

NOTE: This bill has been prepared for the signatures of the appropriate legislative officers and the Governor. To determine whether the Governor has signed the bill or taken other action on it, please consult the legislative status sheet, the legislative history, or the Session Laws.

An Act

HOUSE BILL 24-1234

BY REPRESENTATIVE(S) Mauro and Catlin, deGruy Kennedy, Froelich, Hamrick, Jodeh, Lindsay, Lukens, McCluskie, Duran, Kipp;
also SENATOR(S) Roberts and Hansen, Bridges, Buckner, Exum, Michaelson Jenet, Priola.

CONCERNING THE CONTINUATION OF HIGH COST SUPPORT MECHANISM FUNDING FOR RURAL TELECOMMUNICATIONS PROVIDERS, AND, IN CONNECTION THEREWITH, IMPLEMENTING THE RECOMMENDATIONS IN THE 2023 SUNSET REPORT BY THE DEPARTMENT OF REGULATORY AGENCIES.

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

SECTION 1. In Colorado Revised Statutes, 24-34-104, **repeal** (25)(a)(XVII) as follows:

24-34-104. General assembly review of regulatory agencies and functions for repeal, continuation, or reestablishment - legislative declaration - repeal. (25) (a) The following agencies, functions, or both, are scheduled for repeal on September 1, 2024:

(XVII) The functions of the public utilities commission with regard

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.

~~to the administration of the high cost support mechanism created in section 40-15-208;~~

SECTION 2. In Colorado Revised Statutes, 40-15-208, **amend** (2)(a)(IV) and (4); and **repeal** (6) as follows:

40-15-208. High cost support mechanism - Colorado high cost administration fund - creation - purpose - operation - rules - report.

(2) (a) (IV) The commission shall allocate to the high cost support mechanism account dedicated to broadband deployment, on a quarterly basis and by the end of the month following the previous quarter, the following percentages of the total quarterly amount of high cost support mechanism money collected, minus administrative costs and distributions required under subsection (4) of this section:

(A) ~~For each quarter in 2019, sixty percent;~~

(B) ~~For each quarter in 2020, seventy percent;~~

(C) ~~For each quarter in 2021, eighty percent;~~

(D) For each quarter in 2022, ninety percent; **and**

(E) For each quarter in 2023 AND FOR EACH QUARTER IN EACH SUBSEQUENT YEAR, one hundred percent.

(4) Notwithstanding any other provision to the contrary in sections 40-15-207 and 40-15-502 or this section, rural telecommunications providers receiving support from the high cost support mechanism as of January 1, 2017, will continue to receive support, on a quarterly basis and by the end of the month following the previous quarter, at the same level of reimbursement established by averaging the payments received for calendar years 2015 and 2016, ~~for the period of~~ BEGINNING ON January 1, 2019, ~~through September 1, 2024~~ AND CONTINUING EACH QUARTER IN EACH SUBSEQUENT YEAR. The commission shall administer the high cost support mechanism to ensure compliance with this section.

(6) ~~This section is repealed, effective September 1, 2024. Before the repeal, the department of regulatory agencies shall, in accordance with section 24-34-104, review the powers, duties, and functions of the~~

~~commission regarding the administration of the high cost support mechanism:~~

SECTION 3. In Colorado Revised Statutes, 40-2-112, **amend** (1) as follows:

40-2-112. Computation of fees. (1) (a) On or before June 1 of each year, the executive director of the department of revenue shall ascertain the aggregate amount of gross operating revenues of TELEPHONE CORPORATIONS AND all OTHER public utilities filing returns as provided in section 40-2-111. BASED ON APPROPRIATIONS MADE BY THE GENERAL ASSEMBLY, THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF REGULATORY AGENCIES SHALL SPECIFY, FOR THE TELECOMMUNICATIONS UTILITY FUND, CREATED IN SECTION 40-2-114 (1)(b)(I), AND THE PUBLIC UTILITIES COMMISSION FIXED UTILITY FUND, CREATED IN SECTION 40-2-114 (1)(b)(II), THE REVENUE NEEDED TO PROVIDE FOR THE DIRECT AND INDIRECT COSTS OF THE SUPERVISION AND REGULATION OF TELEPHONE CORPORATIONS AND ALL OTHER PUBLIC UTILITIES UNDER THE JURISDICTION OF THE DEPARTMENT OF REGULATORY AGENCIES, EXCLUDING THE AMOUNT OF MONEY PROVIDED AS ADMINISTRATIVE SUPPORT FROM THE VARIOUS TELECOMMUNICATIONS PROGRAMS ADMINISTERED BY THE COMMISSION, INCLUDING THE HIGH COST SUPPORT MECHANISM, ESTABLISHED IN SECTION 40-15-208, THE 911 SURCHARGE, ESTABLISHED IN SECTION 29-11-102.3, THE 988 SURCHARGE, ESTABLISHED IN SECTION 40-17.5-102, AND THE TELECOMMUNICATIONS RELAY SERVICE SURCHARGE, ESTABLISHED IN SECTION 40-17-103.

(b) (I) FOR EACH TELEPHONE CORPORATION, THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF REGULATORY AGENCIES SHALL COMPUTE THE PERCENTAGE WHICH THE AMOUNT OF REVENUE NEEDED FOR THE DIRECT AND INDIRECT COSTS OF THE SUPERVISION AND REGULATION OF TELEPHONE CORPORATIONS IS OF THE AGGREGATE AMOUNT OF GROSS OPERATING REVENUES OF THE TELEPHONE CORPORATION DERIVED FROM INTRASTATE UTILITY BUSINESS TRANSACTED DURING THE PRECEDING CALENDAR YEAR, AND THAT PERCENTAGE SHALL BE THE BASIS UPON WHICH FEES DUE FROM TELEPHONE CORPORATIONS FOR THE ENSUING YEAR SHALL BE FIXED.

(II) FOR EACH PUBLIC UTILITY OTHER THAN A TELEPHONE CORPORATION, the executive director OF THE DEPARTMENT OF REGULATORY AGENCIES shall ~~then~~ compute the percentage which the ~~full~~ amount ~~determined by the general assembly for administrative expenses of the~~

~~public utilities commission for the supervision and regulation of such public utilities~~ OF REVENUE NEEDED FOR THE DIRECT AND INDIRECT COSTS OF THE SUPERVISION AND REGULATION OF PUBLIC UTILITIES OTHER THAN TELEPHONE CORPORATIONS is of the aggregate amount of gross operating revenues of such public utilities derived from intrastate utility business transacted during the preceding calendar year, and ~~the~~ THAT percentage ~~so computed~~ shall be the basis upon which fees DUE FROM THE PUBLIC UTILITIES for the ensuing year shall be fixed.

SECTION 4. 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.

Julie McCluskie
SPEAKER OF THE HOUSE
OF REPRESENTATIVES

Steve Fenberg
PRESIDENT OF
THE SENATE

Robin Jones
CHIEF CLERK OF THE HOUSE
OF REPRESENTATIVES

Cindi L. Markwell
SECRETARY OF
THE SENATE

APPROVED _____
(Date and Time)

Jared S. Polis
GOVERNOR OF THE STATE OF COLORADO