

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

REREVISED

*This Version Includes All Amendments
Adopted in the Second House*

LLS NO. 24-1192.01 Pierce Lively x2059

HOUSE BILL 24-1469

HOUSE SPONSORSHIP

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A BILL FOR AN ACT

101 **CONCERNING THE CLASSIFICATION OF CERTAIN COLLECTIONS AS**
102 **COLLECTIONS FOR ANOTHER GOVERNMENT FOR PURPOSES OF**
103 **CALCULATING STATE FISCAL YEAR SPENDING PURSUANT TO**
104 **SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION.**

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>.)

Section 20 of article X of the state constitution (TABOR) defines "fiscal year spending" as not including "collections for another government". Although TABOR does not define "collections for another

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

SENATE
3rd Reading Unamended
May 7, 2024

SENATE
2nd Reading Unamended
May 6, 2024

HOUSE
Amended 3rd Reading
May 3, 2024

HOUSE
Amended 2nd Reading
May 2, 2024

government", the TABOR implementing statutes do. The definition of "collections for another government" in the implementing statutes specifically limits such collections to revenue collected by the state for the benefit of another government that is collected pursuant to the authority of the other government.

Section 2 of the bill clarifies the definition of "collections for another government" for purposes of the TABOR limitation on state fiscal year spending. For state fiscal years commencing on or after July 1, 2023, "collections for another government" means any revenue that is collected by the state for the benefit and use of a government other than the state, passed through to that government for the benefit of and use by that government, and collected pursuant to:

- The authority of the government for whose benefit the state collects the revenue;
- The authority of the state and apportioned to another government that forgoes the ability to impose certain taxes and collect the corresponding tax revenue; or
- A constitutional requirement that the state collect the revenue for the benefit of another government.

Sections 3 through 6 make corresponding conforming amendments and cross references.

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

2 **SECTION 1. Legislative declaration.** (1) The general assembly
3 finds and declares that:

4 (a) Section 20 (2)(e) of article X of the state constitution exempts
5 "collections for another government" from "fiscal year spending", as
6 defined in section 20 (2)(e) of article X of the state constitution;

7 (b) Under the existing statutory definition of "collections for
8 another government", some funds that the state collects and distributes to
9 other governments are treated as state fiscal year spending when
10 determining whether the state has exceeded the state's fiscal year
11 spending limit despite the constitutional exemption for such collections;

12 (c) Upon distribution to other governments, the same funds that
13 are treated as state fiscal year spending are also required to be treated as

1 the fiscal year spending of the government to which the funds are
2 distributed when determining whether the local government has exceeded
3 its revenue limit under section 20 (7)(d) of article X of the state
4 constitution;

5 (d) It is inconsistent with section 20 of article X of the state
6 constitution to treat funds that the state collects and distributes to other
7 governments as state revenue in light of the specific exemption for
8 "collections for another government";

9 (e) It is inconsistent with section 20 of article X of the state
10 constitution to count the same funds as fiscal year spending for both the
11 state's and another government's fiscal year spending limits;

12 (f) Even though this House Bill 24-1469 defines "collections for
13 another government" as all revenue collected by the state for the benefit
14 and use of another government other than the state and passed through to
15 that other government for the benefit of and use by that government, the
16 general assembly has determined at this time to include only two types of
17 collections for another government that were not previously treated as
18 collections for another government: Limited gaming tax revenue and
19 cigarette tax revenue;

20 (g) Because the state collects a portion of the limited gaming tax
21 revenue for the benefit and use of local governments, that portion
22 qualifies as a "collection for another government" under section 20 (2)(e)
23 of article X of the state constitution;

24 (h) Because the state collects a portion of the cigarette tax revenue
25 for the benefit and use of local governments, that portion also qualifies as
26 a "collection for another government" under section 20 (2)(e) of article
27 X of the state constitution;

1 (i) Unless and until the general assembly decides to include
2 additional types of collections that were not previously included in the
3 definition of "collections for another government", no such additional
4 types of collections will be included; and

5 (j) Nothing in this act operates to exclude any funds that have
6 been included as "collections for another government" under the
7 preexisting definition of that term from the clarified definition of that
8 term in this act - those funds continue to be included in this clarified
9 definition.

10 **SECTION 2.** In Colorado Revised Statutes, 24-77-102, **amend**
11 (1) as follows:

12 **24-77-102. Definitions.** As used in this article 77, unless the
13 context otherwise requires:

14 (1) (a) "Collections for another government" means any ~~tax~~
15 ~~revenues or other revenues~~ REVENUE that ~~are~~ IS collected by the state for
16 the benefit and use of ~~any~~ ANOTHER government other than the state
17 ~~pursuant to the authority of such other government and that are~~ AND
18 passed through to ~~the~~ THAT government OTHER THAN THE STATE for
19 ~~whose use such revenues were collected~~ THE BENEFIT OF AND USE BY
20 THAT GOVERNMENT.

21 (b) FOR STATE FISCAL YEARS COMMENCING ON OR AFTER JULY 1,
22 2023, NOTWITHSTANDING THE DEFINITION OF "COLLECTIONS FOR ANOTHER
23 GOVERNMENT" IN SUBSECTION (1)(a) OF THIS SECTION, THE ONLY
24 REVENUES COLLECTED BY THE STATE FOR THE BENEFIT AND USE OF
25 ANOTHER GOVERNMENT OTHER THAN THE STATE AND PASSED THROUGH
26 TO THAT GOVERNMENT OTHER THAN THE STATE FOR THE BENEFIT OF AND
27 USE BY THAT GOVERNMENT THAT QUALIFY AS "COLLECTIONS FOR

1 ANOTHER GOVERNMENT" WITHOUT FURTHER IDENTIFICATION BY THE
2 GENERAL ASSEMBLY ARE REVENUES COLLECTED PURSUANT TO:

3 (I) THE AUTHORITY OF THE GOVERNMENT FOR WHOSE BENEFIT THE
4 STATE COLLECTS THE REVENUE;

5 (II) THE AUTHORITY OF THE STATE AND APPORTIONED TO
6 ANOTHER GOVERNMENT IN CONNECTION WITH THAT GOVERNMENT
7 FORGOING THE IMPOSITION OF CERTAIN TAXES AND COLLECTING THE
8 CORRESPONDING TAX REVENUE; OR

9 (III) A CONSTITUTIONAL REQUIREMENT THAT THE STATE COLLECT
10 THE REVENUE FOR THE BENEFIT OF ANOTHER GOVERNMENT.

11 (c) "COLLECTIONS FOR ANOTHER GOVERNMENT", WITH RESPECT
12 TO REVENUE THAT IS COLLECTED IN ACCORDANCE WITH SUBSECTION
13 (1)(b)(II) OF THIS SECTION, INCLUDES THE REVENUE FROM THE GROSS
14 STATE CIGARETTE TAX, AS DEFINED IN SECTION 39-22-623 (1)(a)(II)(A),
15 COLLECTED BY THE STATE PURSUANT TO ARTICLE 28 OF TITLE 39, AND
16 PASSED THROUGH BY DIRECT DISTRIBUTION TO ANY GOVERNMENT OTHER
17 THAN THE STATE PURSUANT TO SECTIONS 24-22-118 AND 39-22-623.

18 (d) "COLLECTIONS FOR ANOTHER GOVERNMENT", WITH RESPECT
19 TO REVENUE THAT IS COLLECTED IN ACCORDANCE WITH SUBSECTION
20 (1)(b)(III) OF THIS SECTION, INCLUDES THE LIMITED GAMING TAX
21 REVENUES THAT ARE COLLECTED BY THE STATE PURSUANT TO SECTION 9
22 (5)(a) OF ARTICLE XVIII OF THE STATE CONSTITUTION AND SECTION
23 44-30-601 AND PASSED THROUGH BY DIRECT DISTRIBUTION ONLY, AND
24 NOT THROUGH GRANTS, TO ANY GOVERNMENT OTHER THAN THE STATE
25 PURSUANT TO SECTION 9 (5)(b)(II) AND (5)(b)(III) OF ARTICLE XVIII OF
26 THE STATE CONSTITUTION AND SECTIONS 44-30-701 (1)(d)(II) TO
27 (1)(d)(IV), 44-30-1201 (1), AND 44-30-1202.

1 **SECTION 3.** In Colorado Revised Statutes, 39-22-623, **amend**
2 (1)(a)(II)(B); and **add** (1)(a)(II)(C) as follows:

3 **39-22-623. Disposition of collections - definition.** (1) The
4 proceeds of all money collected under this article 22, less the reserve
5 retained for refunds, shall be credited as follows:

6 (a) (II) (B) ~~Moneys~~ MONEY apportioned pursuant to this
7 ~~subparagraph (H)~~ SUBSECTION (1)(a)(II)(B) shall be included for
8 informational purposes in the general appropriation bill or in
9 supplemental appropriation bills. ~~for the purpose of complying with the~~
10 ~~limitation on state fiscal year spending imposed by section 20 of article~~
11 ~~X of the state constitution and section 24-77-103, C.R.S.~~

12 (C) FOR STATE FISCAL YEARS COMMENCING ON OR AFTER JULY 1,
13 2023, REVENUE COLLECTED BY THE STATE AND APPORTIONED PURSUANT
14 TO THIS SUBSECTION (1)(a)(II) IS A COLLECTION FOR ANOTHER
15 GOVERNMENT, AS DEFINED IN SECTION 24-77-102 (1), FOR THE PURPOSE
16 OF DETERMINING STATE FISCAL YEAR SPENDING, AS DEFINED IN SECTION
17 24-77-102 (17).

18 **SECTION 4.** In Colorado Revised Statutes, 43-1-112.5, **amend**
19 (1)(b) as follows:

20 **43-1-112.5. Establishment of annual allowable revenues and**
21 **expenditures by general assembly.** (1) The general assembly hereby
22 finds and declares that:

23 (b) Subject to certain exclusions specified in section 20 of article
24 X of the state constitution, INCLUDING THE EXCLUSION OF COLLECTIONS
25 FOR ANOTHER GOVERNMENT, AS DEFINED IN SECTION 24-77-102 (1), all
26 state general fund expenditures and all state cash fund expenditures,
27 including expenditures of the department and the commission, are

1 included in the limitation on state fiscal year spending;

2 **SECTION 5.** In Colorado Revised Statutes, 44-30-701, **add**
3 (1)(e) as follows:

4 **44-30-701. Limited gaming fund - created - repeal.** (1) There
5 is hereby created in the office of the state treasurer the limited gaming
6 fund. The fund shall be maintained and operated as follows:

7 (e) FOR STATE FISCAL YEARS COMMENCING ON OR AFTER JULY 1,
8 2023, REVENUE COLLECTED BY THE STATE AND DISTRIBUTED BY THE
9 STATE TREASURER PURSUANT TO SUBSECTIONS (1)(d)(II) TO (1)(d)(IV) OF
10 THIS SECTION IS A COLLECTION FOR ANOTHER GOVERNMENT, AS DEFINED
11 IN SECTION 24-77-102 (1), FOR THE PURPOSE OF DETERMINING STATE
12 FISCAL YEAR SPENDING, AS DEFINED IN SECTION 24-77-102 (17).

13 **SECTION 6.** In Colorado Revised Statutes, 44-30-1201, **add** (14)
14 as follows:

15 **44-30-1201. State historical fund - administration - legislative**
16 **declaration - state museum cash fund - rules - definition.** (14) FOR
17 STATE FISCAL YEARS COMMENCING ON OR AFTER JULY 1, 2023, REVENUE
18 COLLECTED BY THE STATE AND USED FOR THE PRESERVATION AND
19 RESTORATION OF THE CITIES OF CENTRAL, BLACK HAWK, AND CRIPPLE
20 CREEK PURSUANT TO SUBSECTION (1) OF THIS SECTION IS A COLLECTION
21 FOR ANOTHER GOVERNMENT, AS DEFINED IN SECTION 24-77-102 (1), FOR
22 THE PURPOSE OF DETERMINING STATE FISCAL YEAR SPENDING, AS DEFINED
23 IN SECTION 24-77-102 (17).

24 **SECTION 7. Safety clause.** The general assembly finds,
25 determines, and declares that this act is necessary for the immediate
26 preservation of the public peace, health, or safety or for appropriations for

- 1 the support and maintenance of the departments of the state and state
- 2 institutions.