

Second Regular Session
Seventy-fifth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 26-0685.02 Nicole Myers x4326

HOUSE BILL 26-1274

HOUSE SPONSORSHIP

Lindsay and Garcia,

SENATE SPONSORSHIP

Wallace and Weissman,

House Committees
Finance

Senate Committees

A BILL FOR AN ACT

101 CONCERNING AUTHORIZATION FOR A STATE AGENCY TO AWARD A
102 PERCENTAGE OF THE TOTAL VALUE OF A CONTRACT TO A
103 NONPROFIT GRANTEE OF A GRANT PROGRAM OF THE AGENCY
104 UPON THE EXECUTION OR RENEWAL OF THE CONTRACT.

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>.)

Currently, when a state agency awards a grant to a nonprofit organization (grantee), the grantee is generally required to access the grant award by applying for the reimbursement of costs incurred in

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.

1 (c) IS A NONPROFIT ORGANIZATION AND HAS SUBMITTED WRITTEN
2 PROOF OF SUCH CLASSIFICATION TO THE APPLICABLE STATE AGENCY; AND

3 (d) SATISFIES ANY CRITERIA ESTABLISHED BY THE APPLICABLE
4 STATE AGENCY FOR THE PURPOSE OF IMPLEMENTING THIS PART 3.

5 (2) "NONPROFIT ORGANIZATION" MEANS A CHARITABLE
6 ORGANIZATION, AS DEFINED IN SECTION 39-26-102 (2.5).

7 (3) "STATE AGENCY" MEANS ANY DEPARTMENT, COMMISSION,
8 COUNCIL, BOARD, BUREAU, COMMITTEE, INSTITUTION OF HIGHER
9 EDUCATION, AGENCY, OR OTHER GOVERNMENTAL UNIT OF THE EXECUTIVE,
10 LEGISLATIVE, OR JUDICIAL BRANCH OF STATE GOVERNMENT, INCLUDING
11 THE OFFICE OF THE GOVERNOR.

12 **24-17-302. Dispensation of payments under contracts with**
13 **nonprofit grantees.**

14 (1) (a) NOTWITHSTANDING ANY PROVISION OF LAW TO THE
15 CONTRARY, A STATE AGENCY, IN CONTRACTING WITH A GRANTEE FOR THE
16 PROVISION OF ANY SERVICE FOR THE PURPOSES OF THE STATE AGENCY,
17 MAY DISPENSE UP TO TWENTY-FIVE PERCENT OF THE TOTAL VALUE OF THE
18 PAYMENTS UNDER THE CONTRACT TO THE GRANTEE IMMEDIATELY UPON
19 EXECUTING OR RENEWING THE CONTRACT. A STATE AGENCY MAY USE
20 EXISTING INFRASTRUCTURE OR DEVELOP NEW INFRASTRUCTURE TO
21 DISPENSE A PAYMENT PURSUANT TO THIS SUBSECTION (1).

22 (b) A GRANTEE MAY EXPEND MONEY FROM A PAYMENT PURSUANT
23 TO THIS SUBSECTION (1) ONLY ON EXPENSES THAT THE GRANTEE INCURS
24 IN CONNECTION WITH THE CONTRACT FOR WHICH THE PAYMENT IS MADE.

25 (2) (a) NOTHING IN THIS SECTION PREVENTS A STATE AGENCY, IN
26 CONTRACTING WITH A GRANTEE AS DESCRIBED IN SUBSECTION (1) OF THIS
27 SECTION, FROM USING A WAIVER PROCESS AVAILABLE THROUGH FISCAL

1 RULES ADOPTED BY THE STATE CONTROLLER OR RULES ADOPTED BY A
2 FEDERAL GOVERNMENTAL ENTITY TO DISPENSE A PERCENTAGE OF THE
3 TOTAL VALUE OF THE PAYMENTS UNDER THE CONTRACT TO THE GRANTEE
4 IMMEDIATELY UPON EXECUTING OR RENEWING THE CONTRACT.

5 (b) IF THE STATE CONTROLLER DENIES A STATE AGENCY'S REQUEST
6 TO USE A WAIVER FOR THE PURPOSES SPECIFIED IN SUBSECTION (2)(a) OF
7 THIS SECTION, THE STATE CONTROLLER SHALL PROVIDE THE STATE
8 AGENCY WITH A WRITTEN EXPLANATION REGARDING WHY THE STATE
9 CONTROLLER DENIED THE WAIVER. THE STATE AGENCY SHALL SHARE THE
10 WRITTEN EXPLANATION OF THE DENIAL OF THE WAIVER WITH THE
11 GRANTEE.

12 (3) NOTHING IN THIS SECTION PREVENTS A STATE AGENCY THAT,
13 AS OF THE EFFECTIVE DATE OF THIS SECTION, ALREADY DISPENSES A
14 PERCENTAGE OF THE TOTAL VALUE OF THE PAYMENTS UNDER A CONTRACT
15 TO A GRANTEE IMMEDIATELY UPON THE EXECUTION OR RENEWAL OF THE
16 CONTRACT, FROM CONTINUING TO DISPENSE THE PAYMENTS IN THE SAME
17 MANNER THAT THE AGENCY DISPENSED THE PAYMENTS BEFORE THE
18 EFFECTIVE DATE OF THIS SECTION.

19 (4) A GRANTEE THAT IS PAID A PERCENTAGE OF THE TOTAL VALUE
20 OF THE PAYMENTS UNDER A CONTRACT WITH A STATE AGENCY
21 IMMEDIATELY UPON EXECUTING OR RENEWING THE CONTRACT IS
22 REQUIRED TO COMPLY WITH ALL OF THE REPORTING REQUIREMENTS
23 SPECIFIED IN THE CONTRACT.

24 **SECTION 2. Act subject to petition - effective date.** This act
25 takes effect at 12:01 a.m. on the day following the expiration of the
26 ninety-day period after final adjournment of the general assembly (August
27 12, 2026, if adjournment sine die is on May 13, 2026); except that, if a

1 referendum petition is filed pursuant to section 1 (3) of article V of the
2 state constitution against this act or an item, section, or part of this act
3 within such period, then the act, item, section, or part will not take effect
4 unless approved by the people at the general election to be held in
5 November 2026 and, in such case, will take effect on the date of the
6 official declaration of the vote thereon by the governor.