

**Second Regular Session
Seventy-fourth General Assembly
STATE OF COLORADO**

REVISED

*This Version Includes All Amendments Adopted
on Second Reading in the Second House*

LLS NO. 24-0727.03 Jed Franklin x5484

HOUSE BILL 24-1365

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A BILL FOR AN ACT

101 **CONCERNING REGIONAL TALENT DEVELOPMENT INITIATIVES, AND, IN**
102 **CONNECTION THEREWITH, CREATING THE REGIONAL TALENT**
103 **SUMMIT GRANT PROGRAM AND AN INCOME TAX CREDIT FOR**
104 **FACILITY IMPROVEMENT AND EQUIPMENT ACQUISITION COSTS**
105 **ASSOCIATED WITH TRAINING PROGRAMS DESIGNED TO**
106 **ALLEVIATE WORKFORCE SHORTAGES AND MAKING AN**
107 **APPROPRIATION.**

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>.)

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.

SENATE
2nd Reading Unamended
May 4, 2024

HOUSE
3rd Reading Unamended
April 26, 2024

HOUSE
Amended 2nd Reading
April 25, 2024

On July 1, 2024, the bill requires a one-time \$3.8 million transfer from the general fund to the regional talent development initiative grant program fund to address workforce shortages in infrastructure and building trades. Of this amount, not more than 7% may be used for the administrative costs incurred to administer the regional talent development initiative grant program.

The regional talent summit grant program (grant program) is created and is to be administered by the governor's office of economic development and international trade (office). The grant program, through a selection committee, will award grants to and contract with a program facilitator to develop regional summits across the state. The program facilitator will understand workforce development needs in identified regions of the state, generate a landscape analysis for each identified region that includes job projections and an overview of educational pathways, gather insight from employers about critical workforce and training needs, create regional goals for addressing talent needs, and develop comprehensive tactical plans. Beginning January 1, 2026, any modified or new local workforce development plan must incorporate the tactical plans. The program facilitator must complete all regional talent summits on or before July 1, 2025, and submit workforce plans as a result of the regional talent summits by December 1, 2025.

The grant program, through a selection committee, will also award grants to one or more regional hosts to secure facilities to host regional talent summits, determine community partners to attend the summits, and gather insight from regional employers about critical workforce and training needs.

The regional talent summit development initiative grant program fund (fund) is created in the state treasury. On July 1, 2024, the state treasurer shall transfer \$200,000 from the general fund to the fund. The money in the fund is continuously appropriated to the office.

The bill establishes a state income tax credit (tax credit) for the costs of facility improvement and equipment acquisition associated with training programs designed to alleviate workforce shortages beginning January 1, 2026. A qualified taxpayer in a qualified industry may earn a tax credit equal to up to 50% of the costs incurred by the qualified taxpayer to improve its facilities and acquire equipment. The tax credit is refundable and may not be carried forward.

To claim the tax credit, a qualified taxpayer must first reserve the tax credit by applying to be in the evaluation pool established by the office. A selection committee will consider the merits of each application to determine which taxpayers are qualified to reserve the tax credit. If a taxpayer is qualified and approved, the taxpayer is required to incur facility improvements and equipment acquisition costs to claim the tax credit. If the applicant submits evidence that the costs were incurred

during the income tax year for which the applicant applied, and those costs are certified by a certified public accountant, the applicant may be awarded a tax credit. The aggregate amount of tax credits reserved in one calendar year cannot exceed \$15 million.

The executive director of the department of revenue may require a person or organization not subject to tax or a person or organization exempt from taxes to make and file a return containing information prescribed by the executive director to claim the tax credit.

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

2 **SECTION 1. Legislative Declaration.** (1) The general assembly
3 hereby finds and declares that:

4 (a) House Bill 22-1350, enacted in 2022, established the regional
5 talent development initiative act to invest in regional partnerships that
6 encourage workforce development and respond to regional talent needs.
7 The grant program, opportunity now, granted twenty-seven million
8 dollars to forty-six grantees and created over two hundred thirty industry
9 and educational partnerships with the first round of funding. The second
10 and third rounds of investment demonstrate Colorado's ongoing
11 commitment to innovation, regional planning, economic development,
12 and collaboration.

13 (b) However, Colorado continues to experience workforce
14 shortages due to the mismatch of jobs available and the skilled talent
15 needed to fill them. This challenge is heightened by recent federal
16 investment in programs like the federal "Infrastructure Investment and
17 Jobs Act", Pub.L. 117-58, the federal "Inflation Reduction Act of 2022",
18 Pub.L. 117-169, and the federal "CHIPS and Science Act of 2022",
19 Pub.L. 117-167, which create additional demands for skilled talent.

20 (c) Data shows that Colorado currently needs thirty-three thousand
21 five hundred infrastructure and construction workers, and is projected to

1 need an additional fifty thousand construction workers by the end of the
2 decade, including an additional twenty thousand clean energy
3 construction jobs. Colorado is projected to need six thousand ninety-eight
4 construction laborers alone to respond to "Infrastructure Investment and
5 Jobs Act" project needs.

6 (d) More skilled talent in infrastructure, advanced manufacturing,
7 and clean energy is needed for Colorado to take full advantage of federal
8 investments and achieve Colorado's ambitious housing, climate,
9 broadband, and infrastructure goals. By investing an additional round of
10 general fund funding into the opportunity now program, with a focus on
11 infrastructure and building trades, Colorado makes an important
12 investment in the workforce needed to build more housing now.

13 (e) Expanding the opportunity now program with a refundable tax
14 credit expands the scope of this work for years to come. This refundable
15 tax credit will support qualified applicants in increasing their training
16 capacity and capabilities so that Colorado has the workforce needed to
17 respond to federal investments as they break ground and achieve
18 statewide priorities.

19 (f) The workforce shortage tax credit is intended to continue the
20 opportunity now program by seeding investments that benefit the
21 education and training system broadly;

22 (g) The regional talent summit grant program is also created to
23 affirm Colorado's collaborative, locally-driven, and state-supported
24 approach to regional talent planning. These summits will allow for
25 industry, business associations, community-based organizations, talent
26 development practitioners, local workforce centers, local education
27 providers, institutions of higher education, and state agencies to identify

1 the workforce needs and resources of their areas. By seeding new
2 partnerships to develop shared workforce and economic development
3 goals, these summits will allow Colorado's regions to plan for and
4 leverage local and state resources to achieve them.

5 (2) Therefore, the regional talent summit grant program and the
6 workforce shortage tax credit are important tools for Colorado to address
7 the need for talent acquisition and retention.

8 **SECTION 2.** In Colorado Revised Statutes, 24-48.5-405, **amend**
9 (1)(c)(II) and (1)(c)(III); and **add** (1)(c)(IV) and (1)(c)(V) as follows:

10 **24-48.5-405. Regional talent development initiative grant**
11 **program - creation - administration - eligibility - application review**

12 **- report.** (1) (c) In prioritizing grant applications and awarding grants,
13 the office, in collaboration with the departments and the selection
14 committee, shall strive to meet the following grant program goals:

15 (II) To create intentional pathways between kindergarten through
16 twelfth grade education, higher education, and employment that allow
17 learners and earners to transition more easily into and out of each system
18 and that ensure a highly skilled and well-educated workforce; ~~and~~

19 (III) To provide more opportunities for regional learners and
20 earners to be more economically mobile and earn a living wage in an
21 in-demand, high-skill, high-wage occupation;

22 (IV) TO ADDRESS WORKFORCE SHORTAGES IN INFRASTRUCTURE
23 AND BUILDING TRADES BY CREATING MORE OPPORTUNITIES FOR
24 WORKFORCE DEVELOPMENT PROJECTS IN THESE TRADES; AND

25 (V) TO ELEVATE EVIDENCE-BASED WORKFORCE TRAINING AND
26 RELEVANT PROGRAMS OR SERVICES WHERE PARTICIPANTS FROM
27 COMMUNITIES THAT HAVE BEEN HISTORICALLY UNDERREPRESENTED,

1 UNDERSERVED, OR UNDERRESOURCED IN COLORADO ARE ABLE TO EARN
2 A LIVING WAGE AND ARE CONNECTED TO EMPLOYMENT OPPORTUNITIES.

3 **SECTION 3.** In Colorado Revised Statutes, 24-48.5-406, **add**
4 (1)(a.5) as follows:

5 **24-48.5-406. Regional talent development initiative grant**
6 **program fund - repeal.** (1) (a.5) (I) ON JULY 1, 2024, THE STATE
7 TREASURER SHALL TRANSFER THREE MILLION EIGHT HUNDRED THOUSAND
8 DOLLARS FROM THE GENERAL FUND TO THE FUND FOR USE FOR ACHIEVING
9 THE GOAL SET FORTH IN SECTION 24-48.5-405 (1)(c)(IV).

10 (II) OF THE AMOUNT TRANSFERRED TO THE FUND PURSUANT TO
11 SUBSECTION (1)(a.5)(I) OF THIS SECTION, NOT MORE THAN SEVEN PERCENT
12 MAY BE USED FOR THE ADMINISTRATIVE COSTS INCURRED BY THE OFFICE
13 AND THE SELECTION COMMITTEE IN ADMINISTERING THE REGIONAL
14 TALENT DEVELOPMENT INITIATIVE GRANT PROGRAM.

15 (III) THIS SUBSECTION (1)(a.5) IS REPEALED, EFFECTIVE JULY 1,
16 2028.

17 **SECTION 4.** In Colorado Revised Statutes, 24-48.5-502, **amend**
18 (1)(b)(V), (4)(a), (4)(b), and (5)(b); and **repeal** (4)(c) as follows:

19 **24-48.5-502. Universal high school scholarship program -**
20 **established - administration - cash fund - eligibility.** (1) (b) The office
21 shall administer the program or may contract with one or more vendors
22 to administer the program. The office or vendor shall:

23 (V) ~~Audit~~ **MONITOR**, or contract with a vendor to ~~audit~~ **MONITOR**,
24 service providers to ensure that service providers comply with all
25 program rules and requirements.

26 (4) A student is eligible for a scholarship if the student:

27 (a) During the 2023-24 academic year, graduated from a Colorado

1 high school or was awarded a high school equivalency credential awarded
2 by the Colorado department of education;

3 (b) IS A DEGREE-SEEKING STUDENT WHO completes the free
4 application for federal student aid or the Colorado application for state
5 financial aid; EXCEPT THAT THE OFFICE SHALL WAIVE THE REQUIREMENT
6 OF COMPLETING THE FREE APPLICATION FOR FEDERAL STUDENT AID OR THE
7 COLORADO APPLICATION FOR STATE FINANCIAL AID IF THE
8 DEGREE-SEEKING STUDENT ATTESTS THAT THE STUDENT IS UNABLE TO
9 MEET THIS REQUIREMENT; AND

10 (c) ~~Did not receive a grant or scholarship pursuant to part 10 of~~
11 ~~article 3.3 of title 23 for the 2024-25 academic year; and~~

12 (5) (b) A service provider shall comply with the program policies
13 and procedures and with all reporting requirements described in this
14 section. A service provider shall submit to ~~an audit~~ MONITORING by the
15 office or vendor conducted pursuant to subsection (1)(b) of this section.

16 **SECTION 5.** In Colorado Revised Statutes, **add** part 6 to article
17 48.5 of title 24 as follows:

18 PART 6

19 REGIONAL TALENT SUMMIT ACT

20 **24-48.5-601. Short title.** THE SHORT TITLE OF THIS PART 6 IS THE
21 "REGIONAL TALENT SUMMIT ACT".

22 **24-48.5-602. Legislative declaration.** (1) THE GENERAL
23 ASSEMBLY FINDS AND DECLARES THAT:

24 (a) THIS PART 6 IS INTENDED TO STRENGTHEN REGIONAL TALENT
25 DEVELOPMENT PIPELINES TO MEET WORKFORCE DEMAND;

26 (b) THE STATE HAS AN OPPORTUNITY TO FULFILL DEMAND FOR
27 WORKERS, WHICH WILL ALLOW THE STATE TO MEET ITS STRATEGIC GOALS

1 AND GENERATE HIGH-QUALITY CAREERS; AND

2 (c) THE GRANT PROGRAM AND RELATED SERVICES DESCRIBED IN
3 THIS PART 6 ARE IMPORTANT GOVERNMENT SERVICES.

4 (2) THEREFORE, THE GENERAL ASSEMBLY CREATES THE REGIONAL
5 TALENT SUMMIT GRANT PROGRAM TO ADDRESS THESE NEEDS.

6 **24-48.5-603. Definitions.** AS USED IN THIS PART 6, UNLESS THE
7 CONTEXT OTHERWISE REQUIRES:

8 (1) "APPLICANT" MEANS AN ENTITY THAT:

9 (a) HAS THE CAPACITY TO HOST REGIONAL TALENT SUMMITS
10 ACROSS THE STATE THAT CONVENE TO UNDERSTAND REGIONAL LABOR
11 MARKET NEEDS IN EACH REGION OF THE STATE OR HAS THE CAPACITY TO
12 CONVENE, FACILITATE, AND REPORT ON REGIONAL TALENT SUMMIT
13 FINDINGS; AND

14 (b) APPLIES FOR A GRANT FROM THE GRANT PROGRAM.

15 (2) "FUND" MEANS THE REGIONAL TALENT SUMMIT GRANT
16 PROGRAM FUND CREATED IN SECTION 24-48.5-605.

17 (3) "GRANT PROGRAM" MEANS THE REGIONAL TALENT SUMMIT
18 GRANT PROGRAM CREATED IN SECTION 24-48.5-604.

19 (4) "OFFICE" MEANS THE COLORADO OFFICE OF ECONOMIC
20 DEVELOPMENT CREATED IN SECTION 24-48.5-101.

21 (5) "PROGRAM FACILITATOR" MEANS AN APPLICANT TO WHICH THE
22 OFFICE AWARDS A GRANT AND WITH WHICH THE OFFICE CONTRACTS
23 PURSUANT TO SECTION 24-48.5-604 (2)(a).

24 (6) "REGIONAL HOST" MEANS AN APPLICANT THAT HAS BEEN
25 GRANTED AN AWARD TO SUPPORT THE COSTS OF HOSTING A REGIONAL
26 TALENT SUMMIT.

27 (7) "REGIONAL TALENT SUMMIT" MEANS A CONVENING OF STATE

1 AND REGIONAL STAKEHOLDERS TO DISCUSS THE ECONOMIC AND
2 WORKFORCE NEEDS OF THEIR REGION AND THE PROGRAMS AND RESOURCES
3 THAT MIGHT ADDRESS THOSE NEEDS.

4 (8) "SELECTION COMMITTEE" MEANS THE SELECTION COMMITTEE
5 APPOINTED PURSUANT TO SECTION 24-48.5-604 (4)(a) TO REVIEW AND
6 MAKE RECOMMENDATIONS ABOUT APPLICANTS, TO SELECT AND AWARD A
7 GRANT TO THE REGIONAL HOST, AND TO SELECT AND AWARD A GRANT TO
8 THE PROGRAM FACILITATOR.

9 **24-48.5-604. Regional talent summit grant program - creation**
10 **- administration - eligibility - application review - report.**

11 (1) (a) THERE IS CREATED IN THE OFFICE THE REGIONAL TALENT SUMMIT
12 GRANT PROGRAM. THE OFFICE SHALL ADMINISTER THE GRANT PROGRAM.
13 THE SELECTION COMMITTEE APPOINTED PURSUANT TO SUBSECTION (4) OF
14 THIS SECTION IS RESPONSIBLE FOR MAKING GRANT AWARD DECISIONS IN
15 ACCORDANCE WITH THIS SECTION.

16 (b) (I) THE PURPOSE OF THE GRANT PROGRAM IS TO PROVIDE
17 GRANTS TO THE PROGRAM FACILITATOR TO USE TO CONVENE AND
18 FACILITATE REGIONAL SUMMITS AND DEVELOP A REPORT ON THE FINDINGS
19 OF THE REGIONAL TALENT SUMMITS AND TO ONE OR MORE REGIONAL
20 HOSTS TO USE TO SUPPORT SEVEN REGIONAL TALENT SUMMITS.

21 (II) THE OFFICE SHALL REQUIRE THE REGIONAL HOSTS AND THE
22 PROGRAM FACILITATOR TO COMPLETE ALL REGIONAL TALENT SUMMITS ON
23 OR BEFORE JULY 1, 2025.

24 (III) THE OFFICE SHALL REQUIRE THE PROGRAM FACILITATOR TO
25 SUBMIT ITS COMPREHENSIVE TACTICAL PLAN TO THE OFFICE ON OR BEFORE
26 DECEMBER 1, 2025.

27 (c) IN PRIORITIZING GRANT APPLICATIONS AND AWARDING GRANTS,

1 THE OFFICE, IN COLLABORATION WITH THE SELECTION COMMITTEE, SHALL
2 STRIVE TO MEET THE FOLLOWING GRANT PROGRAM GOALS:

3 (I) FOR A GRANT FOR A PROGRAM FACILITATOR:

4 (A) TO UNDERSTAND WORKFORCE DEVELOPMENT NEEDS IN
5 REGIONS OF THE STATE;

6 (B) TO GENERATE A LANDSCAPE ANALYSIS FOR EACH IDENTIFIED
7 REGION THAT INCLUDES JOB PROJECTIONS AND AN OVERVIEW OF
8 EDUCATIONAL PATHWAYS;

9 (C) TO GATHER INSIGHT FROM EMPLOYERS ABOUT CRITICAL
10 WORKFORCE AND TRAINING NEEDS;

11 (D) TO CREATE REGIONAL GOALS FOR ADDRESSING TALENT NEEDS;

12 (E) TO DEVELOP COMPREHENSIVE TACTICAL PLANS; AND

13 (F) TO SUBMIT THE WORKFORCE PLANS GENERATED BY THE
14 PROGRAM FACILITATOR AS A RESULT OF THE REGIONAL TALENT SUMMITS
15 BY DECEMBER 1, 2025, TO THE OFFICE. THE OFFICE SHALL PROVIDE THE
16 WORKFORCE PLANS TO THE STATE WORKFORCE DEVELOPMENT COUNCIL
17 WHICH SHALL PUBLISH THE PLANS IN THE COLORADO TALENT REPORT
18 PREPARED PURSUANT TO SECTION 24-46.3-103 (3) AND SHALL
19 COORDINATE WITH LOCAL ENTITIES AND ACROSS STATE AGENCIES TO
20 SUPPORT REGIONAL GOALS.

21 (II) FOR A GRANT FOR A REGIONAL HOST:

22 (A) TO SECURE A FACILITY TO HOST THE REGIONAL SUMMIT;

23 (B) TO DETERMINE RELEVANT PARTNERS TO ATTEND THE
24 REGIONAL SUMMIT; AND

25 (C) TO GATHER INSIGHT FROM REGIONAL EMPLOYERS ABOUT
26 WORKFORCE TRAINING NEEDS.

27 (2) THE OFFICE, THROUGH THE SELECTION COMMITTEE, SHALL:

1 (a) AWARD A GRANT TO AND EXECUTE A CONTRACT WITH A
2 PROGRAM FACILITATOR. THE OFFICE SHALL REQUIRE THE PROGRAM
3 FACILITATOR TO:

4 (I) WORK WITH THE OFFICE, THE DEPARTMENT OF LABOR AND
5 EMPLOYMENT, THE DEPARTMENT OF EDUCATION, LOCAL DATA EXPERTS,
6 AND THE DEPARTMENT OF HIGHER EDUCATION TO GENERATE A LANDSCAPE
7 ANALYSIS FOR EACH IDENTIFIED REGION THAT INCLUDES JOB PROTECTIONS
8 AND AN OVERVIEW OF EDUCATIONAL PATHWAYS;

9 (II) WORK WITH REGIONAL HOSTS TO PLAN REGIONAL TALENT
10 SUMMITS;

11 (III) FACILITATE A SUMMIT FOR REGIONAL ATTENDEES TO
12 IDENTIFY REGIONAL ECONOMIC GOALS AND WORKFORCE DEVELOPMENT
13 NEEDS;

14 (IV) CREATE ALIGNMENT BETWEEN BUSINESS, EDUCATION,
15 WORKFORCE, AND COMMUNITY PARTNERS FOR WORKFORCE
16 DEVELOPMENT; AND

17 (V) DEVELOP COMPREHENSIVE TACTICAL PLANS INFORMED BY THE
18 RESOURCES AND NEEDS OF EACH REGION THAT SET TWO-YEAR GOALS AND
19 FIVE-YEAR GOALS FOR DEVELOPING MORE CAREER PATHWAYS IN
20 HIGH-NEED FIELDS IN EACH REGION INCLUDING A LANDSCAPE ANALYSIS
21 FOR EACH REGION OF THE STATE THAT IDENTIFIES REGIONAL WORKFORCE
22 NEEDS, OPPORTUNITIES, AND CHALLENGES.

23 (b) AWARD A GRANT TO ONE OR MORE REGIONAL HOSTS. THE
24 OFFICE SHALL REQUIRE THE REGIONAL HOSTS TO:

25 (I) SECURE A FACILITY TO HOST EACH REGIONAL SUMMIT;

26 (II) DETERMINE RELEVANT BUSINESS, EDUCATION, WORKFORCE,
27 AND COMMUNITY PARTNERS TO PARTICIPATE IN EACH REGIONAL SUMMIT;

1 AND

2 (III) GATHER INSIGHT FROM REGIONAL EMPLOYERS ABOUT
3 CRITICAL WORKFORCE AND TRAINING NEEDS.

4 (c) ESTABLISH A PROCESS FOR AN APPLICANT TO APPLY FOR A
5 GRANT TO FUND THE DEVELOPMENT OF REGIONAL TALENT SUMMITS,
6 WHICH APPLICATION PROCESS MUST BE COMPLETED NO LATER THAN
7 NOVEMBER 1, 2024; AND

8 (d) ESTABLISH POLICIES SETTING FORTH THE PARAMETERS AND
9 ELIGIBILITY FOR THE GRANT PROGRAM.

10 (3) TO BE ELIGIBLE FOR A GRANT, AN APPLICANT MUST, AT A
11 MINIMUM, INCLUDE WITH ITS GRANT APPLICATION:

12 (a) A DETAILED PROPOSAL AND OPERATIONS PLAN THAT MEETS
13 THE GOALS SPECIFIED IN SUBSECTION (1)(c) OF THIS SECTION; AND

14 (b) INFORMATION ABOUT HOW THE PROPOSED REGIONAL TALENT
15 SUMMIT WILL ADDRESS THE ECONOMIC DEVELOPMENT GOALS OF EACH
16 REGION.

17 (4) (a) THE OFFICE SHALL APPOINT A SELECTION COMMITTEE
18 CONSISTING OF MEMBERS WHO REPRESENT THE OFFICE, THE COLORADO
19 WORKFORCE DEVELOPMENT COUNCIL, LOCAL WORKFORCE DEVELOPMENT
20 PRACTITIONERS, LOCAL EDUCATION PROVIDERS, INSTITUTIONS OF HIGHER
21 EDUCATION, EDUCATION-RELATED COMMUNITY-BASED ORGANIZATIONS,
22 AND THE STATEWIDE CHAMBER OF COMMERCE.

23 (b) THE SELECTION COMMITTEE SHALL REVIEW GRANT
24 APPLICATIONS IN ACCORDANCE WITH THE PROCESSES AND CRITERIA
25 SPECIFIED IN AND DEVELOPED PURSUANT TO THIS SECTION AND SHALL
26 MAKE FINAL DETERMINATIONS AND AWARD GRANTS BASED ON THESE
27 PROCESSES AND CRITERIA.

1 (c) (I) THE SELECTION COMMITTEE SHALL CONSIDER REGIONAL
2 DIVERSITY, COMMUNITY ENGAGEMENT, LOCAL PARTNERSHIPS, AND EVENT
3 CAPACITY WHEN SELECTING ONE OR MORE REGIONAL HOSTS.

4 (II) MEMBERS OF THE SELECTION COMMITTEE SERVE WITHOUT
5 COMPENSATION BUT ARE ENTITLED TO REIMBURSEMENT FOR ACTUAL AND
6 NECESSARY EXPENSES INCURRED IN THE DISCHARGE OF THE MEMBERS'
7 DUTIES.

8 **24-48.5-605. Regional talent summit grant program fund.**

9 (1)(a) THERE IS CREATED IN THE STATE TREASURY THE REGIONAL TALENT
10 SUMMIT GRANT PROGRAM FUND.

11 (b) ON JULY 1, 2024, THE STATE TREASURER SHALL TRANSFER TWO
12 HUNDRED THOUSAND DOLLARS FROM THE GENERAL FUND TO THE FUND
13 FOR GRANTS TO A PROGRAM FACILITATOR AND ONE OR MORE REGIONAL
14 HOSTS.

15 (c) THE MONEY IN THE FUND IS CONTINUOUSLY APPROPRIATED TO
16 THE OFFICE FOR USE IN ACCORDANCE WITH THIS PART 6.

17 (2) THE OFFICE MAY SEEK, ACCEPT, AND EXPEND GIFTS, GRANTS,
18 OR DONATIONS FROM PRIVATE OR PUBLIC SOURCES FOR THE PURPOSES OF
19 THIS PART 6.

20 **24-48.5-606. Repeal of part.** THIS PART 6 IS REPEALED, EFFECTIVE
21 JULY 1, 2030.

22 **SECTION 6.** In Colorado Revised Statutes, 8-83-208, **add** (1)(d)
23 as follows:

24 **8-83-208. Implementation - local plans.** (1) (d) BEGINNING
25 JANUARY 1, 2026, ANY MODIFIED OR NEW LOCAL PLAN MUST
26 INCORPORATE THE TACTICAL PLANS CREATED PURSUANT TO SECTION
27 24-48.5-604 (2)(a)(V).

1 **SECTION 7.** In Colorado Revised Statutes, **add** 39-22-560 as
2 follows:

3 **39-22-560. Workforce shortage tax credit - tax preference**
4 **performance statement - report - definitions - repeal.** (1) **Tax**
5 **preference performance statement.** IN ACCORDANCE WITH SECTION
6 39-21-304 (1), WHICH REQUIRES EACH BILL THAT CREATES A NEW TAX
7 EXPENDITURE TO INCLUDE A TAX PREFERENCE PERFORMANCE STATEMENT
8 AS PART OF A STATUTORY LEGISLATIVE DECLARATION, THE GENERAL
9 ASSEMBLY FINDS AND DECLARES THAT:

10 (a) THE GENERAL LEGISLATIVE PURPOSES OF THE TAX CREDIT
11 ALLOWED BY THIS SECTION ARE:

12 (I) TO INDUCE CERTAIN DESIGNATED BEHAVIOR BY TAXPAYERS;
13 AND

14 (II) TO PROVIDE TAX RELIEF FOR CERTAIN BUSINESSES OR
15 INDIVIDUALS.

16 (b) THE SPECIFIC LEGISLATIVE PURPOSE OF THE TAX CREDIT
17 ALLOWED BY THIS SECTION IS TO ENCOURAGE WORKFORCE DEVELOPMENT
18 IN INDUSTRIES THAT ARE FACING WORKER SHORTAGES BY PROVIDING
19 FINANCIAL ASSISTANCE FOR FACILITY IMPROVEMENT AND EQUIPMENT
20 ACQUISITION COSTS ASSOCIATED WITH TRAINING PROGRAMS DESIGNED TO
21 ALLEVIATE WORKER SHORTAGES.

22 (c) THE GENERAL ASSEMBLY AND THE STATE AUDITOR SHALL
23 MEASURE THE EFFECTIVENESS OF THE TAX CREDIT IN ACHIEVING THE
24 PURPOSES SPECIFIED IN SUBSECTIONS (1)(a) AND (1)(b) OF THIS SECTION
25 BASED ON THE INFORMATION REQUIRED TO BE MAINTAINED AND REPORTED
26 BY THE OFFICE PURSUANT TO SUBSECTION (12) OF THIS SECTION.

27 (2) **Definitions.** AS USED IN THIS SECTION, UNLESS THE CONTEXT

1 OTHERWISE REQUIRES:

2 (a) "APPLICANT" MEANS A PERSON SUBJECT TO TAX PURSUANT TO
3 THIS ARTICLE 22, AN ENTITY THAT IS EXEMPT FROM TAXATION PURSUANT
4 TO SECTION 39-22-112 (1), OR A POLITICAL SUBDIVISION OF THE STATE.

5 (b) "APPLICATION" MEANS AN APPLICATION IN THE FORM AND
6 MANNER APPROVED BY THE OFFICE FOR THE TAX CREDIT ALLOWED IN THIS
7 SECTION.

8 (c) "DEPARTMENT" MEANS THE DEPARTMENT OF REVENUE.

9 (d) "FEDERAL INVESTMENTS" MEANS THE FEDERAL
10 "INFRASTRUCTURE INVESTMENT AND JOBS ACT", PUB.L. 117-58, THE
11 FEDERAL "INFLATION REDUCTION ACT OF 2022", PUB.L. 117-169, AND
12 THE FEDERAL "CHIPS AND SCIENCE ACT OF 2022", PUB.L. 117-167.

13 (e) "OFFICE" MEANS THE COLORADO OFFICE OF ECONOMIC
14 DEVELOPMENT CREATED IN SECTION 24-48.5-101.

15 (f) "POTENTIAL QUALIFIED ASSET" MEANS AN ASSET THAT MAY BE
16 A QUALIFIED ASSET UPON THE DETERMINATION OF THE OFFICE.

17 (g) "QUALIFIED APPLICANT" MEANS AN APPLICANT THAT MAKES
18 A QUALIFIED INVESTMENT TO TRAIN INDIVIDUALS IN A QUALIFIED
19 INDUSTRY AND THAT IS SELECTED PURSUANT TO SUBSECTION (5) OF THIS
20 SECTION.

21 (h) (I) "QUALIFIED ASSET" MEANS:

22 (A) LAND IN THIS STATE;

23 (B) BUILDINGS, FIXTURES, AND OTHER STRUCTURAL COMPONENTS
24 OF BUILDINGS IN THIS STATE FOR WHICH THE APPLICANT IS ALLOWED A
25 DEDUCTION FOR DEPRECIATION PURSUANT TO SECTION 167 OF THE
26 INTERNAL REVENUE CODE, INCLUDING PURCHASING OR CONSTRUCTING A
27 FACILITY, RENOVATING A FACILITY, MAKING TENANT IMPROVEMENTS, AND

1 FUNDING A CAPITAL LEASE WITH CAPITALIZED LABOR, CONSTRUCTION,
2 AND INSTALLATION COSTS;

3 (C) TANGIBLE PERSONAL PROPERTY ACQUIRED FOR USE
4 EXCLUSIVELY IN THIS STATE FOR WHICH THE APPLICANT IS ALLOWED A
5 DEDUCTION FOR DEPRECIATION PURSUANT TO SECTION 167 OF THE
6 INTERNAL REVENUE CODE; AND

7 (D) COMPUTER SOFTWARE ACQUIRED FOR USE EXCLUSIVELY IN
8 THIS STATE FOR WHICH THE APPLICANT IS ALLOWED A DEDUCTION FOR
9 DEPRECIATION UNDER SECTION 167 OF THE INTERNAL REVENUE CODE.

10 (II) FOR PURPOSES OF THIS SUBSECTION (2)(h), IF AN APPLICANT IS
11 NOT SUBJECT TO FEDERAL INCOME TAX, THE APPLICANT IS DEEMED TO BE
12 ALLOWED A DEDUCTION FOR DEPRECIATION IF SUCH A DEDUCTION WOULD
13 HAVE BEEN ALLOWED WERE THE APPLICANT SUBJECT TO FEDERAL INCOME
14 TAX.

15 (i) "QUALIFIED INDUSTRY" MEANS AN INDUSTRY AFFECTED BY
16 FEDERAL INVESTMENTS THAT HAS A DEMONSTRATED WORKFORCE
17 SHORTAGE, AS DETERMINED BY THE OFFICE AS SPECIFIED IN THE POLICIES
18 AND PROCEDURES DEVELOPED BY THE OFFICE PURSUANT TO SUBSECTION
19 (13) OF THIS SECTION.

20 (j) "QUALIFIED INVESTMENT" MEANS THE AMOUNT PAID BY A
21 QUALIFIED APPLICANT TO ACQUIRE, CONSTRUCT, RECONSTRUCT, OR ERECT
22 A QUALIFIED ASSET TO THE EXTENT THE AMOUNT PAID REFLECTS NEW
23 ACTIVITY AND TO THE EXTENT THE AMOUNT IS REQUIRED TO BE
24 CAPITALIZED PURSUANT TO THE INTERNAL REVENUE CODE OR THE
25 AMOUNT IS ALLOWED TO BE DEDUCTED UNDER SECTION 179 OF THE
26 INTERNAL REVENUE CODE.

27 (k) "SELECTION COMMITTEE" MEANS A SELECTION COMMITTEE

1 APPOINTED BY THE OFFICE CONSISTING OF MEMBERS WHO HAVE EXPERTISE
2 AND EXPERIENCE AS EMPLOYERS, IN EDUCATION, OR IN OTHER RELEVANT
3 AREAS.

4 (3) **Tax credit allowed.** (a) EXCEPT AS PROVIDED IN SUBSECTION
5 (3)(c) OF THIS SECTION, A QUALIFIED APPLICANT IS ALLOWED TO USE A TAX
6 CREDIT CERTIFICATE ISSUED BY THE OFFICE PURSUANT TO SUBSECTION (8)
7 OF THIS SECTION AGAINST THE INCOME TAXES IMPOSED BY THIS ARTICLE
8 22 IN THE INCOME TAX YEAR THAT THE QUALIFIED APPLICANT PLACES A
9 QUALIFIED ASSET IN SERVICE IN THE AMOUNT SPECIFIED ON THE TAX
10 CREDIT CERTIFICATE ISSUED BY THE OFFICE; EXCEPT THAT THE TAX CREDIT
11 CERTIFICATE MAY NOT BE USED IN AN INCOME TAX YEAR COMMENCING
12 BEFORE JANUARY 1, 2026, AND MAY NOT BE USED IN AN INCOME TAX YEAR
13 COMMENCING ON OR AFTER JANUARY 1, 2033.

14 (b) IN ORDER TO CLAIM THE TAX CREDIT ALLOWED PURSUANT TO
15 THIS SECTION, THE QUALIFIED APPLICANT MUST SUBMIT AN APPLICATION
16 AS SPECIFIED IN SUBSECTION (5) OF THIS SECTION, PLACE THE QUALIFIED
17 ASSET INTO SERVICE BEFORE JANUARY 1, 2033, OBTAIN A TAX CREDIT
18 CERTIFICATE FROM THE OFFICE AS SPECIFIED IN SUBSECTION (8) OF THIS
19 SECTION, AND, ONCE ISSUED BY THE OFFICE, FILE THE TAX CREDIT
20 CERTIFICATE WITH THE QUALIFIED APPLICANT'S INCOME TAX RETURN AS
21 SPECIFIED IN SUBSECTION (9) OF THIS SECTION.

22 (c) A TAX CREDIT IS NOT ALLOWED PURSUANT TO THIS SECTION
23 IF:

24 (I) THE AMOUNT REFUNDED PURSUANT TO SUBSECTION (10) OF
25 THIS SECTION IS USED TO SUPPLANT LOCAL, STATE, OR FEDERAL MONEY
26 THAT WOULD OTHERWISE BE APPROPRIATED; OR

27 (II) THE QUALIFIED APPLICANT EXPENDS MONEY RECEIVED FROM

1 THE STATE TO OFFSET AT LEAST HALF OF A QUALIFIED INVESTMENT, NOT
2 INCLUDING THE AMOUNT REFUNDED PURSUANT TO SUBSECTION (10) OF
3 THIS SECTION.

4 (4) **Tax credit administration.** EXCEPT AS OTHERWISE PROVIDED
5 IN SUBSECTION (7) OF THIS SECTION, THE OFFICE IS THE ADMINISTRATOR
6 OF THE TAX CREDIT ALLOWED BY THIS SECTION.

7 (5) **Application submission and review.** (a) AN APPLICANT THAT
8 INTENDS TO CLAIM A TAX CREDIT PURSUANT TO THIS SECTION SHALL
9 SUBMIT AN APPLICATION TO THE OFFICE.

10 (b) THE OFFICE SHALL ACCEPT APPLICATIONS FOR ANNUAL
11 APPLICATION PERIODS BY DEADLINES ESTABLISHED IN THE POLICIES AND
12 PROCEDURES DEVELOPED BY THE OFFICE PURSUANT TO SUBSECTION (13)
13 OF THIS SECTION; EXCEPT THAT THE OFFICE MAY ONLY RECEIVE
14 APPLICATIONS BETWEEN JANUARY 1, 2025, AND DECEMBER 31, 2029.

15 (c) THE OFFICE SHALL REVIEW ALL SUBMITTED APPLICATIONS TO
16 DETERMINE WHETHER:

17 (I) THE APPLICANT IS A QUALIFIED APPLICANT; AND

18 (II) THE APPLICATION IS COMPLETE AND INCLUDES A DESCRIPTION
19 OF A POTENTIAL QUALIFIED ASSET AND THE ESTIMATED QUALIFIED
20 INVESTMENT.

21 (d) IF THE OFFICE DETERMINES THAT THE APPLICATION IS
22 COMPLETE AND IN COMPLIANCE, THE OFFICE SHALL ADD THE APPLICATION
23 TO AN EVALUATION POOL FOR THE APPLICATION PERIOD. WITHIN A
24 REASONABLE PERIOD AFTER THE END OF THE APPLICATION PERIOD, THE
25 OFFICE SHALL FORWARD THE EVALUATION POOL TO THE SELECTION
26 COMMITTEE FOR THE MERIT-BASED REVIEW DESCRIBED IN SUBSECTION (7)
27 OF THIS SECTION.

1 (e) IF THE OFFICE DETERMINES THAT THE APPLICATION IS
2 INCOMPLETE OR THAT IT DOES NOT COMPLY WITH THE REQUIREMENTS OF
3 THIS SECTION OR THE POLICIES AND PROCEDURES DEVELOPED BY THE
4 OFFICE PURSUANT TO SUBSECTION (13) OF THIS SECTION, THE OFFICE
5 SHALL REMOVE THE APPLICATION FROM THE REVIEW PROCESS AND NOTIFY
6 THE APPLICANT IN WRITING OF ITS DECISION. AN APPLICANT MAY
7 RESUBMIT A DISAPPROVED APPLICATION TO BE EVALUATED IN A FUTURE
8 APPLICATION PERIOD.

9 **(6) Application and issuance fees.** (a) (I) FOR AN APPLICATION
10 FOR WHICH THE AMOUNT OF THE TAX CREDIT REQUESTED BY AN
11 APPLICANT PURSUANT TO THIS SECTION IS TWO HUNDRED FIFTY THOUSAND
12 DOLLARS OR MORE, THE OFFICE MAY IMPOSE A REASONABLE APPLICATION
13 FEE ON AN APPLICANT THAT DOES NOT EXCEED FIVE HUNDRED DOLLARS.

14 (II) FOR AN APPLICATION FOR WHICH THE AMOUNT OF THE TAX
15 CREDIT REQUESTED BY AN APPLICANT PURSUANT TO THIS SECTION IS LESS
16 THAN TWO HUNDRED FIFTY THOUSAND DOLLARS, THE OFFICE MAY IMPOSE
17 A REASONABLE APPLICATION FEE ON AN APPLICANT THAT DOES NOT
18 EXCEED TWO HUNDRED DOLLARS.

19 (b) THE OFFICE MAY IMPOSE ON A QUALIFIED APPLICANT A
20 REASONABLE ISSUANCE FEE OF UP TO THREE PERCENT OF THE AMOUNT OF
21 THE TAX CREDIT SPECIFIED ON THE TAX CREDIT CERTIFICATE ISSUED BY
22 THE OFFICE AS SPECIFIED IN SUBSECTION (8) OF THIS SECTION, WHICH MUST
23 BE PAID BEFORE THE TAX CREDIT CERTIFICATE IS ISSUED TO THE QUALIFIED
24 APPLICANT.

25 (c) ANY FEE REVENUE COLLECTED PURSUANT TO THIS SUBSECTION
26 (6) MUST BE APPLIED TO THE ADMINISTRATION OF THE TAX CREDIT
27 CREATED BY THIS SECTION.

1 **(7) Merit-based review and tax credit reservation.** (a) (I) FOR
2 EACH APPLICATION PERIOD, THE SELECTION COMMITTEE SHALL CONDUCT
3 A MERIT-BASED REVIEW OF THE APPLICATIONS THAT HAVE BEEN PLACED
4 IN THE EVALUATION POOL PURSUANT TO SUBSECTION (5)(d) OF THIS
5 SECTION. THE SELECTION COMMITTEE SHALL COMPLETE ITS REVIEW AND
6 AWARD RESERVATIONS WITHIN A REASONABLE PERIOD AFTER THE END OF
7 THE APPLICATION PERIOD, NOT TO EXCEED NINETY DAYS.

8 (II) EXCEPT AS PROVIDED IN SUBSECTION (7)(a)(IV) OF THIS
9 SECTION, BASED UPON THE TOTALITY OF THE FACTORS SET FORTH IN
10 SUBSECTION (7)(c) OF THIS SECTION, THE SELECTION COMMITTEE MAY
11 RESERVE FOR THE BENEFIT OF A QUALIFIED APPLICANT A TAX CREDIT IN AN
12 AMOUNT TO BE DETERMINED BY THE SELECTION COMMITTEE NOT TO
13 EXCEED FIFTY PERCENT OF THE ESTIMATED QUALIFIED INVESTMENT;
14 EXCEPT THAT THE AGGREGATE AMOUNT OF TAX CREDITS RESERVED FOR
15 ALL QUALIFIED APPLICANTS IN AN ANNUAL APPLICATION PERIOD MAY NOT
16 EXCEED FIFTEEN MILLION DOLLARS.

17 (III) THE SELECTION COMMITTEE MAY RESERVE TAX CREDITS TO
18 BE USED BY A QUALIFIED APPLICANT FOR INCOME TAX YEARS
19 COMMENCING ON OR AFTER JANUARY 1, 2026, BUT BEFORE JANUARY 1,
20 2033, BASED UPON THE ANTICIPATED DATE THE QUALIFIED ASSET IS
21 PLACED INTO SERVICE.

22 (IV) IF THE **SEPTEMBER 2025** REVENUE FORECAST, AND EACH
23 **SEPTEMBER** REVENUE FORECAST THROUGH THE **SEPTEMBER 2028**
24 REVENUE FORECAST AS PREPARED BY EITHER LEGISLATIVE COUNCIL STAFF
25 OR THE OFFICE OF STATE PLANNING AND BUDGETING, PROJECTS THAT
26 STATE REVENUES, AS DEFINED IN SECTION 24-77-201 (4), WILL NOT
27 INCREASE BY AT LEAST FOUR **PERCENT FOR THE CURRENT FISCAL YEAR,**

1 THE AGGREGATE AMOUNT OF TAX CREDITS RESERVED FOR ALL QUALIFIED
2 APPLICANTS IN THE APPLICATION PERIOD COMMENCING IN THE CALENDAR
3 YEAR THAT BEGINS DURING THE CURRENT FISCAL YEAR IS REDUCED BY
4 FIFTY PERCENT; EXCEPT THAT IF THE AMOUNT OF A REDUCED TAX CREDIT
5 RESERVATION IS EQUAL TO OR LESS THAN FIVE HUNDRED DOLLARS, THEN
6 THE SELECTION COMMITTEE SHALL NOT ISSUE A TAX CREDIT RESERVATION.

7 (b) (I) IF THE SELECTION COMMITTEE RESERVES TAX CREDITS FOR
8 THE BENEFIT OF A QUALIFIED APPLICANT UNDER SUBSECTION (7)(a) OF
9 THIS SECTION, THE SELECTION COMMITTEE SHALL NOTIFY THE OFFICE OF
10 THE RESERVATION AND THE AMOUNT OF TAX CREDITS RESERVED. THE
11 OFFICE SHALL NOTIFY THE QUALIFIED APPLICANT OF THE TAX CREDIT
12 RESERVATION. THE RESERVATION OF A TAX CREDIT DOES NOT ENTITLE THE
13 QUALIFIED APPLICANT TO AN ISSUANCE OF A TAX CREDIT CERTIFICATE
14 UNTIL THE QUALIFIED APPLICANT COMPLIES WITH ALL THE REQUIREMENTS
15 SPECIFIED IN THIS SECTION, BY THE SELECTION COMMITTEE, OR BY THE
16 OFFICE, FOR THE ISSUANCE OF A TAX CREDIT CERTIFICATE PURSUANT TO
17 SUBSECTION (8) OF THIS SECTION.

18 (II) THE OFFICE SHALL NOTIFY ANY QUALIFIED APPLICANT IN
19 WRITING FOR WHICH THE SELECTION COMMITTEE RESERVED NO TAX
20 CREDIT UNDER SUBSECTION (7)(a) OF THIS SECTION.

21 (c) (I) IN CONDUCTING THE MERIT-BASED REVIEW PURSUANT TO
22 SUBSECTION (7)(a) OF THIS SECTION, THE SELECTION COMMITTEE SHALL
23 CONSIDER THE FACTORS SET FORTH IN THIS SUBSECTION (7)(c) IN
24 ADDITION TO ANY OTHER FACTORS THE SELECTION COMMITTEE MAY
25 REQUEST THE OFFICE TO INCLUDE IN ITS POLICIES AND PROCEDURES
26 DEVELOPED PURSUANT TO SUBSECTION (13) OF THIS SECTION. THE
27 SELECTION COMMITTEE MAY WEIGH THE FACTORS EQUALLY OR

1 DIFFERENTLY.

2 (II) THE SELECTION COMMITTEE SHALL CONSIDER:

3 (A) WHETHER THE QUALIFIED APPLICANT'S QUALIFIED
4 INVESTMENT WILL INFLUENCE COMPETITIVENESS IN A QUALIFIED
5 INDUSTRY;

6 (B) WHETHER THE QUALIFIED APPLICANT'S QUALIFIED
7 INVESTMENT WILL RESULT IN INCREASED JOB PLACEMENTS IN QUALIFIED
8 INDUSTRIES OR INCREASED JOB PLACEMENTS WITH A LIVING WAGE IN
9 QUALIFIED INDUSTRIES;

10 (C) THE TYPE, SCOPE, AND QUALITY OF THE QUALIFIED
11 APPLICANT'S QUALIFIED ASSET AND THE RESULTING TRAINING OF
12 INDIVIDUALS IN A QUALIFIED INDUSTRY; AND

13 (D) WHETHER THE QUALIFIED APPLICANT'S QUALIFIED
14 INVESTMENT WILL RESULT IN INCREASED TRAINING AND WORKFORCE
15 DEVELOPMENT IN A QUALIFIED INDUSTRY.

16 (d) THE SELECTION COMMITTEE MAY IMPOSE ADDITIONAL
17 REQUIREMENTS ON THE QUALIFIED APPLICANT AS A CONDITION OF
18 AWARDING THE TAX CREDIT RESERVATION PURSUANT TO THIS SUBSECTION
19 (7).

20 (8) **Proof of compliance - audit of eligible expenditure**
21 **certification - issuance of tax credit certificate.** AFTER A QUALIFIED
22 APPLICANT PLACES A POTENTIAL QUALIFIED ASSET IN SERVICE, THE
23 QUALIFIED APPLICANT SHALL NOTIFY THE OFFICE THAT THE POTENTIAL
24 QUALIFIED ASSET HAS BEEN PLACED IN SERVICE AND SHALL CERTIFY THE
25 QUALIFIED INVESTMENT, AFTER WHICH THE OFFICE SHALL MAKE A FINAL
26 DETERMINATION WHETHER THE POTENTIAL QUALIFIED ASSET IS A
27 QUALIFIED ASSET. THE QUALIFIED APPLICANT SHALL INCLUDE A REVIEW

1 OF THE CERTIFICATION BY A LICENSED CERTIFIED PUBLIC ACCOUNTANT
2 THAT IS NOT AFFILIATED WITH THE QUALIFIED APPLICANT AND THAT
3 ALIGNS WITH OFFICE POLICIES FOR CERTIFICATION OF A QUALIFIED
4 INVESTMENT. THE QUALIFIED APPLICANT SHALL ALSO CERTIFY AND
5 PROVIDE DOCUMENTS DEMONSTRATING THAT THE QUALIFIED APPLICANT
6 SATISFIED ANY ADDITIONAL REQUIREMENTS IMPOSED BY THE SELECTION
7 COMMITTEE PURSUANT TO SUBSECTION (7) OF THIS SECTION. WITHIN A
8 REASONABLE TIME AFTER RECEIPT OF SUCH DOCUMENTATION FROM THE
9 QUALIFIED APPLICANT, THE OFFICE SHALL REVIEW THE QUALIFIED
10 APPLICANT'S DOCUMENTATION OF CERTIFIED QUALIFIED INVESTMENT,
11 DETERMINE WHETHER THE DOCUMENTATION SATISFIES THE
12 REQUIREMENTS OF THE OFFICE, AND, IF THE OFFICE DETERMINES THAT THE
13 DOCUMENTATION SATISFIES THE REQUIREMENTS OF THE OFFICE, THE
14 OFFICE SHALL ISSUE A TAX CREDIT CERTIFICATE IN THE AMOUNT SPECIFIED
15 IN THE TAX CREDIT RESERVATION, NOT TO EXCEED FIFTY PERCENT OF THE
16 CERTIFIED QUALIFIED INVESTMENT, ISSUED TO THE QUALIFIED APPLICANT
17 PURSUANT TO SUBSECTION (7) OF THIS SECTION; EXCEPT THAT A TAX
18 CREDIT CERTIFICATE MAY NOT BE ISSUED FOR AN INCOME TAX YEAR
19 COMMENCING BEFORE JANUARY 1, 2026, OR FOR AN INCOME TAX YEAR
20 COMMENCING ON OR AFTER JANUARY 1, 2033.

21 (9) **Filing tax credit certificate with income tax return.** (a) IN
22 ORDER TO CLAIM THE TAX CREDIT AUTHORIZED BY THIS SECTION, A
23 QUALIFIED APPLICANT SHALL FILE THE TAX CREDIT CERTIFICATE ISSUED BY
24 THE OFFICE PURSUANT TO SUBSECTION (8) OF THIS SECTION WITH THE
25 QUALIFIED APPLICANT'S STATE INCOME TAX RETURN. IF THE QUALIFIED
26 APPLICANT IS A POLITICAL SUBDIVISION OF THE STATE OR IS EXEMPT FROM
27 TAX PURSUANT TO SECTION 39-22-112 (1), THE QUALIFIED APPLICANT

1 SHALL FILE A RETURN PURSUANT TO SECTION 39-22-601 (7)(b). THE
2 AMOUNT OF THE TAX CREDIT THAT A QUALIFIED APPLICANT MAY CLAIM
3 PURSUANT TO THIS SECTION IS THE AMOUNT STATED ON THE TAX CREDIT
4 CERTIFICATE.

5 (b) A TAX CREDIT CERTIFICATE ISSUED TO A PARTNERSHIP, A
6 LIMITED LIABILITY COMPANY TAXED AS A PARTNERSHIP, OR MULTIPLE
7 OWNERS OF A PROPERTY MUST BE PASSED THROUGH TO THE PARTNERS,
8 MEMBERS, OR OWNERS, INCLUDING ANY NONPROFIT ENTITY THAT IS A
9 PARTNER, MEMBER, OR OWNER, RESPECTIVELY, ON A PRO RATA BASIS OR
10 PURSUANT TO AN EXECUTED AGREEMENT AMONG THE PARTNERS,
11 MEMBERS, OR OWNERS DOCUMENTING AN ALTERNATE DISTRIBUTION
12 METHOD.

13 (10) **Refundability.** IF THE AMOUNT OF THE TAX CREDIT ALLOWED
14 PURSUANT TO THIS SECTION EXCEEDS THE AMOUNT OF INCOME TAXES
15 OTHERWISE DUE ON THE INCOME OF THE QUALIFIED APPLICANT IN THE
16 INCOME TAX YEAR FOR WHICH THE TAX CREDIT IS BEING CLAIMED, OR THE
17 QUALIFIED APPLICANT IS A POLITICAL SUBDIVISION OF THE STATE OR A
18 PERSON WHO IS EXEMPT FROM TAXATION PURSUANT TO SECTION
19 39-22-112 (1), THE AMOUNT OF THE TAX CREDIT NOT USED AS AN OFFSET
20 AGAINST INCOME TAXES IN THE INCOME TAX YEAR IS REFUNDED TO THE
21 QUALIFIED APPLICANT.

22 (11) **Compliance monitoring and recapture.** (a) EXCEPT AS
23 PROVIDED IN SUBSECTION (11)(b) OF THIS SECTION, IF, AS OF THE LAST
24 DAY OF ANY TAXABLE YEAR DURING THE COMPLIANCE PERIOD, THE
25 EQUIPMENT, BUILDING, STRUCTURE, OR FACILITY THAT WAS DEEMED A
26 QUALIFIED ASSET IS NOT BEING USED AS A QUALIFIED ASSET, THE OFFICE
27 SHALL NOTIFY THE QUALIFIED APPLICANT AND THE DEPARTMENT THAT

1 THE TAX CREDIT ALLOWED IN THIS SECTION IS DISALLOWED. THE
2 QUALIFIED APPLICANT SHALL ADD THE FULL AMOUNT OF THE TAX CREDIT
3 THAT WAS ACTUALLY USED TO OFFSET THE QUALIFIED APPLICANT'S
4 INCOME TAX OR REFUNDED TO THE QUALIFIED APPLICANT TO ITS RETURN
5 AS A RECAPTURED TAX CREDIT FOR THE TAXABLE YEAR IN WHICH THE TAX
6 CREDIT IS DISALLOWED PURSUANT TO THIS SUBSECTION (11).

7 (b) THE POTENTIAL INCREASE IN TAX REQUIRED PURSUANT TO
8 SUBSECTION (11)(a) OF THIS SECTION DOES NOT APPLY:

9 (I) IF A BUILDING, STRUCTURE, OR FACILITY IS NOT A QUALIFIED
10 ASSET AS A RESULT OF A CASUALTY LOSS IF THE LOSS IS RESTORED BY
11 RECONSTRUCTION OR REPLACEMENT WITHIN A REASONABLE PERIOD
12 ESTABLISHED BY THE OFFICE; ■

13 (II) SOLELY BY REASON OF THE DISPOSITION OF A BUILDING,
14 STRUCTURE, OR FACILITY, OR AN INTEREST THEREIN, IF IT IS REASONABLY
15 EXPECTED THAT THE BUILDING, STRUCTURE, OR FACILITY WILL CONTINUE
16 TO BE OPERATED AS A QUALIFIED ASSET FOR THE REMAINDER OF THE
17 COMPLIANCE PERIOD; OR

18 (III) IF A QUALIFYING ASSET IS REPLACED OR UPGRADED IN THE
19 NORMAL COURSE OF ITS USE.

20 (c) (I) THE OFFICE SHALL ESTABLISH REPORTING REQUIREMENTS
21 TO MONITOR COMPLIANCE WITH THIS SUBSECTION (11) THAT SHALL
22 INCLUDE:

23 (A) A DISPOSITION OF A QUALIFIED ASSET BY THE QUALIFIED
24 APPLICANT;

25 (B) THE NUMBER OF ANNUAL TRAINEES WHO HAVE USED A
26 QUALIFIED ASSET;

27 (C) THE GEOGRAPHIC DISTRIBUTION OF TRAINEES WHO HAVE USED

1 A QUALIFIED ASSET;

2 (D) DEMOGRAPHIC INFORMATION ABOUT THE TRAINEES WHO HAVE
3 USED A QUALIFIED ASSET;

4 (E) THE LOCATION AND DISPOSITION OF ASSETS DISPLACED BY A
5 QUALIFIED ASSET, IF ANY; AND

6 (F) TO THE EXTENT A QUALIFIED ASSET IS USED TO EXPAND OR
7 CREATE A TRAINING FACILITY, AN ASSESSMENT OF TRAINING CAPACITY
8 PRIOR TO IMPLEMENTATION OF THE QUALIFIED ASSET.

9 (II) IF A DISPUTE ARISES ABOUT WHETHER A POTENTIAL QUALIFIED
10 ASSET IS A QUALIFIED ASSET, THE OFFICE SHALL ADJUDICATE THE DISPUTE
11 AND NOTIFY THE DEPARTMENT OF THE RESOLUTION.

12 (III) NOTWITHSTANDING SECTION 39-21-107 (2), IF A QUALIFIED
13 ASSET IS DISPOSED OF DURING ANY TAXABLE YEAR DURING THE
14 COMPLIANCE PERIOD, AND THEREAFTER THE ASSET IS NOT A QUALIFIED
15 ASSET:

16 (A) THE QUALIFIED APPLICANT SHALL ADD THE FULL AMOUNT OF
17 THE TAX CREDIT TO ITS RETURN AS A RECAPTURED TAX CREDIT FOR THE
18 TAXABLE YEAR IN WHICH THE TAX CREDIT IS DISALLOWED PURSUANT TO
19 THIS SUBSECTION (11) NOTWITHSTANDING THE DISPOSITION OF THE
20 QUALIFIED ASSET;

21 (B) THE STATUTORY PERIOD FOR THE ASSESSMENT OF ANY
22 DEFICIENCY WITH RESPECT TO THE DISALLOWED TAX CREDIT MUST NOT
23 EXPIRE BEFORE THE EXPIRATION OF THREE YEARS FROM THE DATE THE
24 OFFICE IS NOTIFIED, IN SUCH A MANNER AS THE OFFICE DETERMINES, THAT
25 THE STRUCTURE IS NOT A QUALIFIED ASSET; AND

26 (C) THE DEPARTMENT SHALL ASSESS ANY DEFICIENCY BEFORE THE
27 EXPIRATION OF SUCH THREE-YEAR PERIOD TOGETHER WITH ANY

1 APPLICABLE INTEREST AND PENALTY IMPOSED PURSUANT TO THIS ARTICLE
2 22.

3 (d) AS USED IN THIS SUBSECTION (11), UNLESS THE CONTEXT
4 OTHERWISE REQUIRES, "COMPLIANCE PERIOD" MEANS THE PERIOD OF
5 FIFTEEN YEARS FOLLOWING THE TAXABLE YEAR IN WHICH THE QUALIFIED
6 APPLICANT PLACED THE QUALIFIED ASSET IN SERVICE.

7 (12) **Reporting.** (a) NO LATER THAN DECEMBER 31, 2025, AND,
8 NOTWITHSTANDING THE REQUIREMENT IN SECTION 24-1-136 (11)(a)(I), NO
9 LATER THAN DECEMBER 31 OF EACH YEAR THEREAFTER THROUGH 2033,
10 THE OFFICE SHALL PROVIDE A WRITTEN REPORT TO THE GENERAL
11 ASSEMBLY AND SHALL FURTHER MAKE THE REPORT AVAILABLE TO THE
12 PUBLIC. IN CONNECTION WITH TAX CREDITS ISSUED PURSUANT TO THIS
13 SECTION, THE REPORT MUST INCLUDE:

14 (I) THE NUMBER OF QUALIFIED ASSETS PLACED IN SERVICE;

15 (II) A DESCRIPTION OF THE USE OR USES OF EACH QUALIFIED ASSET
16 AND A STATEWIDE SUMMARY OF THE NUMBER OF QUALIFIED ASSETS FOR
17 EACH USE; AND

18 (III) THE AMOUNT OF ANY DISALLOWED TAX CREDIT RECAPTURED
19 PURSUANT TO SUBSECTION (11) OF THIS SECTION.

20 (b) THE OFFICE SHALL, IN A SUFFICIENTLY TIMELY MANNER TO
21 ALLOW THE DEPARTMENT TO PROCESS RETURNS CLAIMING THE INCOME
22 TAX CREDIT ALLOWED IN THIS SECTION, PROVIDE THE DEPARTMENT WITH
23 AN ELECTRONIC REPORT OF EACH QUALIFIED APPLICANT TO WHICH THE
24 OFFICE ISSUES A TAX CREDIT CERTIFICATE FOR THE PRECEDING TAX YEAR
25 THAT INCLUDES THE FOLLOWING INFORMATION:

26 (I) THE QUALIFIED APPLICANT'S NAME;

27 (II) THE AMOUNT OF THE TAX CREDIT; AND

1 (III) THE QUALIFIED APPLICANT'S SOCIAL SECURITY NUMBER OR
2 THE QUALIFIED APPLICANT'S COLORADO ACCOUNT NUMBER AND FEDERAL
3 EMPLOYER IDENTIFICATION NUMBER.

4 (c) THE OFFICE, THE OFFICE OF THE STATE AUDITOR, OR THE OFFICE
5 OF THE STATE CONTROLLER MAY REVIEW THE QUALIFIED APPLICANT'S
6 FINANCES, EXPENSES, EQUIPMENT, EMPLOYMENT, AND TRAINING
7 DOCUMENTATION RELATING TO A QUALIFIED INVESTMENT IN A QUALIFIED
8 ASSET.

9 (13) **Policies and procedures.** (a) THE OFFICE MAY CREATE AND
10 MODIFY POLICIES, PROCEDURES, AND GUIDELINES AS NECESSARY TO
11 FURTHER ADMINISTER THE TAX CREDITS ALLOWED PURSUANT TO THIS
12 SECTION AND SHALL SOLICIT ADVICE FROM THE DEPARTMENT IN CREATING
13 AND MODIFYING SUCH POLICIES, PROCEDURES, AND GUIDELINES.

14 (b) THE OFFICE SHALL DEVELOP STANDARDS FOR DETERMINING
15 WHICH INDUSTRIES ARE INCLUDED AS A QUALIFIED INDUSTRY FOR WHICH
16 A TAX CREDIT UNDER THIS SECTION IS ALLOWED TO A QUALIFIED
17 APPLICANT.

18 (c) ANY STANDARDS DEVELOPED BY THE OFFICE PURSUANT TO
19 THIS SUBSECTION (13) MUST BE POSTED ON THE OFFICE'S WEBSITE. THE
20 OFFICE MAY ANNUALLY REVIEW AND UPDATE AS NECESSARY STANDARDS
21 DEVELOPED PURSUANT TO THIS SUBSECTION (13).

22 (d) THE OFFICE SHALL DETERMINE THE ANNUAL APPLICATION
23 PERIOD.

24 (14) **Workforce development tax credit program cash fund.**

25 (a) THE WORKFORCE DEVELOPMENT TAX CREDIT PROGRAM CASH FUND IS
26 CREATED IN THE STATE TREASURY. THE FUND CONSISTS OF GIFTS, GRANTS,
27 DONATIONS, AND FEE REVENUE CREDITED TO THE FUND PURSUANT TO

1 SUBSECTION (6) OF THIS SECTION AND ANY OTHER MONEY THAT THE
2 GENERAL ASSEMBLY MAY APPROPRIATE, TRANSFER, OR REQUIRE BY LAW
3 TO BE CREDITED TO THE FUND.

4 (b) THE STATE TREASURER SHALL CREDIT ALL INTEREST AND
5 INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE
6 WORKFORCE DEVELOPMENT TAX CREDIT PROGRAM CASH FUND TO THE
7 FUND.

8 (c) MONEY IN THE FUND IS CONTINUOUSLY APPROPRIATED TO THE
9 OFFICE FOR THE PURPOSE OF ADMINISTERING THE TAX CREDIT ISSUED
10 PURSUANT TO THIS SECTION.

11 (d) THE STATE TREASURER SHALL TRANSFER ALL UNEXPENDED
12 AND UNENCUMBERED MONEY IN THE FUND ON DECEMBER 31, 2050, TO
13 THE GENERAL FUND.

14 (15) **Repeal.** THIS SECTION IS REPEALED, EFFECTIVE DECEMBER
15 31, 2050.

16 **SECTION 8.** In Colorado Revised Statutes, 24-75-402, **add**
17 (5)(eee) as follows:

18 **24-75-402. Cash funds - limit on uncommitted reserves -**
19 **reduction in the amount of fees - exclusions - definitions.**

20 (5) Notwithstanding any provision of this section to the contrary, the
21 following cash funds are excluded from the limitations specified in this
22 section:

23 (eee) THE WORKFORCE DEVELOPMENT TAX CREDIT PROGRAM CASH
24 FUND CREATED IN SECTION 39-22-560 (14).

25 **SECTION 9.** In Colorado Revised Statutes, 39-22-601, **amend**
26 (7)(b) as follows:

27 **39-22-601. Returns - repeal.** (7) (b) The executive director may

1 require a person or organization NOT SUBJECT TO TAX UNDER THIS
2 ARTICLE 22 OR A PERSON OR ORGANIZATION exempt from taxes pursuant
3 to section 39-22-112 to make and file a return containing such
4 information as the executive director may prescribe to claim a credit
5 allowed under this article 22 even if the person or organization does not
6 have unrelated business income.

7 **SECTION 10. Appropriation.** For the 2024-25 state fiscal year,
8 \$109,603 is appropriated to the office of the governor for use by the
9 economic development programs. This appropriation is from the general
10 fund and is based on an assumption that the office will require an
11 additional 0.8 FTE. To implement this act, the office may use this
12 appropriation for opportunity now grant administration.

13 **SECTION 11. Act subject to petition - effective date.** This act
14 takes effect at 12:01 a.m. on the day following the expiration of the
15 ninety-day period after final adjournment of the general assembly; except
16 that, if a referendum petition is filed pursuant to section 1 (3) of article V
17 of the state constitution against this act or an item, section, or part of this
18 act within such period, then the act, item, section, or part will not take
19 effect unless approved by the people at the general election to be held in
20 November 2024 and, in such case, will take effect on the date of the
21 official declaration of the vote thereon by the governor.