

First Regular Session  
Seventy-fifth General Assembly  
STATE OF COLORADO

INTRODUCED

LLS NO. 25-0786.02 Pierce Lively x2059

SENATE BILL 25-173

---

SENATE SPONSORSHIP

Weissman,

HOUSE SPONSORSHIP

(None),

---

Senate Committees  
Finance

House Committees

---

A BILL FOR AN ACT

101 CONCERNING THE CLASSIFICATION OF CERTAIN STATE REVENUE FOR  
102 PURPOSES OF CALCULATING STATE FISCAL YEAR SPENDING  
103 PURSUANT TO SECTION 20 OF ARTICLE X OF THE STATE  
104 CONSTITUTION, AND, IN CONNECTION THEREWITH, CLARIFYING  
105 THE STATUTORY DEFINITIONS OF DAMAGE AWARDS AND  
106 PROPERTY SALE FOR PURPOSES OF CALCULATING STATE FISCAL  
107 YEAR SPENDING.

---

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.

Section 20 of article X of the state constitution (TABOR) defines "fiscal year spending" as not including either "damage awards" or "property sales". Although TABOR does not define either "damage award" or "property sale", the TABOR implementing statutes do. The bill clarifies both of these definitions for state fiscal years commencing on or after July 1, 2024.

The bill clarifies that "damage award", as used for the purpose of determining whether specific money received by the state is subject to the TABOR limitation on state fiscal year spending, includes certain civil penalties imposed by the state.

The bill also clarifies that "property sale", as used for the purpose of determining whether specific money received by the state is subject to the TABOR limitation on state fiscal year spending, includes certain specified sales by the state.

---

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

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

4           (a) Section 20 (2)(e) of article X of the state constitution exempts  
5 "damage awards" and "property sales" from "fiscal year spending", as  
6 defined in section 20 (2)(e) of article X of the state constitution;

7           (b) Under the existing statutory definition of "damage award",  
8 some money that the state collects as fines or penalties for violations of  
9 certain legal requirements is treated as state fiscal year spending when  
10 determining whether the state has exceeded the state's fiscal year  
11 spending limit despite the constitutional exemption for such collections;

12           (c) It is inconsistent with section 20 of article X of the state  
13 constitution to treat money that the state collects as fines or penalties for  
14 violations of certain legal requirements as state revenue in light of the  
15 specific exemption for "damage awards";

16           (d) Under the existing statutory definition of "property sales",  
17 some money that the state collects from sales of tangible or intangible

1 assets is treated as state fiscal year spending when determining whether  
2 the state has exceeded the state's fiscal year spending limit despite the  
3 constitutional exemption for such collections;

4 (e) It is inconsistent with section 20 of article X of the state  
5 constitution to treat money that the state collects from sales of tangible or  
6 intangible assets as state fiscal year spending in light of the specific  
7 exemption for "property sales"; and

8 (f) Nothing in this act operates to exclude any money that has  
9 been included as "damage awards" or "property sales" under the  
10 preexisting definitions of those terms from the clarified definitions of  
11 those terms in this act - that money continues to be included in these  
12 clarified definitions.

13 **SECTION 2.** In Colorado Revised Statutes, 24-77-102, **amend**  
14 (2) and (11) as follows:

15 **24-77-102. Definitions.** As used in this article 77, unless the  
16 context otherwise requires:

17 (2) "Damage award" means any pecuniary compensation received  
18 by the state as a result of:

19 (a) Any judgment or allowance in favor of the state; AND

20 (b) FOR STATE FISCAL YEARS COMMENCING ON OR AFTER JULY 1,  
21 2024:

22 (I) A CIVIL MONETARY PENALTY ASSESSED BY THE DEPARTMENT  
23 OF HEALTH CARE POLICY AND FINANCING PURSUANT TO SECTION  
24 25.5-6-205;

25 (II) A CIVIL MONETARY PENALTY IMPOSED BY THE DIVISION OF  
26 ADMINISTRATION OF THE DEPARTMENT OF PUBLIC HEALTH AND  
27 ENVIRONMENT PURSUANT TO SECTION 25-8-608;

1 (III) A MONETARY PENALTY IMPOSED BY THE ENERGY AND  
2 CARBON MANAGEMENT COMMISSION PURSUANT TO SECTION 34-60-121  
3 (1);

4 (IV) A MONETARY FINE OR PENALTY COLLECTED BY THE DIVISION  
5 OF ADMINISTRATION OF THE DEPARTMENT OF PUBLIC HEALTH AND  
6 ENVIRONMENT PURSUANT TO SECTION 25-7-115, 25-7-122, OR 25-7-123  
7 AND DEPOSITED IN THE COMMUNITY IMPACT CASH FUND CREATED IN  
8 SECTION 25-7-129; AND

9 (V) A MONETARY PENALTY COLLECTED BY THE DIVISION OF LABOR  
10 STANDARDS AND STATISTICS OF THE DEPARTMENT OF LABOR AND  
11 PURSUANT TO SECTION 8-1-114.

12 (11) "Property sale" means:

13 (a) Any transfer of the ownership of an estate in tangible assets or  
14 intangible rights, excluding leasehold interests, in which or to which the  
15 state has rights protected by law from the state to any party for  
16 consideration; ~~or~~

17 (b) Any contract resulting in the payment of pecuniary  
18 compensation to the state for permitting another to exploit, use, or market  
19 nonrenewable natural resources which are located on real property owned  
20 by the state and which are subject to depletion with use; OR

21 (c) FOR STATE FISCAL YEARS COMMENCING ON OR AFTER JULY 1,  
22 2024, A TRANSFER OF RIGHTS IN TANGIBLE OR INTANGIBLE PROPERTY,  
23 EXCLUDING LEASEHOLD INTERESTS, IN WHICH OR TO WHICH THE STATE  
24 HAS RIGHTS PROTECTED BY LAW FROM THE STATE TO ANY PARTY FOR  
25 CONSIDERATION. SUCH A TRANSFER OF RIGHTS INCLUDES:

26 (I) SALES AT THE HISTORY COLORADO CENTER;

27 (II) SALES AT STATE HISTORICAL SOCIETY MUSEUMS OTHER THAN

- 1 THE HISTORY COLORADO CENTER;
- 2 (III) SALES OF SUPPLIES RELATED TO AGRICULTURAL INSPECTIONS;
- 3 (IV) SALES OF SUPPLIES RELATED TO WILDFIRE EQUIPMENT REPAIR;
- 4 (V) SALES OF SUPPLIES RELATED TO PESTICIDE INSPECTIONS;
- 5 (VI) SALES RELATED TO THE CORRECTIONAL EDUCATION PROGRAM
- 6 ESTABLISHED IN SECTION 17-32-105;
- 7 (VII) SALES RELATED TO THE BUSINESS ENTERPRISE PROGRAM
- 8 CREATED IN PART 2 OF ARTICLE 84 OF TITLE 8;
- 9 (VIII) NON-CONCESSION SALES AT THE COLORADO STATE FAIR;
- 10 AND
- 11 (IX) THE SALE OF WINE FOR PROMOTIONAL PURPOSES BY THE
- 12 COLORADO WINE INDUSTRY DEVELOPMENT BOARD, CREATED IN ARTICLE
- 13 29.5 OF TITLE 35.

14 **SECTION 3. Safety clause.** The general assembly finds,

15 determines, and declares that this act is necessary for the immediate

16 preservation of the public peace, health, or safety or for appropriations for

17 the support and maintenance of the departments of the state and state

18 institutions.