

Second Regular Session
Seventy-fourth General Assembly
STATE OF COLORADO

PREAMENDED

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

LLS NO. 24-0715.01 Rebecca Bayetti x4348

HOUSE BILL 24-1157

HOUSE SPONSORSHIP

Lindstedt and Vigil,

SENATE SPONSORSHIP

Bridges,

House Committees

Business Affairs & Labor
Finance
Appropriations

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING SUPPORT FOR COLORADO EMPLOYEE-OWNED**
102 **BUSINESSES, AND, IN CONNECTION THEREWITH, SUPPORT FOR**
103 **BUSINESSES TRANSITIONING TO AND IN THE EARLY STAGES OF**
104 **EMPLOYEE OWNERSHIP.**

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>.)

The bill creates the employee ownership office, which was originally created administratively by the governor in 2020, as a statutory entity within the office of economic development and international trade

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.

(OEDIT). The bill also creates an income tax credit for specified costs incurred by new employee-owned businesses, to be administered by the employee ownership office.

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) The general assembly has demonstrated an ongoing
5 commitment to ensuring that communities and local economies from
6 across Colorado are provided with the opportunities and direct support
7 they need to thrive, as well as recover from the COVID-19 pandemic;

8 (b) The office of economic development and international trade
9 develops and manages a wide range of programs dedicated to supporting
10 the economic growth and development of businesses of all sizes, local
11 economies in every corner of Colorado, and Colorado's statewide
12 economy;

13 (c) It is a priority of the general assembly to ensure that programs
14 of the office of economic development and international trade are
15 accessible and impactful in both rural and urban communities, ensuring
16 that the entire state of Colorado can achieve and sustain a healthy
17 economy that works for everyone and protects what makes Colorado the
18 best state in the country in which to live, work, start a business, raise a
19 family, and retire;

20 (d) In 2020, the governor administratively created the employee
21 ownership office within the office of economic development and
22 international trade to ensure that, as people reach retirement age and
23 business owners consider what to do with their businesses, communities
24 can retain homegrown economic opportunities through employee

1 ownership models;

2 (e) The employee ownership office allows Colorado to retain
3 business development within communities instead of exporting
4 entrepreneurship; and

5 (f) Since the formation of the employee ownership office under
6 the business support division within the office of economic development
7 and international trade, it has:

8 (I) Built critical individual connections with Colorado's small
9 businesses and provided one-to-one consulting support and financial
10 support of off-setting the costs associated with transitioning into an
11 employee ownership model;

12 (II) Coordinated with other state and federal partners to provide
13 a holistic approach to meeting community needs; and

14 (III) Provided feedback to improve internal programs and inform
15 the development of new initiatives, high-level policy decisions, and
16 legislation that influences rural economic development statewide.

17 **SECTION 2.** In Colorado Revised Statutes, **add** 24-48.5-135 as
18 follows:

19 **24-48.5-135. Employee ownership office - creation - duties.**

20 (1) THE EMPLOYEE OWNERSHIP OFFICE IS CREATED WITHIN THE OFFICE OF
21 ECONOMIC DEVELOPMENT. THE DIRECTOR OF THE OFFICE OF ECONOMIC
22 DEVELOPMENT DESIGNATES AND SUPERVISES THE DIRECTOR OF THE
23 EMPLOYEE OWNERSHIP OFFICE.

24 (2) THE EMPLOYEE OWNERSHIP OFFICE SHALL:

25 (a) SUPPORT THE DEVELOPMENT AND ADVANCEMENT OF
26 EMPLOYEE-OWNED BUSINESSES, ESPECIALLY BY PROVIDING TECHNICAL
27 SUPPORT TO SMALL BUSINESS OWNERS LOOKING TO TRANSITION INTO

1 EMPLOYEE OWNERSHIP MODELS THROUGH THE OFFICE OF ECONOMIC
2 DEVELOPMENT;

3 (b) PROVIDE SUPPORT AND COORDINATION WITH OTHER STATE
4 AGENCIES AND PROGRAMS THAT DEAL WITH EMPLOYEE OWNERSHIP
5 MATTERS; AND

6 (c) MEASURE THE SUCCESS OF PROGRAM OUTREACH AND CONDUCT
7 RESEARCH TO DETERMINE WHETHER COLORADO'S SMALL BUSINESS
8 OWNERS EXPERIENCE INCREASED GROWTH, STABILITY, OR VIABILITY OF
9 THEIR BUSINESSES AND ADDITIONAL EMPLOYEE ENGAGEMENT IN
10 EMPLOYEE OWNERSHIP STRUCTURES AS A RESULT OF THE EFFORTS OF THE
11 EMPLOYEE OWNERSHIP OFFICE.

12 **SECTION 3.** In Colorado Revised Statutes, **add** 39-22-542.5 as
13 follows:

14 **39-22-542.5. Tax credit for new employee-owned businesses**
15 **- employee ownership cash fund - tax preference performance**
16 **statement - legislative declaration - definitions - repeal. (1) Tax**
17 **preference performance statement.** (a) IN ACCORDANCE WITH SECTION
18 39-21-304, WHICH REQUIRES EACH BILL THAT CREATES A NEW TAX
19 EXPENDITURE TO INCLUDE A TAX PREFERENCE PERFORMANCE STATEMENT
20 AS PART OF A STATUTORY LEGISLATIVE DECLARATION, THE GENERAL
21 ASSEMBLY FINDS AND DECLARES THAT THE PURPOSES OF THE TAX CREDIT
22 CREATED IN THIS SECTION ARE TO INDUCE CERTAIN DESIGNATED BEHAVIOR
23 BY TAXPAYERS, TO CREATE OR RETAIN JOBS, AND TO PROVIDE INCOME TAX
24 RELIEF FOR CERTAIN BUSINESSES OR INDIVIDUALS. SPECIFICALLY, THE TAX
25 CREDIT FACILITATES EMPLOYEE OWNERSHIP AND THE RETENTION OF
26 COMMUNITY INVESTMENT AND WEALTH BY BUSINESS OWNERS AND
27 EMPLOYEES IN A COMMUNITY.

1 (b) THE GENERAL ASSEMBLY AND THE STATE AUDITOR SHALL
2 MEASURE THE EFFECTIVENESS OF THE TAX CREDIT IN ACHIEVING THE
3 PURPOSES SPECIFIED IN SUBSECTION (1)(a) OF THIS SECTION BASED ON THE
4 INFORMATION REQUIRED TO BE MAINTAINED BY AND REPORTED TO THE
5 STATE AUDITOR BY THE EMPLOYEE OWNERSHIP OFFICE PURSUANT TO
6 SUBSECTION (7)(b) OF THIS SECTION.

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

9 (a) "ALTERNATE EQUITY STRUCTURE" MEANS A MECHANISM
10 UNDER WHICH AN EMPLOYER GRANTS TO EMPLOYEES A FORM OF
11 EMPLOYEE OWNERSHIP, INCLUDING BUT NOT LIMITED TO AN EMPLOYEE
12 STOCK PURCHASE PLAN, LLC MEMBERSHIP, PHANTOM STOCK, PROFIT
13 INTEREST, RESTRICTED STOCK, STOCK APPRECIATION RIGHT, STOCK
14 OPTION, OR SYNTHETIC EQUITY. THE OFFICE MAY DEVELOP GUIDELINES
15 THAT CLARIFY THE TYPES OF EMPLOYEE OWNERSHIP GRANTS THAT
16 QUALIFY AS AN ALTERNATE EQUITY STRUCTURE. AN ALTERNATE EQUITY
17 STRUCTURE MUST AT A MINIMUM:

18 (I) GRANT RIGHTS TO OR BE OFFERED TO AT LEAST TWENTY
19 PERCENT OF AN EMPLOYER'S ELIGIBLE WORKERS, OR GRANT RIGHTS TO OR
20 BE OFFERED TO AT LEAST TWENTY PERCENT OF ELIGIBLE WORKERS OF AN
21 EMPLOYER THAT IS OWNED BY OR OPERATED FOR THE BENEFIT OF ELIGIBLE
22 WORKERS IN A BROAD-BASED EMPLOYEE OWNERSHIP TRANSITION. FOR
23 PURPOSES OF THIS SUBSECTION (2)(a), "ELIGIBLE WORKERS" MEANS ALL
24 FULL-TIME EMPLOYEES, REGULAR EMPLOYEES, NON-SEASONAL
25 EMPLOYEES, NON-MANAGERIAL EMPLOYEES, AND CONTRACT LABOR.

26 (II) HAVE THE PARTICIPATION OF AT LEAST TWENTY PERCENT OF
27 AN EMPLOYER'S ELIGIBLE WORKERS;

1 (III) ALLOCATE AT LEAST TWENTY PERCENT OF THE FULLY
2 DILUTED SECURITIES OR RIGHTS TO A SYNTHETIC INTEREST IN SECURITIES
3 TO PARTICIPATING ELIGIBLE WORKERS, OR ALLOCATE TWENTY PERCENT OF
4 NET PROFIT FROM OPERATIONS TO PARTICIPATING ELIGIBLE WORKERS; AND

5 (IV) GRANT TO PARTICIPATING ELIGIBLE WORKERS
6 INFORMATIONAL RIGHTS, DECISION-MAKING RIGHTS, AND NON-FINANCIAL
7 RIGHTS THAT ARE EQUAL TO OR GREATER THAN THE RIGHTS THAT ARE
8 GRANTED TO HOLDERS OF THE EMPLOYER'S COMMON STOCK OR HOLDERS
9 OF THE EMPLOYER'S RESIDUAL MEMBERSHIP INTEREST.

10 (b) "DEPARTMENT" MEANS THE COLORADO DEPARTMENT OF
11 REVENUE.

12 (c) "ELIGIBLE COSTS" MEANS COSTS INCURRED AS A RESULT OF
13 BEING A NEW EMPLOYEE-OWNED BUSINESS, AS DETAILED IN THE
14 GUIDELINES ISSUED BY THE OFFICE, INCLUDING COSTS ASSOCIATED WITH
15 ACCOUNTING, LEGAL, BUSINESS ADVISORY, AND SIMILAR PROFESSIONAL
16 SERVICES THAT ARE INCURRED AS A RESULT OF BEING A NEW
17 EMPLOYEE-OWNED BUSINESS.

18 (d) "EMPLOYEE-OWNED BUSINESS" MEANS A TAXPAYER THAT IS
19 SUBJECT TO TAX UNDER THIS ARTICLE 22, INCLUDING BUT NOT LIMITED TO
20 A C CORPORATION, S CORPORATION, LIMITED LIABILITY COMPANY,
21 PARTNERSHIP, LIMITED LIABILITY PARTNERSHIP, SOLE PROPRIETORSHIP, OR
22 OTHER SIMILAR PASS-THROUGH ENTITY, THAT:

23 (I) IS OWNED IN WHOLE OR IN PART BY AN EMPLOYEE OWNERSHIP
24 TRUST;

25 (II) HAS AN EMPLOYEE STOCK OWNERSHIP PLAN, IS BENEFICIALLY
26 OWNED IN WHOLE OR IN PART BY A WORKER-OWNED COOPERATIVE, OR HAS
27 AN ALTERNATE EQUITY STRUCTURE; AND

1 (III) HAS ITS CORPORATE HEADQUARTERS LOCATED IN THIS STATE.
2 FOR PURPOSES OF THIS SUBSECTION (2)(d), "CORPORATE HEADQUARTERS"
3 MEANS THE SOLE LOCATION WITHIN A REGIONAL OR NATIONAL AREA
4 WHERE THE TAXPAYER'S STAFF MEMBERS OR EMPLOYEES ARE DOMICILED
5 AND EMPLOYED, AND WHERE THE MAJORITY OF THE TAXPAYER'S
6 FINANCIAL, PERSONNEL, LEGAL, PLANNING, OR OTHER BUSINESS
7 FUNCTIONS ARE CONDUCTED ON A REGIONAL OR NATIONAL BASIS.

8 (e) "EMPLOYEE OWNERSHIP OFFICE" OR "OFFICE" MEANS THE
9 EMPLOYEE OWNERSHIP OFFICE CREATED IN SECTION 24-48.5-135.

10 (f) "EMPLOYEE OWNERSHIP TRUST" MEANS AN INDIRECT FORM OF
11 EMPLOYEE OWNERSHIP IN WHICH A TRUST HOLDS A CONTROLLING STAKE
12 IN A BUSINESS AND BENEFITS ALL EMPLOYEES ON AN EQUAL BASIS AND
13 OTHERWISE MEETS THE DEFINITION OF AN ALTERNATE EQUITY STRUCTURE.

14 (g) "EMPLOYEE STOCK OWNERSHIP PLAN" HAS THE SAME MEANING
15 AS SET FORTH IN SECTION 4975 (e)(7) OF THE INTERNAL REVENUE CODE,
16 AS AMENDED.

17 (h) "NEW EMPLOYEE-OWNED BUSINESS" MEANS AN
18 EMPLOYEE-OWNED BUSINESS THAT HAS BEEN AN EMPLOYEE-OWNED
19 BUSINESS FOR SEVEN YEARS OR FEWER.

20 (i) "QUALIFIED BUSINESS" MEANS A TAXPAYER THAT IS A NEW
21 EMPLOYEE-OWNED BUSINESS.

22 (j) "SECURITIES" HAS THE SAME MEANING AS THE TERM
23 "SECURITY" SET FORTH IN 15 U.S.C. SEC. 77b (a)(1).

24 (k) "TAX CREDIT" MEANS THE CREDIT AGAINST INCOME TAX
25 CREATED IN THIS SECTION.

26 (l) "TAXPAYER" MEANS A PERSON SUBJECT TO TAX PURSUANT TO
27 THIS ARTICLE 22.

1 (m) "WORKER-OWNED COOPERATIVE" HAS THE SAME MEANING AS
2 SET FORTH IN SECTION 1042 (c)(2) OF THE INTERNAL REVENUE CODE, AS
3 AMENDED.

4 (3) **Tax credit for new employee-owned businesses.**

5 (a) SUBJECT TO CERTIFICATION BY THE OFFICE PURSUANT TO THIS
6 SECTION, FOR INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY
7 1, 2025, BUT BEFORE JANUARY 1, 2034, A QUALIFIED BUSINESS IS
8 ALLOWED A CREDIT AGAINST THE INCOME TAXES IMPOSED BY THIS
9 ARTICLE 22 IN AN AMOUNT EQUAL TO FIFTY PERCENT OF THE ELIGIBLE
10 COSTS, NOT TO EXCEED FIFTY THOUSAND DOLLARS, INCURRED BY THE
11 QUALIFIED BUSINESS.

12 (b) (I) A QUALIFIED BUSINESS MAY APPLY FOR AND CLAIM ONLY
13 ONE TAX CREDIT ALLOWED IN THIS SUBSECTION (3) FOR THE ELIGIBLE
14 COSTS INCURRED IN ANY TAX YEAR.

15 (II) IN THE CASE OF A QUALIFIED BUSINESS THAT IS A C
16 CORPORATION, THE TAX CREDIT IS ALLOWED TO THE QUALIFIED BUSINESS.

17 (III) IN THE CASE OF A QUALIFIED BUSINESS THAT IS A
18 PARTNERSHIP OR AN S CORPORATION, THE TAX CREDIT IS ALLOWED TO THE
19 OWNERS OF THE QUALIFIED BUSINESS.

20 (IV) IN THE CASE OF A QUALIFIED BUSINESS THAT IS TAXED
21 PURSUANT TO SUBCHAPTER T OF THE INTERNAL REVENUE CODE, 26 U.S.C.
22 SEC. 1381 ET SEQ., AS AMENDED, THE TAX CREDIT IS ALLOWED EITHER TO
23 THE QUALIFIED BUSINESS OR TO THE OWNERS OF THE QUALIFIED BUSINESS
24 AS PERMITTED UNDER SUBCHAPTER T OF THE INTERNAL REVENUE CODE.

25 (4) **Tax credit certificate.** (a) A QUALIFIED BUSINESS SHALL
26 SUBMIT AN APPLICATION TO THE OFFICE FOR THE CERTIFICATION AND
27 ISSUANCE OF A TAX CREDIT CERTIFICATE FOR THE TAX CREDIT ALLOWED

1 IN SUBSECTION (3) OF THIS SECTION BY THE DEADLINES ESTABLISHED IN
2 THE OFFICE'S GUIDELINES. THE APPLICATION MUST INCLUDE THE
3 INFORMATION SET FORTH IN THE OFFICE'S GUIDELINES. THE OFFICE MAY
4 IMPOSE A REASONABLE APPLICATION FEE NOT TO EXCEED TWO HUNDRED
5 AND FIFTY DOLLARS. THE OFFICE SHALL TRANSMIT ALL FEES COLLECTED
6 TO THE STATE TREASURER, WHO SHALL CREDIT THE MONEY TO THE
7 EMPLOYEE OWNERSHIP CASH FUND CREATED IN SUBSECTION (8) OF THIS
8 SECTION.

9 (b) TO CLAIM THE TAX CREDIT ALLOWED IN SUBSECTION (3) OF
10 THIS SECTION, A QUALIFIED BUSINESS MUST ANNUALLY APPLY FOR AND
11 RECEIVE A TAX CREDIT CERTIFICATE FROM THE OFFICE PURSUANT TO THIS
12 SUBSECTION (4). THE SUBMISSION OF AN APPLICATION DOES NOT ENTITLE
13 THE QUALIFIED BUSINESS TO THE ISSUANCE OF A TAX CREDIT CERTIFICATE.

14 (c) THE OFFICE SHALL DOCUMENT THE DATE AND TIME THAT A
15 COMPLETE APPLICATION WAS RECEIVED AND SHALL REVIEW COMPLETE
16 APPLICATIONS IN THE ORDER IN WHICH THEY ARE RECEIVED. IF THE OFFICE
17 DETERMINES THAT AN APPLICANT IS NOT ENTITLED TO A TAX CREDIT
18 CERTIFICATE, THE OFFICE SHALL NOTIFY THE APPLICANT OF ITS
19 DISAPPROVAL IN WRITING.

20 (d) IF THE OFFICE IS SATISFIED THAT THE REQUIREMENTS OF THIS
21 SECTION AND THE OFFICE'S GUIDELINES FOR THE TAX CREDIT ARE MET,
22 THEN THE OFFICE SHALL ISSUE TO THE QUALIFIED BUSINESS A TAX CREDIT
23 CERTIFICATE THAT EVIDENCES THE QUALIFIED BUSINESS'S RIGHT TO CLAIM
24 THE TAX CREDIT ALLOWED IN SUBSECTION (3) OF THIS SECTION. THE
25 OFFICE SHALL NOT ISSUE TAX CREDIT CERTIFICATES IN EXCESS OF THE
26 MAXIMUM AGGREGATE AMOUNT FOR ANY SINGLE INCOME TAX YEAR
27 SPECIFIED IN SUBSECTION (4)(e) OF THIS SECTION.

1 (e) (I) THE MAXIMUM AGGREGATE AMOUNT OF ALL TAX CREDIT
2 CERTIFICATES THAT THE OFFICE MAY ISSUE PURSUANT TO THIS SECTION IN
3 ANY SINGLE INCOME TAX YEAR IS ONE MILLION FIVE HUNDRED THOUSAND
4 DOLLARS.

5 (II) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION,
6 IF THE MAXIMUM AGGREGATE AMOUNT IN SUBSECTION (4)(e)(I) OF THIS
7 SECTION IS NOT REQUESTED AND ISSUED BY THE OFFICE IN A SINGLE
8 INCOME TAX YEAR, THE OFFICE MAY ISSUE THE UNUSED AMOUNT IN TAX
9 CREDIT CERTIFICATES IN SUBSEQUENT INCOME TAX YEARS.

10 (5) **Claiming tax credit.** TO CLAIM THE TAX CREDIT ALLOWED IN
11 SUBSECTION (3) OF THIS SECTION, THE QUALIFIED BUSINESS SHALL FILE
12 THE TAX CREDIT CERTIFICATE WITH THE QUALIFIED BUSINESS'S STATE
13 INCOME TAX RETURN. THE AMOUNT OF THE TAX CREDIT THAT THE
14 QUALIFIED BUSINESS MAY CLAIM UNDER THIS SECTION IS THE AMOUNT
15 STATED ON THE TAX CREDIT CERTIFICATE ISSUED PURSUANT TO
16 SUBSECTION (4) OF THIS SECTION.

17 (6) **Tax credit refundable.** IF THE AMOUNT OF THE TAX CREDIT
18 EXCEEDS THE TAXES DUE ON THE INCOME OF THE QUALIFIED BUSINESS FOR
19 THE TAXABLE YEAR FOR WHICH THE TAX CREDIT IS CLAIMED, THE AMOUNT
20 OF THE TAX CREDIT NOT USED TO OFFSET INCOME TAXES MUST BE
21 REFUNDED TO THE QUALIFIED BUSINESS.

22 (7) **Guidelines and reporting requirements.** (a) THE OFFICE
23 SHALL DEVELOP GUIDELINES FOR THE ADMINISTRATION OF THIS SECTION
24 AND POST THE GUIDELINES ON THE WEBSITE OF THE OFFICE OF ECONOMIC
25 DEVELOPMENT AND INTERNATIONAL TRADE. THE GUIDELINES MUST
26 INCLUDE:

27 (I) APPLICATION REQUIREMENTS;

- 1 (II) GUIDELINES FOR ISSUING TAX CREDIT CERTIFICATES;
2 (III) GUIDELINES REGARDING ELIGIBLE COSTS; AND
3 (IV) GUIDELINES FOR APPROVING A BUSINESS AS A QUALIFIED
4 BUSINESS.

5 (b) THE OFFICE SHALL MAINTAIN A DATABASE OF ANY
6 INFORMATION DETERMINED NECESSARY BY THE OFFICE TO EVALUATE THE
7 EFFECTIVENESS OF THE TAX CREDIT ALLOWED IN THIS SECTION IN
8 ACHIEVING THE PURPOSES SET FORTH IN SUBSECTION (1)(a) OF THIS
9 SECTION AND SHALL PROVIDE THIS INFORMATION, AND ANY OTHER
10 INFORMATION THAT MAY BE NEEDED, TO THE STATE AUDITOR AS PART OF
11 THE STATE AUDITOR'S EVALUATION OF TAX EXPENDITURES UNDER SECTION
12 39-21-305.

13 (c) THE OFFICE SHALL REVIEW THE EFFECTIVENESS OF THE TAX
14 CREDIT AND INCLUDE THE RESULTS OF THE REVIEW IN THE ANNUAL
15 REPORT SUBMITTED TO THE GENERAL ASSEMBLY BY THE OFFICE OF
16 ECONOMIC DEVELOPMENT. NOTWITHSTANDING THE REQUIREMENT IN
17 SECTION 24-1-136 (11)(a)(I), THE REQUIREMENT TO SUBMIT THE REPORT
18 REQUIRED IN THIS SUBSECTION (7)(c) CONTINUES UNTIL THE ANNUAL
19 REPORT FOLLOWING THE INCOME TAX YEAR COMMENCING JANUARY 1,
20 2034.

21 (d) THE OFFICE SHALL PROVIDE THE DEPARTMENT WITH AN
22 ELECTRONIC REPORT OF EACH QUALIFIED BUSINESS AND OWNER OF A
23 QUALIFIED BUSINESS TO WHICH THE OFFICE ISSUED A TAX CREDIT
24 CERTIFICATE FOR THE PRECEDING CALENDAR YEAR. THE OFFICE SHALL
25 PROVIDE THIS REPORT IN A SUFFICIENTLY TIMELY MANNER TO ALLOW THE
26 DEPARTMENT TO PROCESS RETURNS CLAIMING THE INCOME TAX CREDIT
27 ALLOWED IN THIS SECTION. THIS REPORT MUST INCLUDE:

- 1 (I) THE TAXPAYER'S NAME;
- 2 (II) THE TAX IDENTIFICATION NUMBER OF THE TAXPAYER TO
- 3 WHOM THE TAX CREDIT CERTIFICATE IS ISSUED; AND
- 4 (III) THE AMOUNT OF THE TAX CREDIT CERTIFICATE.

5 (8) **Employee ownership cash fund.** (a) THE EMPLOYEE

6 OWNERSHIP CASH FUND IS CREATED IN THE STATE TREASURY. THE FUND

7 CONSISTS OF MONEY FROM FEES COLLECTED AND CREDITED TO THE FUND

8 PURSUANT TO SUBSECTION (4)(a) OF THIS SECTION AND ANY OTHER

9 MONEY THAT THE GENERAL ASSEMBLY MAY APPROPRIATE, TRANSFER, OR

10 REQUIRE BY LAW TO BE CREDITED TO THE FUND.

11 (b) THE STATE TREASURER SHALL CREDIT ALL INTEREST AND

12 INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE

13 EMPLOYEE OWNERSHIP CASH FUND TO THE FUND.

14 (c) MONEY IN THE EMPLOYEE OWNERSHIP CASH FUND IS

15 CONTINUOUSLY APPROPRIATED TO THE OFFICE FOR THE PURPOSE OF

16 ADMINISTERING THIS SECTION.

17 (d) THE STATE TREASURER SHALL TRANSFER ALL UNEXPENDED

18 AND UNENCUMBERED MONEY IN THE FUND ON DECEMBER 31, 2038, TO

19 THE GENERAL FUND.

20 (9) **Repeal.** THIS SECTION IS REPEALED, EFFECTIVE DECEMBER 31,

21 2038.

22 **SECTION 4.** In Colorado Revised Statutes, 24-75-402, **amend**

23 (5)(ccc) and (5)(ddd); and **add** (5)(eee) as follows:

24 **24-75-402. Cash funds - limit on uncommitted reserves -**

25 **reduction in the amount of fees - exclusions - repeal.**

26 (5) Notwithstanding any provision of this section to the contrary, the

27 following cash funds are excluded from the limitations specified in this

1 section:

2 (ccc) The wildfire resiliency code board cash fund created in
3 section 24-33.5-1236 (8); and

4 (ddd) The closed landfill remediation grant program fund created
5 in section 30-20-124 (8); AND

6 (eee) THE EMPLOYEE OWNERSHIP CASH FUND CREATED IN SECTION
7 39-22-542.5 (8).

8 **SECTION 5. Act subject to petition - effective date.** This act
9 takes effect at 12:01 a.m. on the day following the expiration of the
10 ninety-day period after final adjournment of the general assembly; except
11 that, if a referendum petition is filed pursuant to section 1 (3) of article V
12 of the state constitution against this act or an item, section, or part of this
13 act within such period, then the act, item, section, or part will not take
14 effect unless approved by the people at the general election to be held in
15 November 2024 and, in such case, will take effect on the date of the
16 official declaration of the vote thereon by the governor.