

MEMORANDUM



JOINT BUDGET COMMITTEE

TO Joint Budget Committee Members
FROM JBC Staff
DATE April 17, 2024
SUBJECT Potential Legislation Packet 19

This packet includes bill drafts and related memos for the Committee’s consideration. Each individual item has page numbers but also a packet page number to help navigate the whole document. The page numbers below refer to the packet page number.

POTENTIAL LEGISLATION

LLS 24-1159 Third-Party Evaluation Department of Corrections (Brakke) 1
LLS 24-1109 CO Roadside & Outdoor Recreational Industry Enterprise (Thompson) 4
General Fund Reserve Investment Memo (Harper) 22

Second Regular Session
Seventy-fourth General Assembly
STATE OF COLORADO

DRAFT
4/9/24

DRAFT

LLS NO. 24-1159.01 Jed Franklin x5484

COMMITTEE BILL

Joint Budget Committee

BILL TOPIC: Third-Party Evaluation Department of Corrections

A BILL FOR AN ACT

101 **CONCERNING A THIRD-PARTY EVALUATION OF THE DEPARTMENT OF**
102 **CORRECTIONS' BUDGET PRACTICES.**

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/>.)

Joint Budget Committee. The bill requires the state auditor to engage a third party to conduct an evaluation of the department of corrections' (department) budget practices. The state auditor shall engage the third party by October 1, 2024. The third party shall provide an update to the joint budget committee and the legislative audit committee by March 1, 2025. The third party consultant shall release a final report to

*Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words indicate deletions from existing law.*

the department, joint budget committee, and legislative audit committee by June 30, 2025. The evaluation must review the department's personnel-related costs, contract staff spending, and operational costs driven by caseload.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** 2-3-129 as
3 follows:

4 **2-3-129. Audit - department of corrections - budget practices**
5 **- third-party auditor.** AS SOON AS PRACTICABLE, BUT NO LATER THAN
6 OCTOBER 1, 2024, THE STATE AUDITOR SHALL ENGAGE A THIRD-PARTY
7 CONSULTANT TO CONDUCT AN EVALUATION OF THE DEPARTMENT OF
8 CORRECTIONS, CREATED IN SECTION 24-1-128.5. IN PARTNERSHIP WITH
9 THE DEPARTMENT OF CORRECTIONS, THE EVALUATION MUST EXAMINE THE
10 DEPARTMENT OF CORRECTIONS' BUDGET PRACTICES, INCLUDING
11 PERSONNEL-RELATED COSTS, CONTRACT STAFF SPENDING, AND
12 OPERATIONAL COSTS DRIVEN BY CASELOAD. THE THIRD PARTY
13 CONSULTANT SHALL MAKE RECOMMENDATIONS TO THE DEPARTMENT OF
14 CORRECTIONS THROUGHOUT THE EVALUATION AND UPDATE THE JOINT
15 BUDGET COMMITTEE AND LEGISLATIVE AUDIT COMMITTEE WITH
16 PRELIMINARY FINDINGS AND RECOMMENDATIONS BY MARCH 1, 2025. THE
17 THIRD PARTY CONSULTANT SHALL REPORT ITS FINAL FINDINGS AND
18 RECOMMENDATIONS TO THE DEPARTMENT, THE JOINT BUDGET COMMITTEE,
19 AND THE LEGISLATIVE AUDIT COMMITTEE BY JUNE 30, 2025.

20 **SECTION 2. Safety clause.** The general assembly finds,

1 determines, and declares that this act is necessary for the immediate
2 preservation of the public peace, health, or safety or for appropriations for
3 the support and maintenance of the departments of the state and state
4 institutions.

Second Regular Session
Seventy-fourth General Assembly
STATE OF COLORADO

DRAFT
3/18/24

DRAFT

LLS NO. 24-1109.01 Pierce Lively x2059

COMMITTEE BILL

Joint Budget Committee

BILL TOPIC: CO Roadside & Outdoor Recreation Indus Enter

A BILL FOR AN ACT

101 CONCERNING THE CREATION OF THE COLORADO ROADSIDE
102 IMPROVEMENT AND OUTDOOR RECREATIONAL INDUSTRY
103 PROMOTIONAL ENTERPRISE.

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 summary for this measure has been intentionally omitted and will appear on future redrafts of this measure.

<{***I am going to write the bill summary as the bill is edited, revised, and reviewed.***}>

*Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words indicate deletions from existing law.*

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

2 **SECTION 1.** In Colorado Revised Statutes, 43-1-420, **amend**
3 (1.5), (2), and (4) as follows:

4 **43-1-420. Specific information signs and tourist-oriented**
5 **directional signs authorized - rules.** (1.5) As used in this section,
6 UNLESS THE CONTEXT OTHERWISE REQUIRES:

7 (a) "COLORADO ROADSIDE IMPROVEMENT AND OUTDOOR
8 RECREATIONAL INDUSTRY PROMOTIONAL ENTERPRISE" MEANS THE
9 COLORADO ROADSIDE IMPROVEMENT AND OUTDOOR RECREATIONAL
10 INDUSTRY PROMOTIONAL ENTERPRISE CREATED IN SECTION 43-1-1703
11 (1)(a).

12 (b) "Urbanized area" means that area within the boundary of a
13 metropolitan area having a population of fifty thousand or more as
14 determined by the United States bureau of the census in its latest census
15 and as included on the urbanized area map approved by the department.

16 (2) The department may issue permits for business signs to be
17 installed on specific information signs, all such specific information signs
18 and business signs to be constructed and installed at the expense of the
19 business being identified unless otherwise specified by a contractor in an
20 agreement negotiated pursuant to section 43-1-1202 (1)(a)(XI) OR BY THE
21 COLORADO ROADSIDE IMPROVEMENT AND OUTDOOR RECREATIONAL
22 INDUSTRY PROMOTIONAL ENTERPRISE. Permits for such business signs
23 shall be issued for a period of one year, beginning each January 1, without
24 proration for periods less than a year. Each application for an initial
25 permit or for a renewal of an existing permit ~~shall~~ MUST be accompanied
26 by an administration and maintenance fee to be determined by the

1 department, ~~or~~ by the contractor in an agreement negotiated pursuant to
2 section 43-1-1202 (1)(a)(XI), OR BY THE COLORADO ROADSIDE
3 IMPROVEMENT AND OUTDOOR RECREATIONAL INDUSTRY PROMOTIONAL
4 ENTERPRISE. ~~In the event that~~ IF the number of applications for permits
5 for a particular location exceeds the number of business signs that can be
6 accommodated at that location, the department; ~~or~~; if so specified in an
7 agreement negotiated pursuant to section 43-1-1202 (1)(a)(XI), the
8 contractor; OR THE COLORADO ROADSIDE IMPROVEMENT AND OUTDOOR
9 RECREATIONAL INDUSTRY PROMOTIONAL ENTERPRISE shall develop a
10 method for the annual rotation of such business signs. The department
11 shall not condition eligibility for business signs on the utilization of any
12 other off-premise outdoor advertising devices.

13 (4) The department may contract with private businesses OR THE
14 COLORADO ROADSIDE IMPROVEMENT AND OUTDOOR RECREATIONAL
15 INDUSTRY PROMOTIONAL ENTERPRISE to implement all or part of the sign
16 programs authorized by this section pursuant to the public-private
17 initiatives program set forth in part 12 of this ~~article~~ ARTICLE 1.

18 **SECTION 2.** In Colorado Revised Statutes, **add** part 17 to article
19 1 of title 43 as follows:

20 PART 17

21 COLORADO ROADSIDE IMPROVEMENT AND OUTDOOR
22 RECREATIONAL INDUSTRY PROMOTIONAL ENTERPRISE

23 **43-1-1701. Legislative declaration.** (1) THE GENERAL ASSEMBLY
24 HEREBY FINDS AND DECLARES THAT:

- 25 (a) A LARGE NUMBER OF BUSINESS AND TOURIST-ORIENTED
- 26 DIRECTIONAL SIGNS IN COLORADO ARE IN FAIR OR POOR CONDITION;
- 27 (b) MULTIPLE REST AREAS ACROSS THE STATE ARE NOT OPEN,

1 CONVENIENT, AND ACCESSIBLE TO ALL TRAVELERS, REGARDLESS OF AGE,
2 DISABILITY, OR ABILITY TO READ AND UNDERSTAND ENGLISH;

3 (c) THE OUTDOOR RECREATIONAL INDUSTRY IS A CRUCIAL PART OF
4 COLORADO'S ECONOMY AND RESULTS IN A LARGE NUMBER OF
5 INDIVIDUALS USING REST AREAS AND CONSULTING BUSINESS AND
6 TOURIST-ORIENTED DIRECTIONAL SIGNS ACROSS THE STATE; AND

7 <*I have not included a discussion of the public right of way duties of*
8 *the enterprise here, since I am not sure how to phrase that duty.*>

9 (d) IT IS NECESSARY AND APPROPRIATE TO IMPROVE BUSINESS AND
10 TOURIST-ORIENTED DIRECTIONAL SIGNS, ROADSIDE, AND REST AREAS
11 ACROSS THE STATE AND TO PROMOTE THE COLORADO OUTDOOR
12 RECREATIONAL INDUSTRY BY CREATING THE COLORADO ROADSIDE
13 IMPROVEMENT AND OUTDOOR RECREATIONAL INDUSTRY PROMOTIONAL
14 ENTERPRISE THAT HAS THE BUSINESS PURPOSES OF IMPROVING COLORADO
15 ROADSIDE AND PROMOTING THE OUTDOOR RECREATIONAL INDUSTRY.

16 (2) THE GENERAL ASSEMBLY FURTHER FINDS AND DECLARES THAT:

17 (a) THE COLORADO ROADSIDE IMPROVEMENT AND OUTDOOR
18 RECREATIONAL INDUSTRY PROMOTIONAL ENTERPRISE IMPROVES ROADSIDE
19 IN COLORADO AND PROMOTES COLORADO'S OUTDOOR RECREATIONAL
20 INDUSTRY WHEN, IN EXCHANGE FOR THE PAYMENT OF SIGN PROGRAM
21 ADMINISTRATIVE AND MAINTENANCE FEES, IT ACTS AS AUTHORIZED BY
22 THIS SECTION TO INSTALL AND MAINTAIN BUSINESS AND
23 TOURIST-ORIENTED DIRECTIONAL SIGNS, ASSIST IN MAINTAINING REST
24 AREAS, AND ADMINISTER THE OUTDOOR RECREATIONAL INDUSTRY
25 PROMOTIONAL GRANT PROGRAM;

26 (b) BY IMPROVING ROADSIDE IN COLORADO AND PROMOTING
27 COLORADO'S OUTDOOR RECREATIONAL INDUSTRY AS AUTHORIZED BY THIS

1 SECTION, THE COLORADO ROADSIDE IMPROVEMENT AND OUTDOOR
2 RECREATIONAL INDUSTRY PROMOTIONAL ENTERPRISE PROVIDES A BENEFIT
3 TO FEE PAYERS AND THEREFORE OPERATES AS A BUSINESS IN ACCORDANCE
4 WITH THE DETERMINATION OF THE COLORADO SUPREME COURT IN
5 *COLORADO UNION OF TAXPAYERS FOUNDATION V. CITY OF ASPEN*, 2018 CO
6 36;

7 (c) CONSISTENT WITH THE DETERMINATION OF THE COLORADO
8 SUPREME COURT IN *NICHOLL V. E-470 PUBLIC HIGHWAY AUTHORITY*, 896
9 P.2d 859 (COLO. 1995), THAT THE POWER TO IMPOSE TAXES IS
10 INCONSISTENT WITH ENTERPRISE STATUS UNDER SECTION 20 OF ARTICLE
11 X OF THE STATE CONSTITUTION, IT IS THE CONCLUSION OF THE GENERAL
12 ASSEMBLY THAT THE REVENUE COLLECTED BY THE COLORADO ROADSIDE
13 IMPROVEMENT AND OUTDOOR RECREATIONAL INDUSTRY PROMOTIONAL
14 ENTERPRISE IS GENERATED BY FEES, NOT TAXES, BECAUSE THE SIGN
15 PROGRAM ADMINISTRATIVE AND MAINTENANCE FEES COLLECTED BY THE
16 ENTERPRISE AS AUTHORIZED BY SECTION 43-1-1705 (3) ARE:

17 (I) IMPOSED:

18 (A) FOR THE SPECIFIC PURPOSES OF ALLOWING THE ENTERPRISE TO
19 DEFRAID THE COSTS OF INSTALLING AND MAINTAINING BUSINESS SIGNS AND
20 TOURIST-ORIENTED DIRECTIONAL SIGNS, ASSISTING IN MAINTAINING REST
21 AREAS, IMPROVING ROADSIDE IN COLORADO, AND COORDINATING WITH
22 THE COLORADO OFFICE OF ECONOMIC DEVELOPMENT IN ADMINISTERING
23 THE OUTDOOR RECREATIONAL INDUSTRY PROMOTIONAL GRANT PROGRAM;
24 AND

25 (B) ON PERSONS WHO PARTICIPATE IN THE SIGNS PROGRAMS AND
26 THEREFORE DIRECTLY BENEFIT FROM THE INSTALLATION AND
27 MAINTENANCE OF SIGNS AND ALSO BENEFIT FROM IMPROVED ROADSIDE

1 AND BETTER MAINTAINED REST AREAS THAT MAKE ROAD TRAVEL IN THE
2 STATE MORE DESIRABLE FOR TOURISTS; AND

3 (II) COLLECTED AT RATES THAT ARE REASONABLY CALCULATED
4 BASED ON THE FAIR MARKET VALUE OF THE COSTS OF IMPLEMENTING THE
5 SIGN PROGRAMS AND INFLATION; AND <*If this is the case, I suspect that*
6 *not much money will be left for the non sign program purposes of the*
7 *enterprise.*>

8 (d) SO LONG AS THE COLORADO ROADSIDE IMPROVEMENT AND
9 OUTDOOR RECREATIONAL INDUSTRY PROMOTIONAL ENTERPRISE QUALIFIES
10 AS AN ENTERPRISE FOR PURPOSES OF SECTION 20 OF ARTICLE X OF THE
11 STATE CONSTITUTION, THE REVENUE FROM THE SIGN PROGRAM
12 ADMINISTRATIVE AND MAINTENANCE FEES COLLECTED BY THE ENTERPRISE
13 IS NOT STATE FISCAL YEAR SPENDING, AS DEFINED IN SECTION 24-77-102
14 (17), OR STATE REVENUES, AS DEFINED IN SECTION 24-77-103.6 (6)(c),
15 AND DOES NOT COUNT AGAINST EITHER THE STATE FISCAL YEAR SPENDING
16 LIMIT IMPOSED BY SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION
17 OR THE EXCESS STATE REVENUES CAP, AS DEFINED IN SECTION 24-77-103.6
18 (6)(b)(I)(D).

19 **43-1-1702. Definitions.** AS USED IN THIS PART 17, UNLESS THE
20 CONTEXT OTHERWISE REQUIRES:

21 (1) "BOARD" MEANS THE GOVERNING BOARD OF THE ENTERPRISE.

22 (2) "DEPARTMENT" MEANS THE DEPARTMENT OF
23 TRANSPORTATION.

24 (3) "ENTERPRISE" MEANS THE COLORADO ROADSIDE
25 IMPROVEMENT AND OUTDOOR RECREATIONAL INDUSTRY PROMOTIONAL
26 ENTERPRISE CREATED IN SECTION 43-1-1703 (1)(a).

27 (4) "FEE" MEANS THE SIGN PROGRAM ADMINISTRATIVE AND

1 MAINTENANCE FEE COLLECTED BY THE ENTERPRISE PURSUANT TO SECTION
2 43-1-1705 (3).

3 (5) "FUND" MEANS THE COLORADO ROADSIDE IMPROVEMENT AND
4 OUTDOOR RECREATIONAL INDUSTRY PROMOTIONAL ENTERPRISE FUND
5 CREATED IN SECTION 43-1-1704.

6 (6) "GRANT PROGRAM" MEANS THE OUTDOOR RECREATIONAL
7 INDUSTRY PROMOTIONAL GRANT PROGRAM CREATED IN SECTION
8 43-1-1707.

9 (7) "OFFICE" MEANS THE COLORADO OFFICE OF ECONOMIC
10 DEVELOPMENT CREATED IN SECTION 24-48.5-101.

11 (8) "REST AREA" MEANS A ROADSIDE AREA SEPARATED FROM THE
12 MAIN TRAVEL WAY WHICH PROVIDES RESTROOMS, DRINKING WATER, AND
13 OTHER FACILITIES NEEDED PRIMARILY FOR THE REST AND SAFETY OF
14 MOTORISTS.

15 (9) "SIGN PROGRAMS" MEANS THE BUSINESS AND
16 TOURIST-ORIENTED DIRECTIONAL SIGNS PROGRAMS ESTABLISHED IN
17 SECTION 43-1-420.

18 **43-1-1703. Colorado roadside improvement and outdoor**
19 **recreational industry promotional enterprise - creation - board -**
20 **powers and duties - rules.** (1) (a) THE COLORADO ROADSIDE
21 IMPROVEMENT AND OUTDOOR RECREATIONAL INDUSTRY PROMOTIONAL
22 ENTERPRISE IS CREATED IN THE DEPARTMENT. THE ENTERPRISE IS AND
23 OPERATES AS A GOVERNMENT-OWNED BUSINESS WITHIN THE DEPARTMENT
24 IN ORDER TO EXECUTE ITS BUSINESS PURPOSES AS SPECIFIED IN
25 SUBSECTION (2) OF THIS SECTION BY EXERCISING THE POWERS AND
26 PERFORMING THE DUTIES AND FUNCTIONS SET FORTH IN THIS SECTION.

27 (b) THE ENTERPRISE IS A **TYPE 1** ENTITY, AS DEFINED IN SECTION

1 24-1-105, AND EXERCISES ITS POWERS AND PERFORMS ITS DUTIES AND
2 FUNCTIONS UNDER THE DEPARTMENT. THE GOVERNING BOARD OF THE
3 ENTERPRISE IS MADE UP OF THE MEMBERS OF THE TRANSPORTATION
4 COMMISSION CREATED IN SECTION 43-1-106 (1).

5 (2) THE BUSINESS PURPOSES OF THE ENTERPRISE ARE IMPROVING
6 ROADSIDE IN COLORADO AND PROMOTING COLORADO'S OUTDOOR
7 RECREATIONAL INDUSTRY. TO ALLOW THE ENTERPRISE TO ACCOMPLISH
8 THESE PURPOSES AND FULLY EXERCISE ITS POWERS AND DUTIES THROUGH
9 THE BOARD, THE ENTERPRISE MAY:

10 (a) COLLECT SIGN PROGRAM ADMINISTRATIVE AND MAINTENANCE
11 FEES AS AUTHORIZED BY SECTION 43-1-1705 (3);

12 (b) IMPLEMENT THE SIGN PROGRAMS PURSUANT TO SECTION
13 43-1-1705;

14 (c) ASSIST IN THE IMPROVEMENT OR MAINTENANCE OF REST AREAS
15 PURSUANT TO SECTION 43-1-1706;

16 (d) ASSIST IN REDUCING THE NUMBER OF PEOPLE EXPERIENCING
17 HOMELESSNESS WITHIN STATE PUBLIC RIGHTS-OF-WAY PURSUANT TO
18 SECTION 43-1-1706;

19 (e) ADMINISTER THE OUTDOOR RECREATIONAL INDUSTRY
20 PROMOTIONAL GRANT PROGRAM IN COORDINATION WITH THE OFFICE
21 PURSUANT TO SECTION 43-1-1707; AND

22 (f) ISSUE REVENUE BONDS PAYABLE FROM THE REVENUE AND
23 OTHER AVAILABLE MONEY OF THE ENTERPRISE. <{**This is a requirement**
24 **to qualify as an enterprise. I have no reason to suspect that the**
25 **enterprise will actually do this.**>

26 (3) IN ADDITION TO ANY OTHER POWERS AND DUTIES SPECIFIED IN
27 THIS SECTION, THE BOARD HAS THE FOLLOWING GENERAL POWERS AND

1 DUTIES:

2 (a) TO ADOPT BYLAWS FOR THE REGULATION OF ITS AFFAIRS AND
3 THE CONDUCT OF ITS BUSINESS;

4 (b) TO ACQUIRE, HOLD TITLE TO, AND DISPOSE OF REAL AND
5 PERSONAL PROPERTY;

6 (c) IN CONSULTATION WITH THE EXECUTIVE DIRECTOR OF THE
7 DEPARTMENT, OR THE EXECUTIVE DIRECTOR'S DESIGNEE, TO EMPLOY AND
8 SUPERVISE INDIVIDUALS, PROFESSIONAL CONSULTANTS, AND
9 CONTRACTORS AS ARE NECESSARY IN ITS JUDGMENT TO CARRY OUT ITS
10 BUSINESS PURPOSES;

11 (d) TO CONTRACT WITH ANY PUBLIC OR PRIVATE ENTITY,
12 INCLUDING STATE AGENCIES, CONSULTANTS, AND THE ATTORNEY
13 GENERAL'S OFFICE, FOR PROFESSIONAL AND TECHNICAL ASSISTANCE,
14 OFFICE SPACE AND ADMINISTRATIVE SERVICES, ADVICE, AND OTHER
15 SERVICES RELATED TO THE CONDUCT OF THE AFFAIRS OF THE ENTERPRISE.
16 THE BOARD SHALL GENERALLY AVOID USING SOLE-SOURCE CONTRACTS.

17 (e) TO SEEK, ACCEPT, AND EXPEND GIFTS, GRANTS, DONATIONS, OR
18 OTHER PAYMENTS FROM PRIVATE OR PUBLIC SOURCES FOR THE PURPOSES
19 OF THIS PART 17 SO LONG AS THE TOTAL AMOUNT OF ALL GRANTS FROM
20 COLORADO STATE AND LOCAL GOVERNMENTS RECEIVED IN ANY STATE
21 FISCAL YEAR IS LESS THAN TEN PERCENT OF THE ENTERPRISE'S TOTAL
22 ANNUAL REVENUE FOR THE STATE FISCAL YEAR. THE ENTERPRISE SHALL
23 TRANSMIT ANY MONEY RECEIVED THROUGH GIFTS, GRANTS, DONATIONS,
24 OR OTHER PAYMENTS TO THE STATE TREASURER, WHO SHALL CREDIT THE
25 MONEY TO THE FUND. <{As with the bonding authority, the ten percent
26 cap in this subsection is a required enterprise characteristic.}>

27 (f) TO PROMULGATE RULES FOR THE PURPOSES OF SETTING THE

1 AMOUNT OF THE SIGN PROGRAM ADMINISTRATIVE AND MAINTENANCE FEES
2 AND ADMINISTERING THE GRANT PROGRAM; AND

3 (g) TO HAVE AND EXERCISE ALL RIGHTS AND POWERS NECESSARY
4 OR INCIDENTAL TO OR IMPLIED FROM THE SPECIFIC POWERS AND DUTIES
5 GRANTED BY THIS SECTION.

6 (4) THE ENTERPRISE CONSTITUTES AN ENTERPRISE FOR PURPOSES
7 OF SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION, SO LONG AS IT
8 RETAINS THE AUTHORITY TO ISSUE REVENUE BONDS AND RECEIVES LESS
9 THAN TEN PERCENT OF ITS TOTAL ANNUAL REVENUE IN GRANTS FROM ALL
10 COLORADO STATE AND LOCAL GOVERNMENTS COMBINED. SO LONG AS IT
11 CONSTITUTES AN ENTERPRISE PURSUANT TO THIS SUBSECTION (4), THE
12 ENTERPRISE IS NOT SUBJECT TO SECTION 20 OF ARTICLE X OF THE STATE
13 CONSTITUTION.

14 (5) (a) TO ENSURE TRANSPARENCY AND ACCOUNTABILITY, THE
15 ENTERPRISE SHALL:

16 (I) PREPARE AN ANNUAL BUDGET IN ACCORDANCE WITH THE
17 REQUIREMENTS OF PART 1 OF ARTICLE 1 OF TITLE 29 AS IF THE ENTERPRISE
18 WERE A LOCAL GOVERNMENT, TO THE EXTENT POSSIBLE. EVERY FISCAL
19 YEAR, THE ENTERPRISE SHALL PROVIDE A COPY OF THE BUDGET TO
20 LEGISLATIVE COUNCIL STAFF AND THE JOINT BUDGET COMMITTEE OF THE
21 GENERAL ASSEMBLY. <{ Would it make more sense for the enterprise to
22 provide this report to the same entities that it reports to pursuant to
23 subsection (5)(a)(V) of this section or vise versa?>

24 (II) NO LATER THAN JUNE 1, 2025, PUBLISH AND POST ON ITS
25 WEBSITE A TEN-YEAR PLAN THAT DETAILS HOW THE ENTERPRISE WILL
26 EXECUTE ITS BUSINESS PURPOSES DURING STATE FISCAL YEARS 2025-26
27 THROUGH 2031-32 AND ESTIMATES THE AMOUNT OF FUNDING NEEDED TO

1 IMPLEMENT THE PLAN. NO LATER THAN JANUARY 1, 2032, THE ENTERPRISE
2 SHALL PUBLISH AND POST ON ITS WEBSITE A TEN-YEAR PLAN FOR STATE
3 FISCAL YEARS 2032-33 THROUGH 2041-42. <{*These dates don't result in*
4 *two ten year periods, how would you like to address this?*>

5 (III) CREATE, MAINTAIN, AND REGULARLY UPDATE ON ITS WEBSITE
6 A PUBLIC ACCOUNTABILITY DASHBOARD THAT PROVIDES, AT A MINIMUM,
7 ACCESSIBLE AND TRANSPARENT SUMMARY INFORMATION REGARDING THE
8 IMPLEMENTATION OF ITS TEN-YEAR PLAN, THE FUNDING STATUS AND
9 PROGRESS TOWARD COMPLETION OF EACH PROJECT THAT IT WHOLLY OR
10 PARTLY FUNDS, AND ITS PER-PROJECT AND TOTAL FUNDING AND
11 EXPENDITURES;

12 (IV) ENGAGE REGULARLY REGARDING ITS PROJECTS AND
13 ACTIVITIES WITH THE PUBLIC, INCLUDING BUT NOT LIMITED TO SEEKING
14 INPUT FROM DISPROPORTIONATELY IMPACTED COMMUNITIES AND
15 INTEREST GROUPS THAT ARE LIKELY TO BE INTERESTED IN THE PROJECTS
16 AND ACTIVITIES; AND

17 (V) PREPARE AN ANNUAL REPORT REGARDING ITS ACTIVITIES AND
18 FUNDING AND PRESENT THE REPORT TO THE TRANSPORTATION
19 COMMISSION CREATED IN SECTION 43-1-106 (1) AND TO THE
20 TRANSPORTATION, HOUSING, AND LOCAL GOVERNMENT AND ENERGY AND
21 ENVIRONMENT COMMITTEES OF THE HOUSE OF REPRESENTATIVES AND THE
22 TRANSPORTATION AND ENERGY COMMITTEE OF THE SENATE, OR ANY
23 SUCCESSOR COMMITTEES. THE ENTERPRISE SHALL ALSO POST THE ANNUAL
24 REPORT ON ITS WEBSITE. NOTWITHSTANDING THE REQUIREMENT IN
25 SECTION 24-1-136 (11)(a)(I), THE REQUIREMENT TO SUBMIT THE REPORT
26 REQUIRED IN THIS SUBSECTION (5)(a)(V) TO THE SPECIFIED LEGISLATIVE
27 COMMITTEES CONTINUES INDEFINITELY. <{*Should this presentation be*

1 *made to a different group, since the commission serves as the board.*>

2 (b) THE ENTERPRISE IS SUBJECT TO THE OPEN MEETINGS
3 PROVISIONS OF THE "COLORADO SUNSHINE ACT OF 1972", PART 4 OF
4 ARTICLE 6 OF TITLE 24, AND THE "COLORADO OPEN RECORDS ACT", PART
5 2 OF ARTICLE 72 OF TITLE 24.

6 (c) FOR PURPOSES OF THE "COLORADO OPEN RECORDS ACT", PART
7 2 OF ARTICLE 72 OF TITLE 24, AND EXCEPT AS MAY OTHERWISE BE
8 PROVIDED BY FEDERAL LAW OR REGULATION OR STATE LAW, THE RECORDS
9 OF THE ENTERPRISE ARE PUBLIC RECORDS, AS DEFINED IN SECTION
10 24-72-202 (6), REGARDLESS OF WHETHER THE ENTERPRISE RECEIVES LESS
11 THAN TEN PERCENT OF ITS TOTAL ANNUAL REVENUE IN GRANTS, AS
12 DEFINED IN SECTION 24-77-102 (7), FROM ALL COLORADO STATE AND
13 LOCAL GOVERNMENTS COMBINED.

14 (d) THE ENTERPRISE IS A PUBLIC ENTITY FOR PURPOSES OF PART 2
15 OF ARTICLE 57 OF TITLE 11.

16 **43-1-1704. Colorado roadside improvement and outdoor**
17 **recreational industry promotional enterprise fund - Colorado**
18 **roadside improvement and outdoor recreational industry**
19 **promotional enterprise initial expenses fund.** (1) THE COLORADO
20 ROADSIDE IMPROVEMENT AND OUTDOOR RECREATIONAL INDUSTRY
21 PROMOTIONAL ENTERPRISE FUND IS CREATED IN THE STATE TREASURY.
22 THE FUND CONSISTS OF SIGN PROGRAM ADMINISTRATIVE AND
23 MAINTENANCE FEE REVENUE COLLECTED BY THE ENTERPRISE PURSUANT
24 TO SECTION 43-1-1705 (3), ANY MONETARY GIFTS, GRANTS, DONATIONS,
25 OR OTHER PAYMENTS RECEIVED BY THE ENTERPRISE, ANY FEDERAL MONEY
26 THAT MAY BE CREDITED TO THE FUND, AND ANY OTHER MONEY THAT THE
27 GENERAL ASSEMBLY MAY APPROPRIATE OR TRANSFER TO THE FUND;

1 EXCEPT THAT THE GENERAL ASSEMBLY SHALL NOT TRANSFER OR
2 APPROPRIATE MONEY FROM THE GENERAL FUND TO THE FUND. THE STATE
3 TREASURER SHALL CREDIT ALL INTEREST AND INCOME DERIVED FROM THE
4 DEPOSIT AND INVESTMENT OF MONEY IN THE FUND TO THE FUND. MONEY
5 IN THE FUND IS CONTINUOUSLY APPROPRIATED TO THE ENTERPRISE FOR
6 THE PURPOSES SET FORTH IN THIS PART 17 AND TO PAY THE ENTERPRISE'S
7 REASONABLE AND NECESSARY OPERATING EXPENSES, INCLUDING THE
8 REPAYMENT OF ANY LOAN RECEIVED PURSUANT TO SUBSECTION (2) OF
9 THIS SECTION.

10 (2) THE DEPARTMENT MAY TRANSFER MONEY FROM ANY LEGALLY
11 AVAILABLE SOURCE TO THE ENTERPRISE FOR THE PURPOSE OF DEFRAYING
12 EXPENSES INCURRED BY THE ENTERPRISE BEFORE IT RECEIVES FEE
13 REVENUE OR REVENUE BOND PROCEEDS. THE ENTERPRISE MAY ACCEPT
14 AND EXPEND ANY MONEY SO TRANSFERRED, AND, NOTWITHSTANDING ANY
15 STATE FISCAL RULE OR GENERALLY ACCEPTED ACCOUNTING PRINCIPLE
16 THAT COULD OTHERWISE BE INTERPRETED TO REQUIRE A CONTRARY
17 CONCLUSION, SUCH A TRANSFER IS A LOAN FROM THE DEPARTMENT TO THE
18 ENTERPRISE THAT IS REQUIRED TO BE REPAYED AND IS NOT A GRANT FOR
19 PURPOSES OF SECTION 20 (2)(d) OF ARTICLE X OF THE STATE
20 CONSTITUTION OR AS DEFINED IN SECTION 24-77-102 (7). ALL MONEY
21 TRANSFERRED AS A LOAN TO THE ENTERPRISE SHALL BE CREDITED TO THE
22 COLORADO ROADSIDE IMPROVEMENT AND OUTDOOR RECREATIONAL
23 INDUSTRY PROMOTIONAL ENTERPRISE INITIAL EXPENSES FUND, WHICH IS
24 HEREBY CREATED IN THE STATE TREASURY, AND LOAN LIABILITIES THAT
25 ARE RECORDED IN THE COLORADO ROADSIDE IMPROVEMENT AND
26 OUTDOOR RECREATIONAL INDUSTRY PROMOTIONAL ENTERPRISE INITIAL
27 EXPENSES FUND BUT THAT ARE NOT REQUIRED TO BE PAID IN THE CURRENT

1 FISCAL YEAR SHALL NOT BE CONSIDERED WHEN CALCULATING SUFFICIENT
2 STATUTORY FUND BALANCE FOR PURPOSES OF SECTION 24-75-109. THE
3 STATE TREASURER SHALL CREDIT ALL INTEREST AND INCOME DERIVED
4 FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE COLORADO
5 ROADSIDE IMPROVEMENT AND OUTDOOR RECREATIONAL INDUSTRY
6 PROMOTIONAL ENTERPRISE INITIAL EXPENSES FUND TO THE COLORADO
7 ROADSIDE IMPROVEMENT AND OUTDOOR RECREATIONAL INDUSTRY
8 PROMOTIONAL ENTERPRISE INITIAL EXPENSES FUND. MONEY IN THE
9 COLORADO ROADSIDE IMPROVEMENT AND OUTDOOR RECREATIONAL
10 INDUSTRY PROMOTIONAL ENTERPRISE INITIAL EXPENSES FUND IS
11 CONTINUOUSLY APPROPRIATED TO THE ENTERPRISE FOR THE PURPOSE OF
12 DEFRAYING EXPENSES INCURRED BY THE ENTERPRISE BEFORE IT RECEIVES
13 FEE REVENUE OR REVENUE BOND PROCEEDS. AS THE ENTERPRISE RECEIVES
14 SUFFICIENT REVENUE IN EXCESS OF EXPENSES, THE ENTERPRISE SHALL
15 REIMBURSE THE DEPARTMENT FOR THE PRINCIPAL AMOUNT OF ANY LOAN
16 MADE BY THE DEPARTMENT PLUS INTEREST AT A RATE SET BY THE
17 DEPARTMENT. <{Sen. Kirkmeyer said she did not want general fund
18 money going to the enterprise. What do you think about this startup
19 expenses fund?}>

20 **43-1-1705. Business and tourist-oriented directional signs**
21 **programs - sign program administrative and maintenance fee.**

22 (1) THE ENTERPRISE MAY CONTRACT WITH THE DEPARTMENT TO
23 IMPLEMENT ALL OR PART OF THE SIGN PROGRAMS.

24 (2) IN IMPLEMENTING THE SIGN PROGRAMS, THE ENTERPRISE
25 SHALL:

26 (a) UTILIZE BEST IN CLASS AND INNOVATIVE TECHNOLOGY TO
27 ENSURE SIGNIFICANT IMPROVEMENTS IN DATA COLLECTION,

1 UNDERSTANDING OF ASSETS, EFFICIENCY, REPORTING, AND TRACKING
2 GOALS RELATED TO THE SIGN PROGRAMS;

3 (b) INTEGRATE A GEOGRAPHIC INFORMATION SYSTEM TO ASSIST IN
4 CREATING, MANAGING, AND ANALYZING MAPS AND OTHER RELEVANT
5 DATA THAT IMPROVE THE SIGN PROGRAMS;

6 (c) ENSURE TRANSPARENCY IN THE SIGN PROGRAMS;

7 (d) LEVERAGE BUSINESS ANALYSIS TO PROVIDE SIGN PROGRAM
8 PARTICIPANTS WITH IMPROVED PROCESSES, PRODUCTS, SERVICES, AND
9 TECHNOLOGIES, WITH THE GOAL OF ATTRACTING NEW SIGN PROGRAM
10 PARTICIPANTS AND UNDERSTANDING INTERCHANGE SATURATION AND
11 VACANCIES; AND

12 (e) USE AND APPLY IMAGING TECHNOLOGY INCLUDING THREE
13 HUNDRED SIXTY DEGREE CAPTURE.

14 (3) (a) IN FURTHERANCE OF ITS BUSINESS PURPOSES, THE
15 ENTERPRISE MAY COLLECT A SIGN PROGRAM ADMINISTRATIVE AND
16 MAINTENANCE FEE FROM PARTICIPANTS IN THE SIGN PROGRAMS.

17 (b) IN DETERMINING THE AMOUNT OF THE FEE, THE ENTERPRISE
18 SHALL IMPLEMENT FAIR MARKET VALUE PRICING.

19 (c) THE ENTERPRISE MAY ADJUST THE AMOUNT OF THE FEE BASED
20 ON MARKET CONDITIONS AND INFLATION.

21 **43-1-1706. Rest area maintenance - roadside maintenance.**

22 (1) THE ENTERPRISE MAY WORK WITH THE DEPARTMENT, OTHER STATE
23 AGENCIES, LOCAL GOVERNMENTS, OR PRIVATE ENTITIES AS NECESSARY TO
24 ASSIST IN MODERNIZING REST AREAS AND TO ENSURE THAT REST AREAS:

25 (a) PROVIDE OPPORTUNITIES FOR TRAVELERS TO SAFELY STOP,
26 STRETCH, TAKE A NAP, USE THE RESTROOM, GET WATER, CHECK MAPS,
27 PLACE TELEPHONE CALLS, SWITCH DRIVERS, CHECK VEHICLES AND LOADS,

1 AND EXERCISE PETS;

2 (b) ARE OPEN, CONVENIENT, AND ACCESSIBLE TO ALL TRAVELERS,
3 REGARDLESS OF AGE, DISABILITY, OR ABILITY TO READ AND UNDERSTAND
4 ENGLISH;

5 (c) HAVE GOOD LIGHTING AND SECURITY FEATURES THAT ALLOW
6 FOR COMFORTABLE AND SAFE USE OF THE REST AREA AT ALL TIMES OF
7 DAY; AND

8 (d) HAVE LANDSCAPING AND PEDESTRIAN AMENITIES THAT ALLOW
9 TRAVELERS TO REST AND RELAX.

10 (2) THE ENTERPRISE MAY WORK WITH THE DEPARTMENT, OTHER
11 STATE AGENCIES, LOCAL GOVERNMENTS, OR PRIVATE ENTITIES AS
12 NECESSARY TO ASSIST IN THE MAINTENANCE OF ROADSIDE IN COLORADO
13 AND REDUCING THE NUMBER OF PEOPLE EXPERIENCING HOMELESSNESS
14 WITHIN STATE PUBLIC RIGHTS-OF-WAY.

15 **43-1-1707. Outdoor recreational industry promotional grant**
16 **program.** (1) THE OUTDOOR RECREATIONAL INDUSTRY PROMOTIONAL
17 GRANT PROGRAM IS CREATED IN THE ENTERPRISE. THE PURPOSE OF THE
18 GRANT PROGRAM IS TO PROVIDE GRANTS FOR PROMOTING THE OUTDOOR
19 RECREATIONAL INDUSTRY.

20 (2) GRANT RECIPIENTS MAY USE THE MONEY RECEIVED THROUGH
21 THE GRANT PROGRAM FOR THE FOLLOWING PURPOSES:

22 (a) **<{Placeholder.}>**

23 (3) THE ENTERPRISE SHALL COORDINATE WITH THE OFFICE TO
24 ADMINISTER THE GRANT PROGRAM AND SHALL AWARD GRANTS AS
25 PROVIDED IN THIS SECTION. GRANTS MUST BE PAID OUT OF THE FUND.

26 (4) THE ENTERPRISE SHALL IMPLEMENT THE GRANT PROGRAM IN
27 ACCORDANCE WITH THIS SECTION. THE ENTERPRISE MAY COORDINATE

1 WITH THE OFFICE TO PROMULGATE THE RULES REQUIRED IN THIS SECTION
2 AND ANY ADDITIONAL RULES NECESSARY TO IMPLEMENT THE GRANT
3 PROGRAM. AT A MINIMUM, THE RULES MUST SPECIFY:

4 (a) <{Placeholder.}>

5 (5) TO RECEIVE A GRANT, AN APPLICANT MUST SUBMIT AN
6 APPLICATION TO THE ENTERPRISE IN ACCORDANCE WITH RULES
7 PROMULGATED BY THE ENTERPRISE. AT A MINIMUM, THE APPLICATION
8 MUST INCLUDE THE FOLLOWING INFORMATION:

9 (a) <{Placeholder.}>

10 (6) THE ENTERPRISE SHALL REVIEW THE APPLICATIONS RECEIVED
11 PURSUANT TO THIS SECTION. IN AWARDING GRANTS, THE ENTERPRISE
12 SHALL CONSIDER THE FOLLOWING CRITERIA:

13 (a) <{Placeholder.}>

14 <{Alternatively, rather than giving this level of detail about the grant
15 program in this section, we can also just add a brief description to the
16 enterprise's general powers in section 43-1-1703.}>

17 **SECTION 3.** In Colorado Revised Statutes, 24-1-128.7, **add** (11)
18 as follows:

19 **24-1-128.7. Department of transportation - creation.** (11) THE
20 COLORADO ROADSIDE IMPROVEMENT AND OUTDOOR RECREATIONAL
21 INDUSTRY PROMOTIONAL ENTERPRISE, CREATED IN SECTION 43-1-1703, IS
22 A **TYPE 1** ENTITY, AS DEFINED IN SECTION 24-1-105, AND EXERCISES ITS
23 POWERS AND PERFORMS ITS DUTIES AND FUNCTIONS UNDER THE
24 DEPARTMENT OF TRANSPORTATION.

25 **SECTION 4. Act subject to petition - effective date.** This act
26 takes effect at 12:01 a.m. on the day following the expiration of the
27 ninety-day period after final adjournment of the general assembly; except

1 that, if a referendum petition is filed pursuant to section 1 (3) of article V
2 of the state constitution against this act or an item, section, or part of this
3 act within such period, then the act, item, section, or part will not take
4 effect unless approved by the people at the general election to be held in
5 November 2024 and, in such case, will take effect on the date of the
6 official declaration of the vote thereon by the governor.

MEMORANDUM



JOINT BUDGET COMMITTEE

TO Members of the Joint Budget Committee
FROM Craig Harper, JBC Staff (303-866-3481)
DATE April 17, 2024
SUBJECT Potential JBC Legislation: General Fund Reserve Investment

Earlier this session, the Committee directed staff to analyze a proposal to change the State's investment of a portion of the statutory 15.0 percent General Fund reserve. Under current law, interest earned on the General Fund (and most cash funds) is TABOR revenue. As a result, those interest earnings force additional TABOR refunds (of General Fund) during a TABOR surplus. The Committee has discussed a proposal to change the State's investment of a portion of reserve funds to allow the interest earnings to support priority uses identified by the General Assembly.

In short, the proposal would effectively move a portion of the General Fund reserve outside of the State's TABOR district for investment by entities where interest earnings could benefit state priorities.

- For example, one option would allow PERA to invest a portion of the reserve with interest earnings supporting PERA and reducing the pension system's unfunded liability.
- A second option would allow an institution of higher education to manage funds with interest earnings supporting controlled maintenance projects for higher education.

Joint Budget Committee Staff have begun discussing this proposal with a variety of parties. Staff believe that the proposal has potential to increase General Fund interest earnings and make some additional funding available for beneficial uses. However, the proposal also raises a number of questions and potential risks that staff believe warrant further analysis and investigation. For example:

- What is the risk of losses depending on how money is invested, especially given that downturns are when the State needs the money? How would potential investments have fared in previous downturns?
- How can the state ensure adequate liquidity to keep the reserve available for its primary purpose (mitigating the effect of revenue declines)? What options are available to ensure that funds are actually available in case of need, and how would those options limit the amount available for investment?
- How much of the reserve could the State dedicate to these investments without creating cash flow problems for General Fund appropriations (to the extent that the Executive Branch uses the reserve to manage cash flow and avoid borrowing costs during the fiscal year)?
- What red flags does this proposal raise in terms of accounting and implementation? Can the State adequately mitigate those risks?

Given the magnitude of the proposed changes and the potential risk if things do not go as planned, staff recommends that the Committee delay action on the proposed legislation and authorize staff to work with all relevant stakeholders through the interim. With the Committee's approval, staff intends to organize a group of JBC Staff to work with relevant parties (e.g., the other legislative staff agencies, OSPB, the Controller's Office, the Treasurer's Office, Department of Law, PERA, and Higher Education) to analyze the proposal. JBC Staff will return to the Committee with a detailed analysis for the 2024 briefing process.