

Second Regular Session  
Seventy-fourth General Assembly  
STATE OF COLORADO

**REENGROSSED**

*This Version Includes All Amendments  
Adopted in the House of Introduction*

LLS NO. 24-1086.01 Nicole Myers x4326

**SENATE BILL 24-224**

**SENATE SPONSORSHIP**

**Bridges and Kirkmeyer, Zenzinger, Baisley, Priola, Rich, Smallwood**

**HOUSE SPONSORSHIP**

**Bird and Taggart, Sirota**

**Senate Committees**  
Appropriations

**House Committees**

**A BILL FOR AN ACT**

101 **CONCERNING MECHANISMS TO MANAGE TECHNOLOGY LIFE-CYCLE**  
102 **COSTS.**

**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.** On or before December 31, 2024, the governor's office of information technology (office) is required to promulgate rules that define technology debt. In defining technology debt, the office may describe technology debt as an information technology system or asset characterized by information security risk, infrastructure risk, operating cost misalignment, productivity cost misalignment, or

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  
3rd Reading Unamended  
May 2, 2024

SENATE  
Amended 2nd Reading  
May 1, 2024

talent depreciation.

For every appropriation for an information technology capital project in the information technology capital section of the annual general appropriation act for the 2025-26 state fiscal year and each state fiscal year thereafter, the bill requires the general assembly to set aside additional funding for information technology annual depreciation-lease equivalent payments.

On or before November 1, 2025, and on or before November 1 of each year thereafter, the office is required to submit a report to the joint budget committee and the joint technology committee that provides an estimate of the state's technology debt, as defined by rules promulgated by the office pursuant to the bill.

For each cash fund from which money is appropriated for an information technology capital project, the principal department responsible for the accounting related to the fund is required to identify in the fund balance report an information technology capital reserve, which consists of an amount equal to the depreciation of the depreciable components of the information technology capital project, based on the depreciation period.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add 24-37.5-124 and**  
3 **24-37.5-125** as follows:

4 **24-37.5-124. Promulgation of rules - technology life-cycle**  
5 **management plan.** ON OR BEFORE DECEMBER 31, 2024, THE OFFICE  
6 SHALL PROMULGATE RULES IN ACCORDANCE WITH ARTICLE 4 OF THIS TITLE  
7 TO ESTABLISH A TECHNOLOGY LIFE-CYCLE PLAN. THE RULES MAY  
8 CONSIDER INFORMATION SECURITY RISK, INFRASTRUCTURE RISK,  
9 OPERATING COST MISALIGNMENT, PRODUCTIVITY COST MISALIGNMENT, OR  
10 TALENT DEPRECIATION IN CONNECTION WITH AN INFORMATION  
11 TECHNOLOGY SYSTEM OR ASSET.

12 **24-37.5-125. Funding for technology life-cycle costs -**  
13 **information technology annual depreciation-lease equivalent**  
14 **payments - fiscal impact analysis - definitions.** (1) AS USED IN THIS

1 SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:

2 (a) "APPROPRIATION" MEANS AN APPROPRIATION FROM THE  
3 INFORMATION TECHNOLOGY CAPITAL ACCOUNT IN THE CAPITAL  
4 CONSTRUCTION FUND TO ANY STATE AGENCY FOR AN INFORMATION  
5 TECHNOLOGY CAPITAL PROJECT IN THE CAPITAL CONSTRUCTION SECTION  
6 OF THE ANNUAL GENERAL APPROPRIATION ACT.

7 (b) "CAPITAL CONSTRUCTION FUND" MEANS THE CAPITAL  
8 CONSTRUCTION FUND CREATED IN SECTION 24-75-302.

9 (c) "DEPRECIATION OR AMORTIZATION" MEANS AN AMOUNT  
10 CALCULATED AND RECORDED IN ACCORDANCE WITH GENERALLY  
11 ACCEPTED ACCOUNTING PRINCIPLES.

12 (d) "DEPRECIATION OR AMORTIZATION PERIOD" MEANS A PERIOD  
13 DETERMINED IN FISCAL PROCEDURES ISSUED BY THE STATE CONTROLLER  
14 OR THE STATE INSTITUTION OF HIGHER EDUCATION.

15 (e) "INFORMATION TECHNOLOGY ANNUAL DEPRECIATION-LEASE  
16 EQUIVALENT PAYMENT" MEANS AN AMOUNT EQUIVALENT TO THE  
17 RECORDED DEPRECIATION OR AMORTIZATION OF THE INFORMATION  
18 TECHNOLOGY ASSET ACQUIRED, REPAIRED, IMPROVED, REPLACED,  
19 RENOVATED, OR CONSTRUCTED WITH AN APPROPRIATION FROM THE  
20 INFORMATION TECHNOLOGY CAPITAL ACCOUNT IN THE CAPITAL  
21 CONSTRUCTION FUND BASED ON THE DEPRECIATION PERIOD, AS  
22 CALCULATED BY THE STATE AGENCY OR THE STATE INSTITUTION OF  
23 HIGHER EDUCATION, WHICH CALCULATION A STATE INSTITUTION OF  
24 HIGHER EDUCATION SHALL REPORT TO THE DEPARTMENT OF HIGHER  
25 EDUCATION. THE AMOUNT IS CALCULATED FROM THE DATE OF  
26 ACQUISITION OR THE DATE OF COMPLETION OF THE REPAIR, IMPROVEMENT,  
27 REPLACEMENT, RENOVATION, OR CONSTRUCTION TO JUNE 30 OF THE

1 FISCAL YEAR OF ACQUISITION OR COMPLETION. THE AMOUNT CONTINUES  
2 TO BE ANNUALLY CALCULATED ON A FISCAL YEAR BASIS UNTIL THE  
3 DEPRECIATION FOR THE INFORMATION TECHNOLOGY ASSET IS NO LONGER  
4 RECORDED.

5 (f) "PROJECT COST" MEANS THE DEPRECIABLE COMPONENTS OF  
6 THE TOTAL PROJECT COST AS REFLECTED IN THE APPROPRIATION; EXCEPT  
7 THAT, IF THE PROJECT IS FINANCED, THE TOTAL PROJECT COST DOES NOT  
8 INCLUDE ANY FINANCING COSTS.

9 (g) "STATE AGENCY" MEANS ANY DEPARTMENT, COMMISSION,  
10 COUNCIL, BOARD, BUREAU, COMMITTEE, INSTITUTION OF HIGHER  
11 EDUCATION, AGENCY, OR OTHER GOVERNMENTAL UNIT OF THE EXECUTIVE,  
12 LEGISLATIVE, OR JUDICIAL BRANCH OF STATE GOVERNMENT THAT  
13 RECEIVES AN APPROPRIATION OR IS OTHERWISE INCLUDED IN THE ANNUAL  
14 GENERAL APPROPRIATION ACT OR THE ANNUAL LEGISLATIVE  
15 APPROPRIATION ACT.

16 (h) "TECHNOLOGY RISK PREVENTION AND RESPONSE FUND" MEANS  
17 THE TECHNOLOGY RISK PREVENTION AND RESPONSE FUND CREATED IN  
18 SECTION 24-37.5-120 (2).

19 (2) FOR EVERY INITIAL APPROPRIATION FOR AN INFORMATION  
20 TECHNOLOGY CAPITAL PROJECT IN THE CAPITAL CONSTRUCTION SECTION  
21 OF THE 2025-26 ANNUAL GENERAL APPROPRIATION ACT AND EVERY  
22 APPROPRIATION FOR AN INFORMATION TECHNOLOGY CAPITAL PROJECT IN  
23 THE CAPITAL CONSTRUCTION SECTION OF EACH ANNUAL GENERAL  
24 APPROPRIATION ACT THEREAFTER, ADDITIONAL FUNDING MUST BE SET  
25 ASIDE AS FOLLOWS:

26 (a) IF THE FUNDING SOURCE FOR THE APPROPRIATION IS FROM A  
27 CASH FUND, THE STATE AGENCY SHALL ANNUALLY CALCULATE AN

1 AMOUNT EQUAL TO THE RECORDED DEPRECIATION OF THE INFORMATION  
2 TECHNOLOGY ASSETS ACQUIRED, REPAIRED, IMPROVED, REPLACED,  
3 RENOVATED, OR CONSTRUCTED WITH THE APPROPRIATION BASED ON THE  
4 DEPRECIATION PERIOD, THE GENERAL ASSEMBLY SHALL INCLUDE AN  
5 INFORMATION TECHNOLOGY ANNUAL DEPRECIATION-LEASE EQUIVALENT  
6 PAYMENT LINE ITEM PAYABLE FROM THE CASH FUND IN THE OPERATING  
7 SECTION OF THE ANNUAL GENERAL APPROPRIATION ACT FOR THE STATE  
8 AGENCY, AND, ON JULY 1 OF THE STATE FISCAL YEAR TO WHICH THE ACT  
9 APPLIES, THE STATE CONTROLLER SHALL CREDIT SUCH AMOUNT FROM THE  
10 CASH FUND THAT WAS THE SOURCE OF THE FUNDING FOR THE  
11 APPROPRIATION TO AN INFORMATION TECHNOLOGY CAPITAL RESERVE  
12 ACCOUNT ESTABLISHED BY THE STATE AGENCY IN THAT CASH FUND AS  
13 SPECIFIED IN SECTION 24-75-403 (2.5).

14 (b) IF THE FUNDING SOURCE FOR THE APPROPRIATION IS FROM THE  
15 GENERAL FUND OR THE INFORMATION TECHNOLOGY CAPITAL ACCOUNT IN  
16 THE CAPITAL CONSTRUCTION FUND, THE GENERAL ASSEMBLY SHALL  
17 INCLUDE AN INFORMATION TECHNOLOGY ANNUAL DEPRECIATION-LEASE  
18 EQUIVALENT PAYMENT LINE ITEM PAYABLE FROM THE GENERAL FUND IN  
19 THE OPERATING SECTION OF THE ANNUAL GENERAL APPROPRIATION ACT  
20 FOR EACH STATE AGENCY, INCLUDING THE DEPARTMENT OF HIGHER  
21 EDUCATION. ON JULY 1 OF THE STATE FISCAL YEAR TO WHICH THE ACT  
22 APPLIES, THE STATE CONTROLLER SHALL CREDIT THE INFORMATION  
23 TECHNOLOGY ANNUAL DEPRECIATION-LEASE EQUIVALENT PAYMENT LINE  
24 ITEM TO THE INFORMATION TECHNOLOGY CAPITAL ACCOUNT; EXCEPT  
25 THAT, OF THAT PAYMENT, AN AMOUNT EQUAL TO ONE PERCENT OF THE  
26 PROJECT COST MUST BE DEDUCTED FROM THE PAYMENT AND CREDITED TO  
27 THE PRINCIPAL OF THE TECHNOLOGY RISK PREVENTION AND RESPONSE

1 FUND.

2 (c) IF THE FUNDING SOURCE FOR THE APPROPRIATION IS A  
3 FINANCING ARRANGEMENT, INCLUDING A FINANCED PURCHASE OF AN  
4 ASSET OR CERTIFICATE OF PARTICIPATION AGREEMENT ALLOWED  
5 PURSUANT TO SECTION 24-82-801, AND THE SOURCE OF THE FUNDING FOR  
6 THE FINANCING PAYMENT IS:

7 (I) FROM A CASH FUND, THEN THE STATE AGENCY SHALL  
8 ANNUALLY CALCULATE AN AMOUNT EQUAL TO ONE PERCENT OF THE  
9 PROJECT COST AND THE GENERAL ASSEMBLY SHALL INCLUDE AN  
10 INFORMATION TECHNOLOGY ANNUAL CONTROLLED MAINTENANCE LINE  
11 ITEM PAYABLE FROM THE CASH FUND IN THE OPERATING SECTION OF THE  
12 ANNUAL GENERAL APPROPRIATION ACT FOR EACH STATE AGENCY EQUAL  
13 TO SUCH AMOUNT. ON JULY 1 OF THE STATE FISCAL YEAR TO WHICH THE  
14 ACT APPLIES, THE STATE CONTROLLER SHALL CREDIT THAT AMOUNT TO AN  
15 INFORMATION TECHNOLOGY CAPITAL RESERVE ACCOUNT ESTABLISHED BY  
16 THE STATE AGENCY IN THE CASH FUND AS SPECIFIED IN SECTION 24-75-403  
17 (2.5).

18 (II) FROM THE GENERAL FUND OR THE CAPITAL CONSTRUCTION  
19 FUND, THEN THE GENERAL ASSEMBLY SHALL INCLUDE AN INFORMATION  
20 TECHNOLOGY ANNUAL CONTROLLED MAINTENANCE LINE ITEM PAYABLE  
21 FROM THE GENERAL FUND IN THE OPERATING SECTION OF THE ANNUAL  
22 GENERAL APPROPRIATION ACT FOR EACH STATE AGENCY, INCLUDING THE  
23 DEPARTMENT OF HIGHER EDUCATION, EQUAL TO ONE PERCENT OF THE  
24 PROJECT COST, AS CALCULATED BY THE STATE AGENCY OR THE STATE  
25 INSTITUTION OF HIGHER EDUCATION, WHICH CALCULATION A STATE  
26 INSTITUTION OF HIGHER EDUCATION SHALL REPORT TO THE DEPARTMENT  
27 OF HIGHER EDUCATION. ON JULY 1 OF THE STATE FISCAL YEAR TO WHICH

1 THE ACT APPLIES, THE STATE CONTROLLER SHALL CREDIT SUCH AMOUNT  
2 TO THE TECHNOLOGY RISK PREVENTION AND RESPONSE FUND.

3 (d) IF THE FUNDING SOURCE FOR THE APPROPRIATION IS A  
4 COMBINATION OF THE FUNDING SOURCES DESCRIBED IN SUBSECTIONS  
5 (2)(a), (2)(b), AND (2)(c) OF THIS SECTION, THEN THE ANNUAL SET ASIDE  
6 REQUIRED PURSUANT TO THIS SUBSECTION (2) MUST BE MADE IN  
7 PROPORTION TO THE FUNDING SOURCE.

8 (3) ON JUNE 15, 2025, AND ON EACH JUNE 15 THEREAFTER, THE  
9 OFFICE SHALL SUBMIT A FISCAL IMPACT ANALYSIS TO THE OFFICE OF STATE  
10 PLANNING AND BUDGETING THAT MUST INCLUDE BUT NEED NOT BE  
11 LIMITED TO THE FOLLOWING:

12 (a) THE ESTIMATED AMOUNT OF GENERAL FUND MONEY REQUIRED  
13 TO MAKE THE INFORMATION TECHNOLOGY ANNUAL DEPRECIATION-LEASE  
14 EQUIVALENT PAYMENTS FOR THE UPCOMING FISCAL YEAR; AND

15 (b) THE CURRENT INFORMATION TECHNOLOGY ASSETS TO WHICH  
16 THE INFORMATION TECHNOLOGY ANNUAL DEPRECIATION-LEASE  
17 EQUIVALENT PAYMENTS ARE BEING APPLIED.

18 **SECTION 2.** In Colorado Revised Statutes, **add** 24-37.5-805 as  
19 follows:

20 **24-37.5-805. Technical debt environment - annual report.** ON  
21 OR BEFORE NOVEMBER 1, 2025, AND ON OR BEFORE NOVEMBER 1 OF EACH  
22 YEAR THEREAFTER, THE OFFICE SHALL SUBMIT A REPORT TO THE JOINT  
23 BUDGET COMMITTEE AND THE JOINT TECHNOLOGY COMMITTEE THAT  
24 PROVIDES AN ESTIMATE OF THE STATE'S TECHNICAL DEBT ENVIRONMENT.

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26 **SECTION 3.** In Colorado Revised Statutes, 24-75-403, **add** (2.5)  
27 as follows:

1           **24-75-403. Capital reserve - creation - annual appropriation**  
2   **- definitions.** (2.5) FOR EACH CASH FUND FROM WHICH MONEY IS  
3 APPROPRIATED FOR AN INFORMATION TECHNOLOGY CAPITAL PROJECT, THE  
4 PRINCIPAL DEPARTMENT RESPONSIBLE FOR THE ACCOUNTING RELATED TO  
5 THE CASH FUND SHALL IDENTIFY IN THE CASH FUND BALANCE REPORT AN  
6 INFORMATION TECHNOLOGY CAPITAL RESERVE, WHICH CONSISTS OF AN  
7 AMOUNT EQUAL TO THE DEPRECIATION OF THE DEPRECIABLE COMPONENTS  
8 OF THE INFORMATION TECHNOLOGY CAPITAL PROJECT, BASED ON THE  
9 DEPRECIATION PERIOD.

10           **SECTION 4. Safety clause.** The general assembly finds,  
11 determines, and declares that this act is necessary for the immediate  
12 preservation of the public peace, health, or safety or for appropriations for  
13 the support and maintenance of the departments of the state and state  
14 institutions.