

CHAPTER 128

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**GOVERNMENT - STATE**

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**HOUSE BILL 95-1001**

BY REPRESENTATIVES Anderson, Kerns, Adkins, Armstrong, Congrove, Dean, Epps, Foster, Friednash, Jerke, Lamborn, Martin, May, Musgrave, Nichol, Paschall, and Pfiffner;  
also SENATORS R. Powers, Bishop, Gallagher, Martinez, Blickensderfer, Johnson, Mutzebaugh, Norton, Schroeder, and Tebedo.

**AN ACT**

**CONCERNING THE CREATION OF NONPROFIT ENTITIES BY STATE AGENCIES.**

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

**SECTION 1.** Article 1 of title 24, Colorado Revised Statutes, 1988 Repl. Vol., as amended, is amended BY THE ADDITION OF A NEW SECTION to read:

**24-1-107.5. Creation of nonprofit entities - statutory authorization required - report - review of state-created or state-supported nonprofit entities - legislative declaration.** (1) THE GENERAL ASSEMBLY HEREBY FINDS AND DECLARES THAT:

(a) IT HAS THE RESPONSIBILITY FOR RAISING REVENUE TO PROVIDE A SOURCE OF APPROPRIATIONS FOR THE EXPENSES OF THE EXECUTIVE, LEGISLATIVE, AND JUDICIAL BRANCHES OF THE STATE GOVERNMENT;

(b) THE DISCHARGE OF THIS RESPONSIBILITY REQUIRES THAT REVENUES BE PLANNED FOR AND MONITORED IN ORDER TO ENSURE THAT SUFFICIENT FUNDS WILL BE AVAILABLE FOR NECESSARY APPROPRIATIONS; AND

(c) THE EXPENDITURE OF STATE REVENUES THROUGH NONPROFIT ENTITIES CREATED BY STATE AGENCIES LACKING AUTHORIZATION TO DO SO HAMPERS THE ABILITY OF THE GENERAL ASSEMBLY TO CARRY OUT ITS DUTIES TO PLAN FOR AND MONITOR STATE REVENUES.

(2) (a) NO LATER THAN NOVEMBER 1, 1995, THE HEAD OF EACH PRINCIPAL

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*Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.*

DEPARTMENT OF STATE GOVERNMENT SHALL SUBMIT A REPORT TO THE LEGISLATIVE AUDIT COMMITTEE THAT LISTS:

(I) ALL NONPROFIT ENTITIES, INCLUDING BUT NOT LIMITED TO CORPORATIONS, FOUNDATIONS, AND INSTITUTES, CREATED OR OTHERWISE ESTABLISHED BY THE DEPARTMENT OR AN AGENCY THEREOF OR AN EMPLOYEE OF THE DEPARTMENT OR AGENCY ACTING WITHIN THE SCOPE OF EMPLOYMENT; AND

(II) ALL NONPROFIT ENTITIES TO WHICH THE DEPARTMENT OR AGENCY HAS PROVIDED SUPPORT IN EXCESS OF TWENTY-FIVE THOUSAND DOLLARS IN EITHER THE YEAR ENDING JUNE 30, 1994, OR THE YEAR ENDING JUNE 30, 1995, EXCLUDING AMOUNTS PAID FOR THE PURCHASE OF SERVICES FROM THE NONPROFIT ENTITY.

(b) THE REPORT SHALL INCLUDE THE NAME OF EACH ENTITY AND A COPY OF THE MOST RECENT ANNUAL REPORT, AUDIT REPORT, OR INTERNAL REVENUE SERVICE FORM 990 FOR EACH ENTITY.

(3) THE LEGISLATIVE AUDIT COMMITTEE SHALL PERFORM A REVIEW OF THE ENTITIES LISTED IN THE REPORTS SUBMITTED PURSUANT TO SUBSECTION (2) OF THIS SECTION AND REPORT TO THE GENERAL ASSEMBLY REGARDING ITS FINDINGS NO LATER THAN MARCH 1, 1996.

**SECTION 2. No appropriation.** The general assembly has determined that this act can be implemented within existing appropriations, and therefore no separate appropriation of state moneys is necessary to carry out the purposes of this act.

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

Approved: May 16, 1995