENERAL FUND;

(III) ELEVEN MILLION ONE HUNDRED SIXTY-SEVEN THOUSAND DOLLARS TO THE HOUSING DEVELOPMENT GRANT FUND CREATED IN SECTION 24-32-721 (1);

(IV) FIVE HUNDRED THOUSAND DOLLARS TO THE EVICTION LEGAL DEFENSE FUND CREATED IN SECTION 13-40-127 (2);

(V) THIRTY-FIVE MILLION DOLLARS TO THE RURAL SCHOOLS CASH FUND CREATED IN SECTION 22-54-142; AND

(VI) THE REMAINDER TO THE STATE EDUCATION FUND CREATED IN SECTION 17(4) OF ARTICLE IX OF THE STATE CONSTITUTION;

(d) FOR THE FISCAL YEAR COMMENCING ON JULY 1, 2023:

(I) TEN MILLION NINE HUNDRED FIFTY THOUSAND DOLLARS TO THE TOBACCO TAX CASH FUND CREATED IN SECTION 24-22-117 (1);

(II) FOUR MILLION FIFTY THOUSAND DOLLARS TO THE GENERAL FUND; AND

(III) THE REMAINDER TO THE PRESCHOOL PROGRAMS CASH FUND CREATED IN SUBSECTION (3) OF THIS SECTION;

(e) FOR EACH FISCAL YEAR COMMENCING ON OR AFTER JULY 1, 2024, BUT BEFORE JULY 1, 2027:

(I) TEN MILLION NINE HUNDRED FIFTY THOUSAND DOLLARS TO THE TOBACCO TAX CASH FUND CREATED IN SECTION 24-22-117 (1);

(II) FOUR MILLION FIFTY THOUSAND DOLLARS TO THE GENERAL FUND;

(III) TWENTY MILLION DOLLARS TO THE TOBACCO EDUCATION PROGRAMS FUND CREATED IN SECTION 24-22-117 (2)(c)(I); AND

(IV) THE REMAINDER TO THE PRESCHOOL PROGRAMS CASH FUND CREATED IN SUBSECTION (3) OF THIS SECTION;

(f) FOR EACH FISCAL YEAR COMMENCING ON OR AFTER JULY 1, 2027:

(I) TEN MILLION NINE HUNDRED FIFTY THOUSAND DOLLARS TO THE TOBACCO TAX CASH FUND CREATED IN SECTION 24-22-117 (1);

(II) FOUR MILLION FIFTY THOUSAND DOLLARS TO THE GENERAL FUND;

(III) THIRTY MILLION DOLLARS TO THE TOBACCO EDUCATION PROGRAMS FUND CREATED IN SECTION 24-22-117 (2)(c)(I); AND

(IV) THE REMAINDER TO THE PRESCHOOL PROGRAMS CASH FUND CREATED IN SUBSECTION (3) OF THIS SECTION.

(g) THE STATE TREASURER SHALL MAKE THE TRANSFERS REQUIRED BY THIS SUBSECTION (2) ON AN ONGOING BASIS THROUGHOUT THE FISCAL YEAR. IF THERE IS INSUFFICIENT REVENUE TO TRANSFER THE SPECIFIC AMOUNTS REQUIRED BY THIS SUBSECTION (2) FOR A FISCAL YEAR, THEN THE STATE TREASURER SHALL PROPORTIONALLY REDUCE EACH OF THE TRANSFERS.

(3)(a) THE PRESCHOOL PROGRAMS CASH FUND IS HEREBY CREATED IN THE STATE TREASURY. THE FUND CONSISTS OF MONEY CREDITED TO THE FUND PURSUANT TO SUBSECTION (2) OF THIS SECTION AND MONEY TRANSFERRED TO THE FUND PURSUANT TO SECTION 39-28-116(6). THE STATE TREASURER SHALL CREDIT ALL INTEREST AND INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE PRESCHOOL PROGRAMS CASH FUND TO THE FUND. THE GENERAL ASSEMBLY SHALL ANNUALLY APPROPRIATE MONEY IN THE PRESCHOOL PROGRAMS CASH FUND TO A DESIGNATED DEPARTMENT FOR THE PURPOSES SET FORTH IN THIS SUBSECTION (3).

(b)(I) A DESIGNATED DEPARTMENT SHALL PRIORITIZE ITS USE OF MONEY FROM THE PRESCHOOL PROGRAMS CASH FUND TO EXPAND AND ENHANCE THE COLORADO PRESCHOOL PROGRAM OR ANY SUCCESSOR PROGRAM IN ORDER TO OFFER AT LEAST TEN HOURS PER WEEK OF VOLUNTARY PRESCHOOL FREE OF CHARGE TO EVERY CHILD IN COLORADO DURING THE LAST YEAR OF PRESCHOOL BEFORE HIS OR HER ENTRY TO KINDERGARTEN.

(II) THE DESIGNATED DEPARTMENT SHALL USE THE MONEY REMAINING IN THE PRESCHOOL PROGRAMS CASH FUND AFTER THE USE IDENTIFIED IN SUBSECTION (3)(b)(I) OF THIS SECTION TO PROVIDE ADDITIONAL PRESCHOOL PROGRAMMING FOR LOW-INCOME FAMILIES AND CHILDREN AT RISK OF ENTERING KINDERGARTEN WITHOUT BEING SCHOOL READY.

(c) IN DESIGNING A PROGRAM THAT IS FUNDED THROUGH THIS SUBSECTION (3), A DESIGNATED DEPARTMENT MUST ENSURE THAT THE PROGRAM ADDRESSES THE FOLLOWING:

(I) PROGRAMMATIC ADMINISTRATION THAT ALLOWS FOR PARENT CHOICE, ENSURES SCHOOL-BASED AND COMMUNITY-BASED PROGRAMS THAT MEET QUALITY AND PROGRAM STANDARDS ARE ABLE TO PARTICIPATE, PRIORITIZES COMMUNITY NEEDS IN A MANNER THAT WILL SUPPORT AND STRENGTHEN THE DIVERSITY OF BIRTH THROUGH KINDERGARTEN ENTRY SERVICE PROVIDERS, AND WILL HELP TO ACHIEVE STATE AND LOCAL MIXED DELIVERY GOALS;

(II) HIGH-QUALITY PROGRAMMING THAT HELPS PREPARE CHILDREN FOR KINDERGARTEN;

(III) COORDINATION WITH EXISTING EARLY CHILDHOOD SYSTEMS AND INITIATIVES, FUNDING STREAMS, AND ADVANCING ALIGNMENT WITH KINDERGARTEN THROUGH TWELFTH GRADE SYSTEMS TO SUPPORT CHILDREN'S TRANSITIONS TO SCHOOL;

(IV) OPPORTUNITIES FOR EVIDENCE-BASED PARENT, FAMILY, AND COMMUNITY ENGAGEMENT; AND

(V) AN EVALUATION OF EARLY CHILDHOOD EDUCATION PROGRAM EFFECTIVENESS, INCLUDING THE IMPACT OF PRESCHOOL ON CHILD AND FAMILY OUTCOMES.

(d) IN FURTHERANCE OF THE PURPOSES SET FORTH IN SUBSECTION (3)(b) OF THIS SECTION AND IN ORDER TO MEET AN EXPANSION OF CURRENT PRESCHOOL POPULATIONS, A DESIGNATED DEPARTMENT MAY USE MONEY IN THE FUND TO ENSURE THE AVAILABILITY OF QUALITY, VOLUNTARY, MIXED-DELIVERY PRESCHOOL BY MEANS THE DEPARTMENT DEEMS APPROPRIATE INCLUDING:

(I) RECRUITING, TRAINING, AND RETAINING EARLY CHILDHOOD EDUCATION PROFESSIONALS;

(II) EXPANDING OR IMPROVING THE STAFF, FACILITIES, EQUIPMENT, TECHNOLOGY, AND PHYSICAL INFRASTRUCTURE OF PRESCHOOL PROGRAMS OFFERED BY LICENSED PROVIDERS SO AS TO INCREASE PRESCHOOL ACCESS;

(III) PARENT AND FAMILY OUTREACH TO FACILITATE TIMELY AND EFFECTIVE ENROLLMENT; AND

(IV) SUCH OTHER USES AS ARE CONSISTENT WITH AND FURTHER THE PURPOSE OF THIS SECTION.

(e) THE DESIGNATED DEPARTMENT MAY USE MONEY APPROPRIATED FROM THE PRESCHOOL PROGRAMS CASH FUND FOR THE COSTS OF A THIRD-PARTY ENTITY THAT ADMINISTERS THE PROGRAM ESTABLISHED ON BEHALF OF THE DESIGNATED DEPARTMENT IN ACCORDANCE WITH THIS SUBSECTION (3).

(f) AS USED IN THIS SUBSECTION (3), "DESIGNATED DEPARTMENT" MEANS ONE OR MORE DEPARTMENTS THAT THE GENERAL ASSEMBLY HAS DETERMINED TO BE BEST QUALIFIED TO ADMINISTER THE COLORADO PRESCHOOL PROGRAM OR ANY SUCCESSOR PROGRAM TO ENSURE THE AVAILABILITY OF QUALITY, VOLUNTARY, MIXED-DELIVERY PRESCHOOL BY APPROPRIATING MONEY FROM THE PRESCHOOL

PROGRAMS CASH FUND TO THE DEPARTMENT OR DEPARTMENTS.

(4) THE STATE AUDITOR SHALL ANNUALLY CONDUCT A FINANCIAL AUDIT OF THE USE OF THE MONEY ALLOCATED AND APPROPRIATED UNDER THIS SECTION.

SECTION 23. In Colorado Revised Statutes, **add** 25-3.5-810 as follows:

25-3.5-810. Nicotine products education, prevention, and cessation programs. THE EDUCATION, PREVENTION, AND CESSATION PROGRAMS THAT ARE FUNDED WITH MONEY TRANSFERRED TO THE TOBACCO EDUCATION PROGRAMS FUND IN ACCORDANCE WITH SECTION 24-22-118 (2) MAY ALSO APPLY TO NICOTINE PRODUCTS.

SECTION 24. In Colorado Revised Statutes, 39-21-119.5, **amend** (1), (4)(e), and (4)(f); and **add** (4)(j) as follows:

39-21-119.5. Mandatory electronic filing of returns - mandatory electronic payment - penalty - waiver - definitions. (1) For purposes of this section, "return" means any report, claim, tax return statement, or other document required or authorized under articles 11 and 25 of title 29, article 11 of title 30, articles 22, 26, 27, 28, 28.5, **28.6**, 28.8, and 29 of this title 39, article 2 of title 40, article 3 of title 42, article 4 of title 43, and title 44, and any form, statement report, or other document prescribed by the executive director for reporting a tax liability, a fee liability, or other information required to be returned to the executive director, including the reporting of changes or amendments thereto, and any schedule certification, worksheet, or other document required to accompany the return.

(4) Except as provided in subsection (6) of this section, on and after August 2, 2019, electronic filing of returns and the payment of any tax or fee by electronic funds transfer is required for the following:

(e) Any retail marijuana excise tax return required to be filed and payment required to be made pursuant to section 39-28.8-304; ~~and~~

(f) Any retail marijuana sales tax return required to be filed and payment required to be paid pursuant to section 39-28.8-202; AND

(j) ANY NICOTINE PRODUCTS TAX RETURN REQUIRED TO BE FILED AND PAYMENT REQUIRED TO BE PAID PURSUANT TO ARTICLE 28.6 OF THIS TITLE 39.

SECTION 25. In Colorado Revised Statutes, 24-22-721, **amend** (1) and (2)(a) as follows:

24-32-721. Colorado affordable housing construction grants and loans - housing development grant fund - creation - housing assistance for persons with behavioral, mental health, or substance use disorders - cash fund - appropriation - report to general assembly - definition. (1) There is hereby created in the state treasury the housing development grant fund, which fund is administered by the division and is referred to in this section as the "fund". The fund consists of money credited to the fund in accordance with section 39-26-123 (3)(b); MONEY TRANSFERRED TO THE FUND IN ACCORDANCE WITH SECTION 24-22-118 (2);

money appropriated to the fund by the general assembly; all money transferred to the fund from the marijuana tax cash fund created in section 39-28.8-501 (1) and any other cash fund maintained by the state; all money collected by the division for purposes of this section from federal grants, from other contributions, gifts, grants, and donations received from any other organization, entity, or individual, public or private; and from any fees or interest earned on such money. The division is hereby authorized and directed to solicit, accept, expend, and disburse all money collected for the fund from the sources specified in this subsection (1) for the purpose of making grants or loans and for program administration as provided in this section. All such money must be transmitted to the state treasurer to be credited to the fund. The money in the fund is continuously appropriated to the division for the purposes of this section.

(2) (a) Subject to the requirements of this section, upon the approval of the board, the division may make a grant or loan from money in the fund to improve, preserve, or expand the supply of affordable housing in Colorado as well as to fund the acquisition of housing and economic data necessary to advise the board on local housing conditions. In making loans or grants from the fund, the division shall give priority to owners of property that was either destroyed or incurred substantial damage as a result of one or more state or federally declared natural disasters where the property owner has received the maximum insurance proceeds and public disaster assistance. The division shall annually allocate, with or without board approval, at least one-third of the money credited to the fund in accordance with section 39-26-123 (3)(b) to improve, preserve, or expand affordable housing for households whose annual income is less than or equal to thirty percent of the area median income, as published annually by the United States department of housing and urban development. THE DIVISION SHALL USE AT LEAST FIVE MILLION DOLLARS OF THE AMOUNT TRANSFERRED TO THE FUND IN ACCORDANCE WITH SECTION 24-22-118 (2) TO IMPROVE, PRESERVE, OR EXPAND THE SUPPLY OF AFFORDABLE HOUSING IN RURAL COLORADO.

SECTION 26. In Colorado Revised Statutes, 39-22-623, **amend** (1)(a)(II)(A) as follows:

39-22-623. Disposition of collections - definition. (1) The proceeds of all money collected under this article 22, less the reserve retained for refunds, shall be credited as follows:

(a) (II) (A) Effective July 1, 1987, an amount equal to twenty-seven percent of the gross state cigarette tax shall be apportioned to incorporated cities and incorporated towns that levy taxes and adopt formal budgets and to counties. For the purposes of this section, a city and county is considered a city. The city or town share shall be apportioned according to the percentage of state sales tax revenues collected by the department of revenue in an incorporated city or town as compared to the total state sales tax collections that may be allocated to all political subdivisions in the state; the county share shall be the same as that which the percentage of state sales tax revenues collected in the unincorporated area of the county bears to total state sales tax revenues that may be allocated to all political subdivisions in the state. The department of revenue shall certify to the state treasurer, at least annually, the percentage for allocation to each city, town, and county, and the department shall apply the percentage for allocation certified in all

distributions to cities, towns, and counties until changed by certification to the state treasurer. In order to qualify for distributions of state income tax money, units of local government are prohibited from imposing taxes on any person as a condition for engaging in the business of selling cigarettes. For purposes of this subsection (1)(a)(II), the "gross state cigarette tax" means the total tax FROM TEN MILLS ON EACH CIGARETTE before the discount provided for in section 39-28-104 (1), PLUS AN AMOUNT EQUAL TO THE AMOUNT TRANSFERRED TO THE GENERAL FUND FOR THE STATE FISCAL YEAR IN ACCORDANCE WITH SECTION 24-22-118 (2). For any city, town, or county that was previously disqualified from the apportionment set forth in this subsection (1)(a)(II)(A) by reason of imposing a fee or license related to the sale of cigarettes, the city, town, or county is eligible for any allocation of money that is based on an apportionment made on or after July 1, 2019, but not for an allocation of money that is based on an apportionment made before July 1, 2019.

SECTION 27. Effective date. (1) Except as otherwise provided in subsection (2) of this section, this act takes effect upon passage.

(2) Sections 2 to 26 of this act take effect only if, at the November 2020 statewide election, a majority of voters approve the ballot issue referred in accordance with section 39-28-401, Colorado Revised Statutes, created in section 1 of this act. If the voters approve the ballot issue, then sections 2 to 26 of this act take effect on the date of the governor's proclamation or January 1, 2021, whichever is later.

SECTION 28. Safety clause. The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, or safety.

Approved: July 8, 2020