

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, AND, IN CONNECTION THEREWITH,**
105 **MAKING AN APPROPRIATION.**

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

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.

entity within the office of economic development and international trade (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

1 can retain homegrown economic opportunities through employee
2 ownership models;

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

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

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

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

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

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

20 **24-48.5-135. Employee ownership office - creation - duties.**

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

25 (2) THE EMPLOYEE OWNERSHIP OFFICE SHALL:

26 (a) SUPPORT THE DEVELOPMENT AND ADVANCEMENT OF
27 EMPLOYEE-OWNED BUSINESSES, ESPECIALLY BY PROVIDING TECHNICAL

1 SUPPORT TO SMALL BUSINESS OWNERS LOOKING TO TRANSITION INTO
2 EMPLOYEE OWNERSHIP MODELS THROUGH THE OFFICE OF ECONOMIC
3 DEVELOPMENT;

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

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

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

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

1 EMPLOYEES IN A COMMUNITY.

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

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

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

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

27 (II) HAVE THE PARTICIPATION OF AT LEAST TWENTY PERCENT OF

1 AN EMPLOYER'S ELIGIBLE WORKERS;

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

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

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

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

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

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

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

1 AN ALTERNATE EQUITY STRUCTURE; AND

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

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

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

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

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

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

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

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

27 (l) "TAXPAYER" MEANS A PERSON SUBJECT TO TAX PURSUANT TO

1 THIS ARTICLE 22.

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

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

6 (a) SUBJECT TO CERTIFICATION BY THE OFFICE PURSUANT TO THIS
7 SECTION, FOR INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY
8 1, 2025, BUT BEFORE JANUARY 1, 2030, A QUALIFIED BUSINESS IS
9 ALLOWED A CREDIT AGAINST THE INCOME TAXES IMPOSED BY THIS
10 ARTICLE 22 IN AN AMOUNT EQUAL TO FIFTY PERCENT OF THE ELIGIBLE
11 COSTS, NOT TO EXCEED FIFTY THOUSAND DOLLARS, INCURRED BY THE
12 QUALIFIED BUSINESS.

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

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

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

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

26 (4) **Tax credit certificate.** (a) A QUALIFIED BUSINESS SHALL
27 SUBMIT AN APPLICATION TO THE OFFICE FOR THE CERTIFICATION AND

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

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

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

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

1 SPECIFIED IN SUBSECTION (4)(e) OF THIS SECTION.

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

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

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

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

- 24 (I) APPLICATION REQUIREMENTS;
- 25 (II) GUIDELINES FOR ISSUING TAX CREDIT CERTIFICATES;
- 26 (III) GUIDELINES REGARDING ELIGIBLE COSTS; AND
- 27 (IV) GUIDELINES FOR APPROVING A BUSINESS AS A QUALIFIED

1 BUSINESS.

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

10 (c) THE OFFICE SHALL REVIEW THE EFFECTIVENESS OF THE TAX
11 CREDIT AND INCLUDE THE RESULTS OF THE REVIEW IN THE ANNUAL
12 REPORT SUBMITTED TO THE GENERAL ASSEMBLY BY THE OFFICE OF
13 ECONOMIC DEVELOPMENT. NOTWITHSTANDING THE REQUIREMENT IN
14 SECTION 24-1-136 (11)(a)(I), THE REQUIREMENT TO SUBMIT THE REPORT
15 REQUIRED IN THIS SUBSECTION (7)(c) CONTINUES UNTIL THE ANNUAL
16 REPORT FOLLOWING THE INCOME TAX YEAR COMMENCING JANUARY 1,
17 2030.

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

25 (I) THE TAXPAYER'S NAME;

26 (II) THE TAX IDENTIFICATION NUMBER OF THE TAXPAYER TO
27 WHOM THE TAX CREDIT CERTIFICATE IS ISSUED; AND

1 (III) THE AMOUNT OF THE TAX CREDIT CERTIFICATE.

2 (8) **Employee ownership cash fund.** (a) THE EMPLOYEE
3 OWNERSHIP CASH FUND IS CREATED IN THE STATE TREASURY. THE FUND
4 CONSISTS OF MONEY FROM FEES COLLECTED AND CREDITED TO THE FUND
5 PURSUANT TO SUBSECTION (4)(a) OF THIS SECTION AND ANY OTHER
6 MONEY THAT THE GENERAL ASSEMBLY MAY APPROPRIATE, TRANSFER, OR
7 REQUIRE BY LAW TO BE CREDITED TO THE FUND.

8 (b) THE STATE TREASURER SHALL CREDIT ALL INTEREST AND
9 INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE
10 EMPLOYEE OWNERSHIP CASH FUND TO THE FUND.

11 (c) MONEY IN THE EMPLOYEE OWNERSHIP CASH FUND IS
12 CONTINUOUSLY APPROPRIATED TO THE OFFICE FOR THE PURPOSE OF
13 ADMINISTERING THIS SECTION.

14 (d) THE STATE TREASURER SHALL TRANSFER ALL UNEXPENDED
15 AND UNENCUMBERED MONEY IN THE FUND ON DECEMBER 31, 2034, TO
16 THE GENERAL FUND.

17 (9) **Repeal.** THIS SECTION IS REPEALED, EFFECTIVE JANUARY 1,
18 2035.

19 **SECTION 4.** In Colorado Revised Statutes, 24-75-402, **amend**
20 (5)(ccc) and (5)(ddd); and **add** (5)(eee) as follows:

21 **24-75-402. Cash funds - limit on uncommitted reserves -**
22 **reduction in the amount of fees - exclusions - repeal.**

23 (5) Notwithstanding any provision of this section to the contrary, the
24 following cash funds are excluded from the limitations specified in this
25 section:

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

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

3 (eee) THE EMPLOYEE OWNERSHIP CASH FUND CREATED IN SECTION
4 39-22-542.5 (8).

5 **SECTION 5. Appropriation.** For the 2024-25 state fiscal year,
6 \$145,847 is appropriated to the office of the governor for use by
7 economic development programs. This appropriation is from the general
8 fund and is based on an assumption that the office will require an
9 additional 1.0 FTE. To implement this act, the office may use this
10 appropriation for the employee-owned business office.

11 **SECTION 6. Act subject to petition - effective date.** This act
12 takes effect at 12:01 a.m. on the day following the expiration of the
13 ninety-day period after final adjournment of the general assembly; except
14 that, if a referendum petition is filed pursuant to section 1 (3) of article V
15 of the state constitution against this act or an item, section, or part of this
16 act within such period, then the act, item, section, or part will not take
17 effect unless approved by the people at the general election to be held in
18 November 2024 and, in such case, will take effect on the date of the
19 official declaration of the vote thereon by the governor.