

MEMORANDUM



JOINT BUDGET COMMITTEE

TO Joint Budget Committee Members
FROM JBC Staff
DATE April 12, 2022
SUBJECT Potential Legislation – 2nd Packet

This packet includes bill drafts and related memos for the Committee’s consideration. Each individual item has page numbers but also a packet page number to help navigate the whole document. The page numbers below refer to the packet page number.

POTENTIAL LEGISLATION

Modifications To Severance Tax LLS 22-0916 (Burmeister) 1

Extension Of Certain Unused Tax Credits LLS 22-1003 (Thompson).....10

Programs That Benefit Persons With Disabilities LLS 22-0873 (Dermody)19

Second Regular Session
Seventy-third General Assembly
STATE OF COLORADO

DRAFT
4.8.22

DRAFT

LLS NO. 22-0916.02 Megan Waples x4348

COMMITTEE BILL

Joint Budget Committee

BILL TOPIC: "Modifications To Severance Tax"

A BILL FOR AN ACT

101 **CONCERNING THE STATE SEVERANCE TAX ON OIL AND GAS.**

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/>.)

The bill changes the calculation of the ad valorem credit allowed against the state severance tax on oil and gas. In tax years beginning on and after January 1, 2024, the credit for ad valorem taxes is calculated on a per-well basis for wells that are not exempt from taxation by applying the prior year's mill levy to the current year's gross income multiplied by an assessment rate of 87.5%, and taking 87.5% of that amount for the credit. This calculation is simplified to multiplying 76.56% of the gross income of the well by the mill levy fixed in the prior calendar year.

*Capital letters or bold & italic numbers indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.*

A working group consisting of the director of the office of state planning and budgeting and the executive directors of the departments of revenue, natural resources, education, and local affairs, or their designees, is required to develop an implementation plan for making additional changes to the state severance tax on oil and gas. The implementation plan must make recommendations concerning the steps necessary to change the legal incidence of tax from interest owners to operators while maintaining revenue neutrality, require electronic filing of returns for severance taxes, and require additional electronic data collection to the tax.

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) The severance tax, first enacted in 1977, is imposed on
5 nonrenewable natural resources that are removed from the earth,
6 including metallic minerals, molybdenum, oil, gas, and coal;

7 (b) The state severance tax is intended to recapture of a portion of
8 the wealth that is lost to the state when nonrenewable resources are
9 removed from the earth;

10 (c) The vast majority of gross collections from the severance tax
11 come from oil and gas production;

12 (d) The severance tax on oil and gas is currently paid by each
13 person owning a working interest, royalty interest, production payment,
14 or other interest in any oil or gas produced in Colorado (interest owners)
15 as a percentage of gross income;

16 (e) Producers and first purchasers of oil and gas who disburse
17 funds to the interest owners are required to withhold one percent of the
18 amount owed to the interest owners to cover the severance tax. The
19 interest owner then claims a credit for the amount withheld on the interest
20 owner's annual tax return, either paying or obtaining a refund of the

1 difference.

2 (f) In a January 2020 audit report, the office of the state auditor
3 noted that this structure significantly increases the number of taxpayers
4 required to make a return and makes it difficult for the Colorado
5 department of revenue to determine whether all taxpayers have filed
6 required returns if producers and first purchasers do not provide complete
7 and accurate information;

8 (g) Current law allows a credit against the severance tax on oil
9 and gas equal to 87.5% of all ad valorem taxes paid to local governments
10 and special districts on oil and gas leaseholds and lands, except those
11 imposed on equipment and facilities used for production, transportation,
12 and storage and those paid on stripper wells (ad valorem credit);

13 (h) Because ad valorem taxes are paid on the prior year's
14 production, the mill levy for the taxes lags production by a full year. In
15 addition, for cash basis taxpayers, the credit is only claimed once the ad
16 valorem taxes are paid, creating an additional lag.

17 (i) The lag between production, assessment, and payment of ad
18 valorem taxes and the claiming of the ad valorem credit poses several
19 challenges to the administration of the severance tax. Because production
20 from oil and gas wells often declines rapidly after the first few years,
21 taxpayers may not be able to claim the full value of the credit. In addition,
22 the lag contributes to year-over-year volatility in state severance tax
23 revenue.

24 (j) The revenues from the state severance tax are divided between
25 the department of natural resources (DNR) and the department of local
26 affairs (DOLA);

27 (k) The money allocated to DNR is deposited into the severance

1 tax trust fund, where it is held in trust as a replacement for the depleted
2 natural resource, for development and conservation of the state's water
3 resources, and for use in funding programs that promote sound natural
4 resource planning. Money in the fund is then distributed to two other
5 funds and used to support various programs generally administered by
6 DNR and the Colorado water conservation board.

7 (l) The money allocated to DOLA is credited to the local
8 government severance tax fund and distributed to local governments, and
9 70% of the money is distributed through grants and 30% is distributed
10 through a direct distribution formula;

11 (m) There is significant year-over-year volatility in severance tax
12 revenues and the amount of money that is distributed each year to state
13 programs and local governments through these funds;

14 (n) This volatility cannot be attributed solely to fluctuations in
15 commodity prices and appears to be exacerbated by the structure of the
16 ad valorem credit as well as the withholding and payment structure for the
17 tax;

18 (o) The volatility in severance tax revenues creates challenges for
19 the state programs and local governments receiving those revenues;

20 (p) In 2021, the general assembly enacted Senate Bill 21-281,
21 which convened a severance tax working group to evaluate the severance
22 tax and make recommendations related to its structure and administration;

23 (q) Among other recommendations, the working group
24 recommended changing the legal incidence of the oil and gas severance
25 tax to be imposed on operators instead of interest owners. This
26 recommendation responds to the concerns raised by the office of the state
27 auditor by improving efficiency and allowing better administration and

1 enforcement of the tax. With adequate planning for implementation,
2 changing the legal incidence of the tax while making any necessary
3 adjustments to the tax rates and payment structures could ease the
4 administration and enforcement of the tax while maintaining revenue
5 neutrality.

6 (r) The working group also recommended changing the
7 calculation of the ad valorem credit to be based on an estimated amount
8 for the ad valorem taxes using the prior year's mill levy applied to the
9 current year's gross income. The working group proposed that taxpayers
10 calculate their credit by applying the prior year's mill levy to their current
11 year's income multiplied by the assessment rate of 87.5%, which is a
12 percentage used to determine the valuation of the oil and gas leaseholds
13 and lands for purposes of the property tax, and claiming 87.5% of that
14 amount for the credit. This change would eliminate the lag between the
15 taxes being assessed or paid and the credit being claimed, and reduce the
16 associated volatility in the severance tax revenue, without affecting state
17 revenue overall.

18 (s) Reducing volatility and easing the administration of the state
19 severance tax are important goals that must be addressed.

20 (2) The general assembly further finds and declares that:

21 (a) Its purpose in changing the calculation of the ad valorem credit
22 allowed against the state severance tax on oil and gas is to reduce
23 volatility in severance tax revenues and to improve the administration of
24 the state severance tax while maintaining revenue neutrality to the
25 greatest extent possible; and

26 (b) Additional planning is necessary to implement the working
27 group's recommendation to change the legal incidence of the tax in a

1 manner that will improve the administration and enforcement of the state
2 severance tax for taxpayers and the state.

3 **SECTION 2.** In Colorado Revised Statutes, 39-29-105, **amend**
4 (2)(b); and **add** (2)(c) as follows:

5 **39-29-105. Tax on severance of oil and gas.** (2) (b) With respect
6 to oil and gas, there shall be allowed, as a credit against the tax computed
7 in accordance with the provisions of ~~paragraph (b) of subsection (1)~~
8 SUBSECTION (1)(b) of this section for each taxable year commencing on
9 or after January 1, 2000, BUT PRIOR TO JANUARY 1, 2024, an amount equal
10 to eighty-seven and one-half percent of all ad valorem taxes assessed
11 during the taxable year in the case of accrual basis taxpayers or paid
12 during the taxable year in the case of cash basis taxpayers upon oil and
13 gas leaseholds and leasehold interests and oil and gas royalties and royalty
14 interests for state, county, municipal, school district, and special district
15 purposes, except such ad valorem taxes assessed or paid for such
16 purposes upon equipment and facilities used in the drilling for, production
17 of, storage of, and pipeline transportation of oil and gas. However, no
18 credit shall be allowed for ad valorem taxes paid or assessed on oil and
19 gas production that is exempt from the state severance tax pursuant to
20 subsection (1) of this section.

21 (c) FOR A TAXABLE YEAR BEGINNING ON OR AFTER JANUARY 1,
22 2024, FOR EACH WELL THAT IS NOT EXEMPT FROM THE STATE SEVERANCE
23 TAX PURSUANT TO SUBSECTION (1) OF THIS SECTION, THERE IS ALLOWED
24 A CREDIT AGAINST THE TAX COMPUTED IN ACCORDANCE WITH THE
25 PROVISIONS OF SUBSECTION (1) OF THIS SECTION IN AN AMOUNT
26 CALCULATED BY THE FORMULA $C = 0.7656 \times GI \times ML$, WHERE:

27 (I) C IS THE AMOUNT OF THE CREDIT;

1 (II) GI IS THE GROSS INCOME ATTRIBUTABLE TO THE WELL FOR THE
2 CURRENT TAXABLE YEAR; AND

3 (III) ML IS THE TOTAL OF ALL MILL LEVIES, FIXED NOT LATER THAN
4 DECEMBER 22 OF THE PRECEDING CALENDAR YEAR PURSUANT TO SECTION
5 39-1-111, BY ALL LOCAL GOVERNMENTS FOR PROPERTY AT THE WELL'S
6 LOCATION.

7 **SECTION 3.** In Colorado Revised Statutes, 39-29-108, **add** (7)
8 as follows:

9 **39-29-108. Allocation of severance tax revenues - definitions**

10 **- repeal.** (7) (a) THE DIRECTOR OF THE OFFICE OF STATE PLANNING AND
11 BUDGETING AND THE EXECUTIVE DIRECTORS OF THE DEPARTMENTS OF
12 REVENUE, NATURAL RESOURCES, EDUCATION, AND LOCAL AFFAIRS, OR
13 THEIR DESIGNEES, SHALL, IN CONSULTATION WITH THE STAKEHOLDER
14 GROUP CONVENED PURSUANT TO SUBSECTION (7)(b) OF THIS SECTION,
15 DEVELOP AN IMPLEMENTATION PLAN WITH RECOMMENDATIONS TO:

16 (I) CHANGE THE LEGAL INCIDENCE OF THE STATE SEVERANCE TAX
17 ON OIL AND GAS FROM INTEREST OWNERS TO OPERATORS. AT A MINIMUM,
18 THE IMPLEMENTATION PLAN MUST MAKE RECOMMENDATIONS RELATED
19 TO:

20 (A) THE LEGISLATIVE AND ADMINISTRATIVE STEPS NECESSARY TO
21 IMPLEMENT THE CHANGE;

22 (B) ANY CHANGES TO THE TAX RATE AND STRUCTURE THAT ARE
23 NECESSARY TO IMPLEMENT THE SHIFT IN LEGAL INCIDENCE IN A MANNER
24 THAT IS REVENUE NEUTRAL TO THE GREATEST EXTENT POSSIBLE; AND

25 (C) ANY OTHER RECOMMENDATIONS TO REDUCE DISRUPTION TO
26 THE STATE, LOCAL GOVERNMENTS, AND STAKEHOLDERS DURING AND
27 AFTER THE TRANSITION;

1 (II) REQUIRE ELECTRONIC FILING OF RETURNS FOR SEVERANCE
2 TAXES; AND

3 (III) REQUIRE ADDITIONAL ELECTRONIC DATA COLLECTION
4 NECESSARY TO EASE THE ADMINISTRATION AND ENFORCEMENT OF THE
5 STATE SEVERANCE TAX ON OIL AND GAS, INCLUDING CONSIDERATION OF
6 OPPORTUNITIES FOR INCREASED DATA SHARING AMONG STATE AND LOCAL
7 GOVERNMENT AGENCIES.

8 (b) THE PERSONS IDENTIFIED IN SUBSECTION (7)(a) OF THIS
9 SECTION SHALL ESTABLISH A STAKEHOLDER GROUP, CONSISTING OF
10 AFFECTED INDUSTRIES AND PARTIES, INCLUDING LOCAL GOVERNMENT
11 REPRESENTATIVES, TO ASSIST IN THE DEVELOPMENT OF THE
12 IMPLEMENTATION PLAN.

13 (c) THE PERSONS IDENTIFIED IN SUBSECTION (7)(a) OF THIS
14 SECTION SHALL SUBMIT THE WRITTEN IMPLEMENTATION PLAN TO THE
15 JOINT BUDGET COMMITTEE NO LATER THAN JANUARY 15, 2024. PRIOR TO
16 SUBMISSION OF THE IMPLEMENTATION PLAN, THE STAKEHOLDER GROUP
17 SHALL HAVE AN OPPORTUNITY TO REVIEW THE DRAFT RECOMMENDATIONS
18 AND INDIVIDUAL STAKEHOLDERS MAY PROVIDE COMMENTS IN RESPONSE
19 TO THE IMPLEMENTATION PLAN TO BE INCLUDED WITH THE SUBMISSION OF
20 THE IMPLEMENTATION PLAN.

21 (d) THIS SUBSECTION (7) IS REPEALED, EFFECTIVE JULY 1, 2024.

22 **SECTION 4. Act subject to petition - effective date.** This act
23 takes effect at 12:01 a.m. on the day following the expiration of the
24 ninety-day period after final adjournment of the general assembly; except
25 that, if a referendum petition is filed pursuant to section 1 (3) of article V
26 of the state constitution against this act or an item, section, or part of this
27 act within such period, then the act, item, section, or part will not take

1 effect unless approved by the people at the general election to be held in
2 November 2022 and, in such case, will take effect on the date of the
3 official declaration of the vote thereon by the governor.

Second Regular Session
Seventy-third General Assembly
STATE OF COLORADO

DRAFT
4.11.22

DRAFT

LLS NO. 22-1003.02 Megan McCall x4215

COMMITTEE BILL

Joint Budget Committee

BILL TOPIC: "Extension Of Certain Unused Tax Credits"

A BILL FOR AN ACT

101 CONCERNING THE EXTENSION OF THE PERIOD FOR WHICH UNUSED AND
102 EXPIRING COLORADO JOB GROWTH INCENTIVE AND ENTERPRISE
103 ZONE INCOME TAX CREDITS MAY BE CARRIED FORWARD TO
104 SUBSEQUENT YEARS.

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. The bill allows a taxpayer who operates in a strategic industry disproportionately impacted by the COVID-19 pandemic and who experienced significant financial hardship due to the

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Dashes through the words indicate deletions from existing statute.*

COVID-19 pandemic to apply to the economic development commission (commission) for a 5-year extension of the allowable carry-forward period for unused Colorado job growth incentive tax credits and unused enterprise zone tax credits that would otherwise expire between January 1, 2021, and December 31, 2025. The bill requires the commission, in consultation with the office of economic development, to establish a process for accepting, reviewing, and approving one-time applications by taxpayers for the extended carry-forward period subject to taxpayers meeting certain eligibility requirements. The bill caps the total amount of tax credits allowed to be carried forward in the extended period at \$15 million per year.

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

2 **SECTION 1.** In Colorado Revised Statutes, **amend** 24-46-106 as
3 follows:

4 **24-46-106. Repeal of part.** This part 1 is repealed, effective July
5 ~~1, 2025~~ JULY 1, 2035.

6 **SECTION 2.** In Colorado Revised Statutes, **add** 24-46-107 as
7 follows:

8 **24-46-107. Temporary extension of carry-forward provisions**
9 **- Colorado job growth incentive tax credit - enterprise zone tax**
10 **credits - definitions - repeal.** (1) AS USED IN THIS SECTION, UNLESS THE
11 CONTEXT OTHERWISE REQUIRES:

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

14 (b) (I) "TAXPAYER" MEANS ANY PERSON DOING BUSINESS IN THE
15 STATE, INCLUDING AN AFFILIATED GROUP, THAT OPERATES IN A STRATEGIC
16 INDUSTRY THAT WAS DISPROPORTIONALLY IMPACTED BY THE COVID-19
17 PANDEMIC AND EXPERIENCED SIGNIFICANT FINANCIAL HARDSHIP CAUSED
18 BY THE COVID-19 PANDEMIC.

19 (II) "STRATEGIC INDUSTRY" AND "SIGNIFICANT FINANCIAL

1 HARDSHIP" FOR PURPOSES OF THE DEFINITION OF "TAXPAYER" IN
2 SUBSECTION (1)(b)(I) OF THIS SECTION SHALL BE DETERMINED BY THE
3 COMMISSION AND THE OFFICE. WHEN DETERMINING SIGNIFICANT
4 FINANCIAL HARDSHIP, ANY FINANCIAL ASSISTANCE OR RELIEF THAT THE
5 TAXPAYER MAY HAVE RECEIVED FROM OTHER SOURCES INCLUDING
6 FEDERAL, STATE, OR LOCAL ASSISTANCE MAY BE CONSIDERED BUT SHALL
7 NOT BE DISPOSITIVE FOR PURPOSES OF ELIGIBILITY.

8 (2) THE COMMISSION MAY ALLOW A TAXPAYER TO CARRY
9 FORWARD FOR A PERIOD OF FIVE YEARS THE TAX CREDITS SET FORTH IN
10 SECTION 39-22-531 AND IN ARTICLE 30 OF TITLE 39 THAT WOULD
11 OTHERWISE EXPIRE BETWEEN JANUARY 1, 2021, AND DECEMBER 31, 2025;
12 EXCEPT THAT THE AGGREGATE AMOUNT OF ALL TAX CREDITS PERMITTED
13 TO BE CARRIED FORWARD PURSUANT TO THIS SUBSECTION (2) IS FIFTEEN
14 MILLION DOLLARS FOR EACH YEAR OF THE FIVE-YEAR PERIOD. TAXPAYERS
15 MUST APPLY TO THE COMMISSION AND THE OFFICE PURSUANT TO
16 SUBSECTION (3) OF THIS SECTION FOR APPROVAL TO CARRY FORWARD THE
17 TAX CREDITS AS SET FORTH IN THIS SUBSECTION (2).

18 (3) (a) A TAXPAYER MAY APPLY FOR APPROVAL BY THE
19 COMMISSION TO CARRY FORWARD A TAX CREDIT AS SET FORTH IN
20 SUBSECTION (2) OF THIS SECTION IN ACCORDANCE WITH TIMING,
21 DEADLINES, POLICIES, AND PROCEDURES ESTABLISHED BY THE
22 COMMISSION, IN CONSULTATION WITH THE OFFICE, AND AS FOLLOWS:

23 (I) A TAXPAYER SHALL APPLY ONE TIME TO THE COMMISSION FOR
24 THE EXTENDED CARRY-FORWARD PERIOD SET FORTH IN SUBSECTION (2) OF
25 THIS SECTION AND MUST IDENTIFY IN THE APPLICATION ALL OF THE
26 ANTICIPATED CREDITS THAT THE TAXPAYER REQUESTS TO EXTEND FOR
27 EACH TAX YEAR THAT THE EXTENDED PERIOD APPLIES TO;

1 (II) THE APPLICATION MUST INCLUDE CERTIFICATION BY THE
2 TAXPAYER'S PRESIDENT, CHIEF EXECUTIVE OFFICER, OR CHIEF FINANCIAL
3 OFFICER AND AN INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT THAT
4 BASED ON THE TAXPAYER'S CURRENT AND EXPECTED FINANCIAL RESULTS
5 IT IS ANTICIPATED THAT THE TAXPAYER WILL NOT BE ABLE TO USE THE
6 TAX CREDITS BEFORE THE CREDITS EXPIRE AS THE RESULT OF LOSSES
7 EXPERIENCED DURING TAX YEARS 2020 AND 2021 DUE TO THE COVID-19
8 PANDEMIC; AND

9 (III) THE APPLICATION MUST INCLUDE DOCUMENTATION FROM THE
10 TAXPAYER DEMONSTRATING SIGNIFICANT FINANCIAL HARDSHIP CAUSED
11 BY THE COVID-19 PANDEMIC.

12 (b) IN CONSULTATION WITH THE OFFICE, THE COMMISSION SHALL
13 RECEIVE, REVIEW, AND APPROVE APPLICATIONS BY TAXPAYERS ON A FIRST
14 COME, FIRST SERVED, ROLLING BASIS. IN ADDITION TO THE APPLICATION
15 REQUIREMENTS SET FORTH IN SUBSECTION (3)(a) OF THIS SECTION, THE
16 COMMISSION MAY CONSIDER ADDITIONAL ECONOMIC DEVELOPMENT
17 COMMITMENTS TO THE STATE BY THE TAXPAYER IN DETERMINING
18 APPROVAL OF APPLICATIONS INCLUDING:

19 (I) THE SIZE OF THE TAXPAYER'S CURRENT OPERATION IN THE
20 STATE RELATIVE TO BOTH THE STATE AS A WHOLE AND THE REGION THE
21 TAXPAYER IS BASED IN;

22 (II) ANY STRATEGIC ECONOMIC DEVELOPMENT BENEFITS THAT THE
23 TAXPAYER PROVIDES WITH EXISTING OPERATIONS TO THE STATE IN TERMS
24 OF SUPPLY CHAIN, BENEFITS TO OTHER INDUSTRIES, OR OTHER SPILLOVER
25 BENEFITS THAT THE APPLICANT'S OPERATIONS PROVIDE TO THE STATE OR
26 REGION; AND

27 (III) ANY ADDITIONAL FORTHCOMING ECONOMIC DEVELOPMENT

1 BENEFITS THAT THE TAXPAYER MAY PROVIDE TO THE STATE OR REGION
2 BASED ON COMMITMENTS THAT THE APPLICANT HAS RECENTLY MADE OR
3 PROPOSES THAT ARE OUTSIDE THE SCOPE OF THE ORIGINAL INCENTIVE
4 AWARD.

5 (c) WHEN AN APPLICATION IS APPROVED, THE COMMISSION SHALL
6 ISSUE LETTERS TO THE DEPARTMENT OF REVENUE AND APPROVED
7 TAXPAYERS THAT MUST SPECIFY THE TYPE AND AMOUNT OF CREDITS
8 ELIGIBLE FOR THE FIVE-YEAR EXTENSION AND FOR WHAT YEARS IN THE
9 PERIOD THE EXTENSION IS ELIGIBLE.

10 (4) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2035.

11 **SECTION 3.** In Colorado Revised Statutes, 39-22-531, **amend**
12 (6) and (13) as follows:

13 **39-22-531. Colorado job growth incentive tax credit - rules -**
14 **definitions - repeal.** (6) Except as provided in ~~section 24-46-104.3~~
15 SECTIONS 24-46-104.3 AND 24-46-107, if the amount of the credit allowed
16 in this section exceeds the amount of income taxes otherwise due on the
17 taxpayer's income in the income tax year for which the credit is being
18 claimed, the amount of the credit not used as an offset against income
19 taxes in the current income tax year may be carried forward and used as
20 a credit against subsequent years' income tax liability for a period not to
21 exceed ten years and shall be applied first to the earliest income tax years
22 possible. Any credit remaining after said period shall not be refunded or
23 credited to the taxpayer.

24 (13) This section is repealed, effective ~~January 1, 2031~~ JULY 1,
25 2042.

26 **SECTION 4.** In Colorado Revised Statutes, 39-30-103.5, **amend**
27 (1)(d) as follows:

1 **39-30-103.5. Credit against tax - contributions to enterprise**
2 **zone administrators to implement economic development plans.**

3 (1) (d) EXCEPT AS PROVIDED IN SECTION 24-46-107, if the amount of the
4 credit allowed pursuant to the provisions of this section exceeds the
5 amount of income taxes otherwise due on the income of the taxpayer in
6 the income tax year for which the credit is being claimed, the amount of
7 the credit not used as an offset against income taxes in said income tax
8 year may be carried forward as a credit against subsequent years' income
9 tax liability for a period not exceeding five years and shall be applied first
10 to the earliest income tax years possible. Any credit remaining after said
11 period shall not be refunded or credited to the taxpayer.

12 **SECTION 5.** In Colorado Revised Statutes, 39-30-104, **amend**
13 (2)(c)(III) and (2.5) as follows:

14 **39-30-104. Credit against tax - investment in certain property**
15 **- definitions.** (2) (c) (III) (A) Except as otherwise provided in ~~section~~
16 ~~24-46-104.3~~ SECTIONS 24-46-104.3 AND 24-46-107 and subsection
17 (2)(c)(III)(B) of this section, any excess credit allowed pursuant to this
18 subsection (2)(c) shall be an investment tax credit carryover to each of the
19 fourteen income tax years following the unused credit year.

20 (B) Except as otherwise provided in ~~section 24-46-104.3~~
21 SECTIONS 24-46-104.3 AND 24-46-107, any excess credit allowed pursuant
22 to this subsection (2)(c) for a renewable energy investment made in an
23 income tax year commencing before January 1, 2018, shall be an
24 investment tax credit carryover for twenty-two income tax years
25 following the year the credit was originally allowed.

26 (2.5) (a) (I) Notwithstanding section 39-22-507.5 (7)(b), EXCEPT
27 AS PROVIDED IN SECTION 24-46-107, and except as otherwise provided in

1 subsections (2.5)(a)(II) and (2.5)(b) of this section, any excess credit
2 allowed pursuant to this section shall be an investment tax credit
3 carryover to each of the twelve income tax years following the unused
4 credit year.

5 (II) EXCEPT AS PROVIDED IN SECTION 24-46-107, any excess credit
6 claimed pursuant to this section for a renewable energy investment made
7 in an income tax year commencing before January 1, 2018, shall be an
8 investment tax credit carryover for twenty income tax years following the
9 year the credit was originally allowed.

10 (b) (I) Except as provided in ~~subparagraph (II) of this paragraph~~
11 ~~(b)~~ SECTION 24-46-107 AND SUBSECTION (2.5)(b)(II) OF THIS SECTION, a
12 taxpayer that deferred claiming any credit in excess of five hundred
13 thousand dollars during an income tax year commencing on or after
14 January 1, 2011, but prior to January 1, 2014, pursuant to ~~paragraph (b)~~
15 ~~of subsection (2)~~ SUBSECTION (2)(b) of this section shall be allowed to
16 claim the deferred credit as an investment tax credit carryover for twelve
17 income tax years following the year the credit was originally allowed plus
18 one additional income tax year for each income tax year that the credit
19 was deferred pursuant to ~~paragraph (b) of subsection (2)~~ SUBSECTION
20 (2)(b) of this section.

21 (II) EXCEPT AS PROVIDED IN SECTION 24-46-107, a taxpayer is
22 allowed to claim the deferred credit described in ~~subparagraph (I) of this~~
23 ~~paragraph (b)~~ SUBSECTION (2.5)(b)(I) OF THIS SECTION for a renewable
24 energy investment made in an income tax year commencing before
25 January 1, 2018, as an investment tax credit carryover for twenty income
26 tax years following the year the credit was originally allowed plus one
27 additional income tax year for each income tax year that the credit was

1 deferred pursuant to ~~paragraph (b) of subsection (2)~~ SUBSECTION (2)(b)
2 of this section.

3 **SECTION 6.** In Colorado Revised Statutes, 39-30-105.1, **amend**
4 (4)(a) as follows:

5 **39-30-105.1. Credit for new enterprise zone business**
6 **employees - definitions.** (4) (a) (I) Except as provided in ~~section~~
7 ~~24-46-104.3~~ SECTIONS 24-46-104.3 AND 24-46-107, for any income tax
8 year commencing on or after January 1, 2014, if the total amount of the
9 credits claimed by a taxpayer pursuant to subsections (1)(a)(I), (1)(b), and
10 (3)(a) of this section exceeds the amount of income taxes due on the
11 income of the taxpayer in the income tax year for which the credits are
12 being claimed, the amount of the credits not used as an offset against
13 income taxes in said income tax year is not allowed as a refund but may
14 be carried forward as a credit against subsequent years' tax liability for a
15 period not exceeding five years and is applied first to the earliest income
16 tax years possible. Any amount of the credit that is not used during said
17 period is not refundable to the taxpayer.

18 (II) Except as provided in ~~section 24-46-104.3~~ SECTIONS
19 24-46-104.3 AND 24-46-107, for any income tax year commencing on or
20 after January 1, 2014, if the total amount of credits claimed by a taxpayer
21 pursuant to subsections (1)(a)(II) and (3)(b) of this section exceeds the
22 amount of income taxes due on the income of the taxpayer in the income
23 tax year for which the credits are being claimed, the amount of credits not
24 used as an offset against income taxes in said income tax year is not
25 allowed as a refund but may be carried forward as a credit against
26 subsequent years' tax liability for a period not exceeding seven years and
27 is applied first to the earliest income tax years possible. Any amount of

1 the credit that is not used during said period is not refundable to the
2 taxpayer.

3 **SECTION 7.** In Colorado Revised Statutes, 39-30-105.6, **amend**
4 (3) as follows:

5 **39-30-105.6. Credit against tax - rehabilitation of vacant**
6 **buildings.** (3) EXCEPT AS PROVIDED IN SECTION 24-46-107, if the amount
7 of the credit allowed pursuant to the provisions of this section exceeds the
8 amount of income taxes otherwise due on the income of the taxpayer in
9 the income tax year for which the credit is being claimed, the amount of
10 the credit not used as an offset against income taxes in said income tax
11 year may be carried forward as a credit against subsequent years' income
12 tax liability for a period not exceeding five years and shall be applied first
13 to the earliest income tax years possible. Any credit remaining after said
14 period shall not be refunded or credited to the taxpayer.

15 **SECTION 8. Act subject to petition - effective date.** This act
16 takes effect at 12:01 a.m. on the day following the expiration of the
17 ninety-day period after final adjournment of the general assembly; except
18 that, if a referendum petition is filed pursuant to section 1 (3) of article V
19 of the state constitution against this act or an item, section, or part of this
20 act within such period, then the act, item, section, or part will not take
21 effect unless approved by the people at the general election to be held in
22 November 2022 and, in such case, will take effect on the date of the
23 official declaration of the vote thereon by the governor.

Second Regular Session
Seventy-third General Assembly
STATE OF COLORADO

DRAFT
4.11.22

DRAFT

LLS NO. 22-0873.01 Nicole Myers x4326

COMMITTEE BILL

Joint Budget Committee

BILL TOPIC: "Programs That Benefit Persons With Disabilities"

A BILL FOR AN ACT

101 **CONCERNING MOTOR VEHICLE RELATED PROGRAMS THAT BENEFIT**
102 **PERSONS WITH DISABILITIES, AND, IN CONNECTION THEREWITH,**
103 **MAKING AN 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/>.)

Joint Budget Committee. The council for people with disabilities (council) was previously tasked with advising the governor and the legislature on issues impacting people with disabilities. The council was also responsible for the oversight of the disabled parking education and enforcement fund (fund), which is required to be used in connection with

*Capital letters or bold & italic numbers indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.*

reserved parking for persons with disabilities. In 2020, the general assembly eliminated the council but did not specify any other entity that would have the authority to spend money in the fund. **Sections 8 and 9** of the bill specify that the Colorado disability funding committee (committee) has authority to spend money from the fund for the existing purposes of the fund and to provide education regarding parking for people with disabilities.

The committee auctions Colorado motor vehicle license plate configurations to raise money for grants to assist persons with disabilities in accessing disability benefits and to fund new and innovative ideas that improve the quality of life and independence of individuals with disabilities. **Sections 1 through 5 and 12** correct technical issues, consolidate statutory provisions, clarify the grant process, and clarify the license plate sales process in connection with the committee.

Section 6 exempts the disability support fund, which supports the activities of the committee, from the limit on uncommitted reserves in cash funds.

Section 7 modifies the existing income tax credit for purchases of uniquely valuable motor vehicle registration numbers to specify that the amount of the credit allowed is an amount equal to 20% of the purchase price of the motor vehicle registration number.

Section 10 allows a person to reserve a license plate for which no motor vehicle has ever been registered if the person purchased the license plate configuration pursuant to current law.

Section 11 authorizes the department of motor vehicles to sell multiple historical license plate backgrounds to benefit the committee and clarifies the amount of revenue from such sales that is transferred or credited to specified cash funds. In addition, section 11 makes clarifying changes regarding the administration of historic license plate background sales.

Section 13 adjusts appropriations made in the annual general appropriation act for the 2022-23 state fiscal year to the department of personnel for use by the executive director's office for the implementation of the bill.

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

2 **SECTION 1.** In Colorado Revised Statutes, 24-30-2203, **amend**
 3 (1) and (6)(c); and **add** (6)(e), (6)(f), (6)(g), (6)(h), (6)(i), (6)(j), and (10)
 4 as follows:

5 **24-30-2203. Colorado disability funding committee.** (1) The

1 Colorado disability funding committee is hereby created within the
2 department of personnel. The committee consists of thirteen members
3 appointed by the governor. Of the thirteen members, at least seven
4 members must be either a person with a disability, a care giver of a person
5 with a disability, or a person who lives in a household with a person with
6 a disability and is meaningfully involved in the care of a person with a
7 disability. In making the appointments, the governor shall ensure that the
8 committee has members with experience in or knowledge of business and
9 business management; nonprofit entities and managing nonprofit entities;
10 advocacy for persons with disabilities; the practice of medicine; and the
11 practice of law with experience working with persons with disabilities. ~~In~~
12 ~~addition to the thirteen members, the governor's council for persons with~~
13 ~~disabilities may, in consultation with the committee, appoint a~~
14 ~~representative to serve on the committee in an ex officio capacity.~~

15 (6) The committee has the following duties and powers:

16 (c) To have and exercise all rights and powers necessary or
17 incidental to, or implied from, the specific powers granted in this part 22;
18 **and**

19 (e) TO ADOPT AND USE A SEAL AND TO ALTER THE SAME AT ITS
20 PLEASURE;

21 (f) TO AUTHORIZE AN AUCTIONEER OR OTHER SELLER OF A
22 REGISTRATION NUMBER TO RETAIN A REASONABLE COMMISSION AS
23 DETERMINED BY THE COMMITTEE;

24 (g) TO MAKE BUSINESS DECISIONS TO IMPLEMENT THIS PART 22;

25 (h) TO CREATE INCENTIVES FOR HOLDERS TO TURN IN CURRENTLY
26 ISSUED REGISTRATION NUMBERS IF ANY ACTUAL COSTS ARE REIMBURSED
27 TO THE STATE FROM THE SALE;

1 (i) TO AUTHORIZE AND SELL LICENSE PLATES MADE OF
2 ALTERNATIVE MATERIALS IF APPROVED BY THE DEPARTMENT OF REVENUE;
3 AND

4 (j) TO SELL THE RIGHT TO USE ADDITIONAL LICENSE PLATE
5 OPTIONS, SUCH AS HISTORICALLY ISSUED BACKGROUNDS, FOR A FEE IF THE
6 OPTION IS APPROVED BY THE DEPARTMENT OF REVENUE AND THE
7 COLORADO STATE PATROL.

8 (10) THE DEPARTMENT OF PUBLIC SAFETY MAY PROHIBIT ANY
9 ACTION OF THE COMMITTEE OR ITS AGENTS THAT CONCERNS THE SALE OF
10 LICENSE PLATES OR REGISTRATION NUMBERS IF THE DECISION WOULD
11 AFFECT THE POLICY OF THE STATE OF COLORADO AS IT RELATES TO THE
12 USE OR DISPLAY OF LICENSE PLATES OR REGISTRATION NUMBERS.

13 **SECTION 2.** In Colorado Revised Statutes, 24-30-2204, **amend**
14 (1)(b), (1)(c), (2)(a), (2)(b) introductory portion, and (3); **repeal**
15 (2)(b)(VIII); and **add** (2)(d) as follows:

16 **24-30-2204. Program to assist persons to obtain disability**
17 **benefits - repeal.** (1) When adequate funding is available, the committee
18 shall invite nonprofit entities to submit a proposal for a program to aid
19 persons with disabilities in accessing disability benefits. To qualify, the
20 nonprofit organization must be based in Colorado and governed by a
21 board that:

22 (b) Contains members who understand a range of ~~significant~~
23 disabilities; ~~including physical and mental~~; and

24 (c) Contains a majority of either:

25 (I) Recipients with disabilities; ~~or~~

26 (II) Family members of recipients with disabilities who have
27 experience in representing the interests of a person with a disability; OR

1 (III) HAS A CONTRACT WITH AN ORGANIZATION THAT MEETS THE
2 ABOVE CRITERIA TO ASSUME THE DISABILITY PERSPECTIVE.

3 (2) (a) (I) The committee shall review the proposed programs and
4 shall award a contract to ~~the nonprofit entity~~ ONE OR MORE ENTITIES that
5 best ~~meets~~ MEET the requirements of this section in accordance with the
6 "Procurement Code", articles 101 to 112 of this ~~title~~ TITLE 24.

7 (II) The term of ~~the~~ EACH contract is ~~one year. Before the contract~~
8 ~~expires, the committee shall evaluate whether the nonprofit entity and the~~
9 ~~contract are reasonably meeting the requirements of this section,~~
10 ~~including objective and quantitative evaluations, whenever possible, of~~
11 ~~the satisfaction of program participants, the program's success in~~
12 ~~obtaining disability benefits for program participants, the program's~~
13 ~~effectiveness at helping program participants obtain jobs, and~~
14 ~~improvements in the quality of life of program participants.~~ THREE YEARS.
15 The committee shall include the evaluation criteria in the contract.

16 (III) ~~The committee may renew the contract annually for up to five~~
17 ~~years. After five years, the committee shall reopen the contract to a~~
18 ~~competitive bid process.~~

19 (b) The committee shall not award ~~the~~ A contract unless the
20 proposal includes:

21 (VIII) ~~Effective July 1, 2020, the ability to serve persons with~~
22 ~~disabilities statewide.~~

23 (d) TO THE GREATEST EXTENT POSSIBLE, THE COMMITTEE SHALL
24 ENSURE THROUGH ONE OR MORE CONTRACTS PURSUANT TO THIS SECTION
25 THAT PERSONS WITH DISABILITIES ARE SERVED STATEWIDE.

26 (3) The entity awarded a contract under this section shall make
27 quarterly reports of expenditures to ~~the department of personnel, which~~

1 ~~shall make the reports available to the committee.~~ The committee shall
2 include in the contract a method and format for making the reports.

3 **SECTION 3.** In Colorado Revised Statutes, **amend** 24-30-2204.5
4 as follows:

5 **24-30-2204.5. Program to investigate, fund, and pilot projects**
6 **or programs to benefit persons with disabilities.** (1) The committee
7 shall accept and review proposals to fund projects or programs, OR BOTH,
8 that study or pilot new and innovative ideas that will lead to an improved
9 quality of life or increased independence for persons with disabilities.
10 Proposals may be accepted throughout the year, and grants or loans may
11 be made by the committee at its regular meetings. The fund created in
12 section 24-30-2205.5 shall be the sole source to fund any grants or loans
13 made pursuant to this section.

14 (2) To be eligible for funding pursuant to this section, a project or
15 program must:

16 (a) Demonstrate a capability to be self-sustaining or otherwise be
17 able to develop long-term independent funding; ~~and~~

18 (b) Have a governing body, ~~or board,~~ OR OWNERSHIP that is
19 composed of persons with a demonstrated commitment to improving the
20 lives of persons with disabilities, ~~and have a majority be persons with~~
21 ~~disabilities or family members of persons with disabilities~~ THE MAJORITY
22 OF WHOM ARE PERSONS WITH DISABILITIES, PERSONS WITH IMMEDIATE
23 FAMILY MEMBERS WHO ARE PERSONS WITH DISABILITIES, OR PERSONS WHO
24 ARE CAREGIVERS TO A FAMILY MEMBER WHO IS A PERSON WITH
25 DISABILITIES; AND

26 (c) IN THE CASE OF A SOLE PROPRIETORSHIP, HAVE AN OWNER WHO
27 IS A PERSON WITH A DEMONSTRATED COMMITMENT TO IMPROVING THE

1 LIVES OF PERSONS WITH DISABILITIES, WHO IS A PERSON WITH
2 DISABILITIES, OR WHO HAS A FAMILY MEMBER WHO IS A PERSON WITH
3 DISABILITIES.

4 **SECTION 4.** In Colorado Revised Statutes, 24-30-2205.5,
5 **amend** (4) as follows:

6 **24-30-2205.5. Disability support fund.** (4) The committee shall
7 ~~prioritize funding for the implementation of section 24-30-2204 before~~
8 ~~funding for the implementation of section 24-30-2204.5~~ EVALUATE THE
9 COST OF IMPLEMENTING SECTION 24-30-2204 AT LEAST ONCE ANNUALLY
10 AND, IF IT IS FINANCIALLY FEASIBLE TO IMPLEMENT THAT SECTION, SHALL
11 IMPLEMENT SECTION 24-30-2204 BEFORE IMPLEMENTING SECTION
12 24-30-2204.5.

13 **SECTION 5.** In Colorado Revised Statutes, 24-30-2209, **amend**
14 (2) as follows:

15 **24-30-2209. Creation of a private market for registration**
16 **numbers - fee.** (2) The royalty for the state's approval and transfer of the
17 right to use a registration number is twenty-five percent of the sale price
18 of the transfer. At the time of sale, the purchaser shall pay the royalty to
19 the committee. This payment is IN ADDITION TO AND not in lieu of the
20 normal registration fees, SALES OR USE TAXES, or specific ownership tax.

21 **SECTION 6.** In Colorado Revised Statutes, 24-75-402, **amend**
22 (5)(tt) and (5)(uu); and **add** (5)(vv) as follows:

23 **24-75-402. Cash funds - limit on uncommitted reserves -**
24 **reduction in the amount of fees - exclusions.** (5) Notwithstanding any
25 provision of this section to the contrary, the following cash funds are
26 excluded from the limitations specified in this section:

27 (tt) The community impact cash fund created in section 25-7-129

1 (1); and

2 (uu) The 988 crisis hotline cash fund created in section 27-64-104;

3 AND

4 (vv) THE DISABILITY SUPPORT FUND CREATED IN SECTION
5 24-30-2205.5 (1).

6 **SECTION 7.** In Colorado Revised Statutes, 39-22-535, **amend**
7 (1) as follows:

8 **39-22-535. Credit for purchase of uniquely valuable motor**
9 **vehicle registration numbers.** (1) For tax years commencing on or after
10 January 1, 2013, a person who buys THE RIGHT TO USE a registration
11 number under section 24-30-2206 is allowed a credit against the income
12 taxes imposed by this article 22 for twenty percent of the portion of the
13 purchase price that the Colorado disability funding committee, created in
14 section 24-30-2203, certifies exceeds the registration number's fair market
15 value. This is the value the Colorado disability funding committee expects
16 from the sale of the registration number, not the cost of registering the
17 vehicle. OF THE RIGHT TO USE THE REGISTRATION NUMBER THAT IS PAID
18 TO THE COLORADO DISABILITY FUNDING COMMITTEE CREATED IN SECTION
19 24-30-2203.

20 **SECTION 8.** In Colorado Revised Statutes, **amend** 42-1-226 as
21 follows:

22 **42-1-226. Disabled parking education and enforcement fund**
23 **- created.** There is hereby created in the state treasury the disabled
24 parking education and enforcement fund, which consists of money
25 collected pursuant to this section and section 42-4-1208 (6) and (7). The
26 general assembly shall appropriate the money in the fund for the purposes
27 specified in sections ~~42-3-204 and 42-4-1208~~ SECTIONS 42-1-227,

1 42-3-204, AND 42-4-1208. Unexpended and unencumbered money in the
2 fund at the end of a fiscal year remains in the fund and shall not be
3 credited or transferred to the general fund or another fund. The
4 department may accept gifts, grants, or donations from private or public
5 sources for the purposes of this section. All private and public funds
6 MONEY received through gifts, grants, or donations must be transmitted
7 to the state treasurer, who shall credit the money to the fund.

8 **SECTION 9.** In Colorado Revised Statutes, **recreate and**
9 **reenact, with amendments,** 42-1-227 as follows:

10 **42-1-227. Disabled parking education program.** (1) SUBJECT TO
11 THE AVAILABILITY OF MONEY APPROPRIATED TO THE DEPARTMENT OF
12 PERSONNEL PURSUANT TO SECTION 42-1-226, THE COLORADO DISABILITY
13 FUNDING COMMITTEE, CREATED IN SECTION 24-30-2203:

14 (a) MAY MAKE GRANTS OR DEVELOP, IMPLEMENT, OR DELIVER
15 EDUCATION PROGRAMS FOR THE PURPOSE OF PROVIDING PEACE OFFICERS,
16 LOCAL GOVERNMENTS, MEDICAL PROVIDERS, DRIVERS, AND PERSONS WITH
17 DISABILITIES WITH EDUCATION CONCERNING ELIGIBILITY STANDARDS FOR
18 RESERVED PARKING AVAILABLE TO A PERSON WITH A DISABILITY
19 AFFECTING MOBILITY, APPROPRIATE USE OF THE RESERVED PARKING, THE
20 LEGAL STANDARDS AND VIOLATIONS CONTAINED IN SECTIONS 42-3-204
21 AND 42-4-1208, AND THE ADVANTAGES OF CREATING A VOLUNTEER
22 ENFORCEMENT PROGRAM; AND

23 (b) SHALL CREATE OR MAKE AVAILABLE A TRAINING PROGRAM TO
24 ASSIST PROFESSIONALS IN UNDERSTANDING THE STANDARDS THAT NEED
25 TO BE MET TO OBTAIN AN IDENTIFYING LICENSE PLATE OR PLACARD.

26 **SECTION 10.** In Colorado Revised Statutes, 42-3-211, **amend**
27 (9) as follows:

1 **42-3-211. Issuance of personalized plates authorized.** (9) (a) A
2 person who has been issued personalized license plates PURSUANT TO THIS
3 SECTION, SECTION 42-3-115 (5)(a), OR SECTION 42-3-206.5 may retain the
4 unique combination of letters or numbers of such plate, notwithstanding
5 that the person no longer has a registered motor vehicle, if the person
6 pays an annual fee of twenty-five dollars, which shall be transferred to the
7 highway users tax fund.

8 (b) This subsection (9) shall not be construed to authorize a person
9 to reserve license plates for which no motor vehicle has ever been
10 registered according to this ~~article~~ ARTICLE 3, UNLESS THE LICENSE PLATE
11 CONFIGURATION WAS PURCHASED PURSUANT TO SECTION 24-30-2208.
12 This subsection (9) shall not be construed to require the department to
13 send a renewal notice to the person who retains the unique combination
14 of letters or numbers.

15 **SECTION 11.** In Colorado Revised Statutes, 42-3-206.5, **amend**
16 (1), (3), and (5); **repeal** (2) and (4); and **add** (2.5) as follows:

17 **42-3-206.5. Issuance of plates in a retired style authorized -**
18 **additional fee - rules.** (1) ~~Subject to the requirements of this section~~
19 BEGINNING JANUARY 1, 2023, OR WHEN THE DEPARTMENT IS ABLE TO
20 ISSUE LICENSE PLATES PURSUANT TO SECTION 24-30-2203 (6)(j),
21 WHICHEVER IS EARLIER, the department ~~may~~ SHALL issue license plates in
22 ~~the previously retired style that had white letters and numbers on a~~
23 ~~background of green mountains and a white sky~~ STYLES for
24 MOTORCYCLES, passenger cars, ~~or~~ trucks, ~~not over~~ OR NONCOMMERCIAL
25 OR RECREATIONAL MOTOR VEHICLES THAT DO NOT EXCEED sixteen
26 thousand pounds empty weight THAT HAD:

27 (a) (I) WHITE LETTERS AND NUMBERS ON A BACKGROUND OF

1 GREEN MOUNTAINS AND A WHITE SKY;

2 (II) WHITE LETTERS AND NUMBERS ON A BACKGROUND OF BLACK
3 WITH A WHITE BORDER;

4 (III) WHITE LETTERS AND NUMBERS ON A BACKGROUND OF BLUE
5 WITH A WHITE BORDER; OR

6 (IV) WHITE LETTERS AND NUMBERS ON A BACKGROUND OF RED
7 WITH A WHITE BORDER.

8 (b) THE AMOUNT OF THE TAXES AND FEES FOR LICENSE PLATES IN
9 THE PREVIOUSLY RETIRED STYLE IS THE SAME AS THE AMOUNT OF THE
10 TAXES AND FEES SPECIFIED FOR REGULAR MOTOR VEHICLE PLATES PLUS AN
11 ANNUAL FEE OF TWENTY-FIVE DOLLARS, WHICH SHALL BE CREDITED TO
12 THE DISABILITY SUPPORT FUND, CREATED IN SECTION 24-30-2205.5.

13 (2) ~~The department may only issue plates in the previously retired~~
14 ~~style if the department determines that demand for the style, including~~
15 ~~willingness to pay an additional fee that fully defrays the costs of~~
16 ~~producing the license plates in the style, is sufficiently high to justify~~
17 ~~production of the license plates.~~

18 (2.5) THE COLORADO DISABILITY FUNDING COMMITTEE IS
19 RESPONSIBLE FOR THE COSTS OF DESIGNING THE PREVIOUSLY RETIRED
20 LICENSE PLATE STYLES AND SHALL PAY SUCH COSTS BEFORE THE LICENSE
21 PLATES ARE PRODUCED. THE DESIGN FOR THE PREVIOUSLY RETIRED
22 LICENSE PLATE STYLES SHALL CONFORM WITH STANDARDS ESTABLISHED
23 BY THE DEPARTMENT. AFTER JANUARY 1, 2028, THE DEPARTMENT MAY
24 STOP PRODUCING PLATES IN A PREVIOUSLY RETIRED STYLE IF THE
25 DEPARTMENT DETERMINES THAT DEMAND FOR THAT STYLE, INCLUDING
26 WILLINGNESS TO PAY AN ADDITIONAL FEE THAT FULLY DEFRAYS THE
27 COSTS OF PRODUCING THE LICENSE PLATES IN THE STYLE, IS NOT

1 SUFFICIENTLY HIGH TO JUSTIFY PRODUCTION OF THE LICENSE PLATES.

2 (3) An applicant may apply for personalized license plates in the
3 A previously retired style if the department offers such plates for
4 purchase. If the applicant complies with section 42-3-211, the department
5 may issue such plates upon payment of the additional fee required by
6 section 42-3-211 (6) for personalized license plates. ~~plus twenty-five~~
7 ~~dollars. The twenty-five dollars paid on top of the additional fee required~~
8 ~~by section 42-3-211 (6) shall be transmitted to the state treasurer, who~~
9 ~~shall credit the twenty-five dollars to the disability support fund created~~
10 ~~in section 24-30-2205.5.~~ If the applicant has existing personalized license
11 plates for a motor vehicle, the applicant may transfer the combination of
12 letters or numbers to a new set of license plates in the A previously retired
13 style for the vehicle upon paying the fee imposed by section 42-3-211
14 (6)(a) and upon turning in such existing plates to the department as
15 required by the department. A person who has obtained personalized
16 license plates in the A previously retired style under this subsection (3)
17 shall pay the annual fee imposed by section 42-3-211 (6)(b) to renew such
18 plates. The fees imposed by this subsection (3) are in addition to all other
19 taxes and fees imposed for license plates in the A previously retired style.

20 (4) ~~The amount of the taxes and fees for license plates in the~~
21 ~~previously retired style is the same as the amount of the taxes and fees~~
22 ~~specified for regular motor vehicle plates plus an additional annual fee set~~
23 ~~by the department in the lesser of the amount necessary to defray the~~
24 ~~actual costs of producing and issuing the plates plus twenty-five dollars~~
25 ~~or seventy-five dollars. The additional fee shall be transmitted to the state~~
26 ~~treasurer, who shall credit it to the license plate cash fund created in~~
27 ~~section 42-3-301 (1)(b); except that twenty-five dollars of the fee shall be~~

1 ~~credited to the disability support fund created in section 24-30-2205.5.~~

2 (5) All applications for license plates in the A previously retired
3 style must be made directly to the department.

4 **SECTION 12.** In Colorado Revised Statutes, **repeal** 24-30-2207.

5 **SECTION 13. Appropriation - adjustments to 2022 long bill.**

6 (1) To implement this act, appropriations made in the annual general
7 appropriation act for the 2022-23 state fiscal year to the department of
8 personnel for use by the executive director's office are adjusted as
9 follows:

10 (a) The cash funds appropriation from the disability support fund
11 created in section 24-30-2205.5 (1), C.R.S., for the disability funding
12 committee is decreased by \$100,000;

13 (b) The cash funds appropriation for the disability funding
14 committee is increased by \$100,000 from the disabled parking education
15 and enforcement fund created in section 42-1-226, C.R.S.

16 **SECTION 14. Act subject to petition - effective date.** This act
17 takes effect at 12:01 a.m. on the day following the expiration of the
18 ninety-day period after final adjournment of the general assembly; except
19 that, if a referendum petition is filed pursuant to section 1 (3) of article V
20 of the state constitution against this act or an item, section, or part of this
21 act within such period, then the act, item, section, or part will not take
22 effect unless approved by the people at the general election to be held in
23 November 2022 and, in such case, will take effect on the date of the
24 official declaration of the vote thereon by the governor.