

**Second Regular Session
Seventy-third General Assembly
STATE OF COLORADO**

ENGROSSED

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

LLS NO. 22-0706.01 Nicole Myers x4326

SENATE BILL 22-191

SENATE SPONSORSHIP

Bridges and Priola,

HOUSE SPONSORSHIP

Titone and Bernett,

Senate Committees

Business, Labor, & Technology
Appropriations

House Committees

A BILL FOR AN ACT

101 **CONCERNING THE PROCUREMENT OF INFORMATION TECHNOLOGY**
102 **RESOURCES.**

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/>.)

Joint Technology Committee. Current law states that the office of information technology (office) may initiate the procurement of information technology (IT) resources for state agencies and participate in other activities related to IT procurement on behalf of a state agency. The bill requires the office to initiate the procurement of IT resources and requires the office to participate in other IT procurement-related activities

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

SENATE
Amended 2nd Reading
April 26, 2022

on behalf of a state agency; except that a state agency may initiate solicitations and contracts for IT resources with prior approval of the office.

The bill specifies that the money in the existing technology risk prevention and response fund (fund) is continuously appropriated to the office for the purposes of the fund. The bill allows the office to contribute money to the fund from the operations and maintenance fees associated with the billing practices of the office.

The bill requires any money appropriated from the general fund to the office or a state agency for the procurement of IT resources or projects that is unexpended or unencumbered at the end of a fiscal year as a result of savings achieved in connection with such procurement to be transferred to the fund.

For every appropriation in the information technology capital section and the operating agency budget section of the annual general appropriation act for the 2023-24 state fiscal year and each state fiscal year thereafter, the bill requires the general assembly to set aside additional funding for annual depreciation-lease equivalent payments.

In addition, the bill specifies that a contract for the licensing of software applications that are designed to run on generally available desktop or server hardware cannot limit a governmental body's ability to install or run the software on the hardware of the governmental body's choosing.

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

2 **SECTION 1.** In Colorado Revised Statutes, 24-37.5-105, **amend**
3 (6) introductory portion as follows:

4 **24-37.5-105. Office - roles - responsibilities - state search**
5 **interface - rules - legislative declaration - definitions. (6) Technology**
6 **purchasing for enterprises.** The office ~~may~~ SHALL initiate the
7 procurement of information technology resources for state agencies and
8 enter into agreements or contracts on behalf of a state agency, multiple
9 agencies, or the office, or be a party to procurement contracts that are
10 initiated by state agencies. ~~State agency initiated contracts must be done~~
11 ~~in consultation with~~ A STATE AGENCY MAY INITIATE SOLICITATIONS AND
12 CONTRACTS FOR INFORMATION TECHNOLOGY RESOURCES ONLY WITH

1 PRIOR APPROVAL OF THE PROCUREMENT OFFICIAL FOR the office, and must
2 include provisions allowing the office to enforce technology and security
3 standards or conduct due diligence or audits of the contractors. IF THE
4 STATE AGENCY DOES NOT RECEIVE WRITTEN APPROVAL OR DISAPPROVAL
5 FROM THE PROCUREMENT OFFICIAL FOR THE OFFICE WITHIN THIRTY
6 BUSINESS DAYS AFTER SUBMITTING THE PROCUREMENT REQUEST TO THE
7 OFFICE FOR REVIEW, THE STATE AGENCY MAY ASSUME THAT IT HAS
8 RECEIVED THE PRIOR APPROVAL OF THE OFFICE, AS REQUIRED BY THIS
9 SUBSECTION (6), AND IS AUTHORIZED TO INITIATE THE PROCUREMENT OR
10 SOLICITATION PROCESS. In connection with the procurement of
11 information technology resources, the office shall:

12 **SECTION 2.** In Colorado Revised Statutes, 24-37.5-120, **amend**
13 (2), (4)(a), and (4)(c)(III) introductory portion; and **add** (4)(d) and (6) as
14 follows:

15 **24-37.5-120. Technology risk prevention and response fund -**
16 **creation - definitions.** (2) The technology risk prevention and response
17 fund is hereby created in the state treasury. The fund consists of money
18 that the general assembly may appropriate or transfer to the fund, MONEY
19 CONTRIBUTED TO THE FUND BY THE OFFICE PURSUANT TO SUBSECTION
20 (4)(d) OF THIS SECTION, AND MONEY TRANSFERRED TO THE FUND
21 PURSUANT TO SUBSECTION (6) OF THIS SECTION.

22 (4) (a) Up to fifty percent of the total balance of the fund at the
23 beginning of each fiscal year is continuously appropriated to the office.
24 THE TOTAL FUND BALANCE SHALL NOT EXCEED FIFTY MILLION DOLLARS.

25 (c) The office shall use the money in the fund for one-time costs
26 associated with:

27 (III) Preventing risk from information technology ~~debt~~ that is:

1 (d) THE OFFICE MAY CONTRIBUTE MONEY TO THE FUND FROM THE
2 OPERATIONS AND MAINTENANCE FEES ASSOCIATED WITH THE BILLING
3 PRACTICES OF THE OFFICE.

4 (6) (a) NOTWITHSTANDING ANY PROVISION OF LAW TO THE
5 CONTRARY, FOR THE 2022-23 STATE FISCAL YEAR AND FOR EACH STATE
6 FISCAL YEAR THEREAFTER, ANY MONEY APPROPRIATED FROM THE
7 GENERAL FUND TO THE OFFICE OR A STATE AGENCY FOR THE
8 PROCUREMENT OF INFORMATION TECHNOLOGY RESOURCES OR PROJECTS
9 THAT IS UNEXPENDED OR UNENCUMBERED AT THE END OF THE FISCAL
10 YEAR AS A RESULT OF SAVINGS ACHIEVED IN CONNECTION WITH SUCH
11 PROCUREMENT, SHALL NOT REVERT TO THE GENERAL FUND.

12 (b) ON JULY 1, 2023, AND ON JULY 1 OF EACH YEAR THEREAFTER,
13 THE STATE TREASURER SHALL TRANSFER FROM THE GENERAL FUND TO THE
14 TECHNOLOGY RISK PREVENTION AND RESPONSE FUND AN AMOUNT EQUAL
15 TO THE AMOUNT OF UNEXPENDED AND UNENCUMBERED MONEY
16 DESCRIBED IN SUBSECTION (6)(a) OF THIS SECTION.

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18 **SECTION 3.** In Colorado Revised Statutes, **add** 24-102-208 as
19 follows:

20 **24-102-208. Software application contracts - generally**
21 **available hardware - no limitation.** A CONTRACT FOR THE LICENSING OF
22 SOFTWARE APPLICATIONS THAT ARE DESIGNED TO RUN ON GENERALLY
23 AVAILABLE DESKTOP OR SERVER HARDWARE SHALL NOT LIMIT A
24 GOVERNMENTAL BODY'S ABILITY TO INSTALL OR RUN THE SOFTWARE ON
25 THE HARDWARE OF THE GOVERNMENTAL BODY'S CHOOSING. THIS SECTION
26 APPLIES TO ANY CONTRACT OR ADDENDUM FOR THE LICENSING OF
27 SOFTWARE APPLICATIONS ON OR AFTER THE EFFECTIVE DATE OF THIS

1 SECTION.

2 **SECTION 4. Safety clause.** The general assembly hereby finds,
3 determines, and declares that this act is necessary for the immediate
4 preservation of the public peace, health, or safety.