CHAPTER 370

TAXATION

HOUSE BILL 24-1157

BY REPRESENTATIVE(S) Lindstedt and Vigil, Amabile, Bird, Boesenecker, Clifford, Garcia, Hamrick, Hernandez, Herod, Jodeh, Kipp, Lieder, Lindsay, Lukens, Mabrey, Mauro, McLachlan, Ricks, Rutinel, Sirota, Snyder, Titone, Valdez, Weissman, Woodrow, McCluskie, Brown, Daugherty, Parenti;
also SENATOR(S) Bridges and Kolker, Buckner, Cutter, Exum, Fields, Hansen, Jaquez Lewis, Marchman, Michaelson Jenet, Mullica, Priola, Simpson, Winter F., Fenberg.

AN ACT

CONCERNING SUPPORT FOR COLORADO EMPLOYEE-OWNED BUSINESSES, AND, IN CONNECTION THEREWITH, SUPPORT FOR BUSINESSES TRANSITIONING TO AND IN THE EARLY STAGES OF EMPLOYEE OWNERSHIP AND MAKING AN APPROPRIATION.

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

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

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

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

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

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.

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

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

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

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

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

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

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

24-48.5-135. Employee ownership office - creation - duties. (1) THE EMPLOYEE OWNERSHIP OFFICE IS CREATED WITHIN THE OFFICE OF ECONOMIC DEVELOPMENT. THE DIRECTOR OF THE OFFICE OF ECONOMIC DEVELOPMENT DESIGNATES AND SUPERVISES THE DIRECTOR OF THE EMPLOYEE OWNERSHIP OFFICE.

(2) THE EMPLOYEE OWNERSHIP OFFICE SHALL:

(a) SUPPORT THE DEVELOPMENT AND ADVANCEMENT OF EMPLOYEE-OWNED BUSINESSES, ESPECIALLY BY PROVIDING TECHNICAL SUPPORT TO SMALL BUSINESS OWNERS LOOKING TO TRANSITION INTO EMPLOYEE OWNERSHIP MODELS THROUGH THE OFFICE OF ECONOMIC DEVELOPMENT;

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

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

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

39-22-542.5. Tax credit for new employee-owned businesses - employee ownership cash fund - tax preference performance statement - legislative

declaration - definitions - repeal. (1) **Tax preference performance statement.** (a) IN ACCORDANCE WITH SECTION 39-21-304, WHICH REQUIRES EACH BILL THAT CREATES A NEW TAX EXPENDITURE TO INCLUDE A TAX PREFERENCE PERFORMANCE STATEMENT AS PART OF A STATUTORY LEGISLATIVE DECLARATION, THE GENERAL ASSEMBLY FINDS AND DECLARES THAT THE PURPOSES OF THE TAX CREDIT CREATED IN THIS SECTION ARE TO INDUCE CERTAIN DESIGNATED BEHAVIOR BY TAXPAYERS, TO CREATE OR RETAIN JOBS, AND TO PROVIDE INCOME TAX RELIEF FOR CERTAIN BUSINESSES OR INDIVIDUALS. SPECIFICALLY, THE TAX CREDIT FACILITATES EMPLOYEE OWNERSHIP AND THE RETENTION OF COMMUNITY INVESTMENT AND WEALTH BY BUSINESS OWNERS AND EMPLOYEES IN A COMMUNITY.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(3) **Tax credit for new employee-owned businesses.** (a) SUBJECT TO CERTIFICATION BY THE OFFICE PURSUANT TO THIS SECTION, FOR INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY 1, 2025, BUT BEFORE JANUARY 1, 2030, A QUALIFIED BUSINESS IS ALLOWED A CREDIT AGAINST THE INCOME TAXES IMPOSED BY THIS ARTICLE 22 IN AN AMOUNT EQUAL TO FIFTY PERCENT OF THE ELIGIBLE COSTS, NOT TO EXCEED FIFTY THOUSAND DOLLARS, INCURRED BY THE QUALIFIED BUSINESS.

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

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

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

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

(4) **Tax credit certificate.** (a) A QUALIFIED BUSINESS SHALL SUBMIT AN APPLICATION TO THE OFFICE FOR THE CERTIFICATION AND ISSUANCE OF A TAX CREDIT CERTIFICATE FOR THE TAX CREDIT ALLOWED IN SUBSECTION (3) OF THIS SECTION BY THE DEADLINES ESTABLISHED IN THE OFFICE'S GUIDELINES. THE APPLICATION MUST INCLUDE THE INFORMATION SET FORTH IN THE OFFICE'S GUIDELINES. THE OFFICE MAY IMPOSE A REASONABLE APPLICATION FEE NOT TO EXCEED TWO HUNDRED AND FIFTY DOLLARS. THE OFFICE SHALL TRANSMIT ALL FEES COLLECTED TO THE STATE TREASURER, WHO SHALL CREDIT THE MONEY TO THE EMPLOYEE OWNERSHIP CASH FUND CREATED IN SUBSECTION (8) OF THIS SECTION.

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

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

(d) IF THE OFFICE IS SATISFIED THAT THE REQUIREMENTS OF THIS SECTION AND THE OFFICE'S GUIDELINES FOR THE TAX CREDIT ARE MET, THEN THE OFFICE SHALL

ISSUE TO THE QUALIFIED BUSINESS A TAX CREDIT CERTIFICATE THAT EVIDENCES THE QUALIFIED BUSINESS'S RIGHT TO CLAIM THE TAX CREDIT ALLOWED IN SUBSECTION (3) OF THIS SECTION. THE OFFICE SHALL NOT ISSUE TAX CREDIT CERTIFICATES IN EXCESS OF THE MAXIMUM AGGREGATE AMOUNT FOR ANY SINGLE INCOME TAX YEAR SPECIFIED IN SUBSECTION (4)(e) OF THIS SECTION.

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

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

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

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

(I) APPLICATION REQUIREMENTS;

(II) GUIDELINES FOR ISSUING TAX CREDIT CERTIFICATES;

(III) GUIDELINES REGARDING ELIGIBLE COSTS; AND

(IV) GUIDELINES FOR APPROVING A BUSINESS AS A QUALIFIED BUSINESS.

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

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

(d) THE OFFICE SHALL PROVIDE THE DEPARTMENT WITH AN ELECTRONIC REPORT

OF EACH QUALIFIED BUSINESS AND OWNER OF A QUALIFIED BUSINESS TO WHICH THE OFFICE ISSUED A TAX CREDIT CERTIFICATE FOR THE PRECEDING CALENDAR YEAR. THE OFFICE SHALL PROVIDE THIS REPORT IN A SUFFICIENTLY TIMELY MANNER TO ALLOW THE DEPARTMENT TO PROCESS RETURNS CLAIMING THE INCOME TAX CREDIT ALLOWED IN THIS SECTION. THIS REPORT MUST INCLUDE:

(I) THE TAXPAYER'S NAME;

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

(III) THE AMOUNT OF THE TAX CREDIT CERTIFICATE.

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

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

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

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

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

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

24-75-402. Cash funds - limit on uncommitted reserves - reduction in the amount of fees - exclusions - repeal. (5) Notwithstanding any provision of this section to the contrary, the following cash funds are excluded from the limitations specified in this section:

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

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

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

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

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

Approved: June 4, 2024