

**NOTICE OF ELECTION TO INCREASE  
TAXES ON A REFERRED MEASURE**

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**2022 State Ballot  
Information Booklet**

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**STATEWIDE ELECTION DAY  
is Tuesday, November 8, 2022**

Voter service and polling centers are open 7 a.m. to 7 p.m. on Election Day.  
Ballots are mailed to all registered voters between October 17 and October 21, 2022.





# COLORADO GENERAL ASSEMBLY LEGISLATIVE COUNCIL



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September 7, 2022

This booklet provides information on the 11 statewide measures on the November 8, 2022, ballot and on the judges who are on the ballot for retention in your area. Following a quick ballot reference guide, the information is presented in three sections.

**Section One — Analyses.** Each statewide measure receives an analysis that includes a description of the measure and major arguments for and against. Careful consideration has been given to the arguments in an effort to fairly represent both sides of the issue. Each analysis also includes an estimate of the fiscal impact of the measure. More information on the fiscal impact of measures can be found at [leg.colorado.gov/bluebook](http://leg.colorado.gov/bluebook). The state constitution requires that the nonpartisan research staff of the General Assembly prepare these analyses and distribute them in a ballot information booklet to registered voter households.

**Section Two — Titles and Text.** For each measure, this section includes the title that appears on the ballot and the legal language of each measure, with new laws in capitalized letters and laws that are being eliminated in strikeout type.

**Section Three — Information on Local Election Officials.** The booklet concludes with addresses and telephone numbers of local election officials. Your local election official can provide you with information on voter service and polling centers, absentee ballots, and early voting.

## 2022 Measures on the Ballot

Table 1 lists the measures on the 2022 ballot. Of the 11 measures on the ballot, 3 propose changes to the state constitution, and 8 propose changes to the state statutes.

**Measures referred by the state legislature.** A measure placed on the ballot by the state legislature that amends the state constitution is labeled an “Amendment,” followed by a letter. A measure placed on the ballot by the state legislature that amends the state statutes or that is referred as a tax question is labeled a “Proposition,” followed by a double letter.

**Measures initiated by citizens.** A measure placed on the ballot through the signature-collection process that amends the state constitution is labeled an “Amendment,” followed by a number between 1 and 99. A measure



A “yes/for” vote on any ballot issue is a vote in favor of changing current law or existing circumstances, and a “no/against” vote on any ballot issue is a vote against changing current law or existing circumstances.



Find judicial performance evaluations for statewide, district, and county judges up for retention in your judicial district at: <http://www.ojpe.org>



A full fiscal impact statement for each measure can be found at: <https://leg.colorado.gov/2022bluebookfiscalnotes>

placed on the ballot through the signature-collection process that amends the state statutes is labeled a “Proposition,” followed by a number between 100 and 199.

Voter approval is required in the future to change any constitutional measure adopted by the voters, although the legislature may adopt statutes that clarify or implement these constitutional measures as long as they do not conflict with the constitution. The state legislature, with the approval of the Governor, may change any statutory measure in the future without voter approval.

Under provisions in the state constitution, passage of a constitutional amendment requires at least 55 percent of the votes cast, except that when a constitutional amendment is limited to a repeal, it requires a simple majority vote. In 2022, Amendments D, E, and F require 55 percent of the vote to pass. The remaining measures require a simple majority vote to pass.

**Table 1  
Measures on the 2022 Ballot**

**Amending the Constitution**

Amendment D	New 23 <sup>rd</sup> Judicial District Judges	Legislature /a	55% Vote to Pass
Amendment E	Extend Homestead Exemption to Gold Star Spouses	Legislature /a	55% Vote to Pass
Amendment F	Changes to Charitable Gaming Operations	Legislature /a	55% Vote to Pass

**Amending State Statutes**

Proposition FF	Healthy School Meals for All	Legislature /a	Simple Majority Vote to Pass
Proposition GG	Add Tax Information Table to Petitions and Ballots	Legislature /a	Simple Majority Vote to Pass
Proposition 121	State Income Tax Rate Reduction	Citizens /b	Simple Majority Vote to Pass
Proposition 122	Access to Natural Psychedelic Substances	Citizens /b	Simple Majority Vote to Pass
Proposition 123	Dedicate Revenue for Affordable Housing Programs	Citizens /b	Simple Majority Vote to Pass
Proposition 124	Increase Allowable Liquor Store Locations	Citizens /b	Simple Majority Vote to Pass
Proposition 125	Allow Grocery and Convenience Stores to Sell Wine	Citizens /b	Simple Majority Vote to Pass
Proposition 126	Third-Party Delivery of Alcohol Beverages	Citizens /b	Simple Majority Vote to Pass

*/a Referred to the ballot by the state legislature.*

*/b Placed on the ballot through the citizen signature process.*



An audio version of the book is available through the Colorado Talking Book Library at: <https://myctbl.cde.state.co.us/legislative-blue-book>



Local election offices can provide voter information, including where to vote, how to register to vote, and what is on your ballot. Find contact information for local county election offices on p. 66.



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**New 23<sup>rd</sup> Judicial District Judges**

*Placed on the ballot by the legislature • Passes with 55 percent of the vote*

**Ballot Title**

Shall there be an amendment to the Colorado constitution concerning judges of the newly created twenty-third judicial district, and, in connection therewith, directing the governor to designate judges from the eighteenth judicial district to serve the remainder of their terms in the twenty-third judicial district and requiring a judge so designated to establish residency within the twenty-third judicial district?

**What Your Vote Means**

**YES** A “yes” vote on Amendment D directs the Governor to reassign judges from the existing 18<sup>th</sup> Judicial District to the new 23<sup>rd</sup> Judicial District by November 30, 2024.

**NO** A “no” vote on Amendment D means that there could be uncertainty in Colorado law about assignment of judges in the new 23<sup>rd</sup> Judicial District and that continuity of court functions could be disrupted.



**Extend Homestead Exemption to Gold Star Spouses**

*Placed on the ballot by the legislature • Passes with 55 percent of the vote*

**Ballot Title**

Shall there be an amendment to the Colorado constitution concerning the extension of the property tax exemption for qualifying seniors and disabled veterans to the surviving spouse of a United States armed forces service member who died in the line of duty or veteran whose death resulted from a service-related injury or disease?

**What Your Vote Means**

**YES** A “yes” vote on Amendment E reduces the property taxes paid by a homeowner who is the surviving spouse of either a military member who died in the line of duty or a veteran who died as a result of a service-related injury or disease by expanding the existing homestead exemption for disabled veterans to include these surviving spouses.

**NO** A “no” vote on Amendment E means that the existing homestead exemption is not expanded to include surviving spouses of either a military member who died in the line of duty or a veteran who died as a result of a service-related injury or disease.



**Changes to Charitable Gaming Operations**

*Placed on the ballot by the legislature • Passes with 55 percent of the vote*

**Ballot Title**

Shall there be an amendment to the Colorado constitution concerning the conduct of charitable gaming activities, and, in connection therewith, allowing managers and operators to be paid and repealing the required period of a charitable organization’s continuous existence before obtaining a charitable gaming license?

**What Your Vote Means**

**YES** A “yes” vote on Amendment F reduces from five to three the minimum number of years a nonprofit organization must operate in Colorado in order to apply for a bingo-raffle license, and authorizes the state legislature to establish a different requirement beginning in 2025. In addition, a “yes” vote allows, but does not require, bingo-raffle workers to be paid. Wages are capped at minimum wage through June 30, 2024, after which wages are not limited.

**NO** A “no” vote on Amendment F maintains the current requirement that a nonprofit organization must operate in Colorado for five years before applying for a bingo-raffle license, and that bingo-raffle workers must be unpaid volunteers.



## Quick Ballot Reference Guide



### Healthy School Meals for All

*Placed on the ballot by the legislature • Passes with a majority vote*

#### Ballot Title

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SHALL STATE TAXES BE INCREASED \$100,727,820 ANNUALLY BY A CHANGE TO THE COLORADO REVISED STATUTES THAT, TO SUPPORT HEALTHY MEALS FOR PUBLIC SCHOOL STUDENTS, INCREASES STATE TAXABLE INCOME ONLY FOR INDIVIDUALS WHO HAVE FEDERAL TAXABLE INCOME OF \$300,000 OR MORE BY LIMITING ITEMIZED OR STANDARD STATE INCOME TAX DEDUCTIONS TO \$12,000 FOR SINGLE TAX RETURN FILERS AND \$16,000 FOR JOINT TAX RETURN FILERS, AND, IN CONNECTION THEREWITH, CREATING THE HEALTHY SCHOOL MEALS FOR ALL PROGRAM TO PROVIDE FREE SCHOOL MEALS TO STUDENTS IN PUBLIC SCHOOLS; PROVIDING GRANTS FOR PARTICIPATING SCHOOLS TO PURCHASE COLORADO GROWN, RAISED, OR PROCESSED PRODUCTS, TO INCREASE WAGES OR PROVIDE STIPENDS FOR EMPLOYEES WHO PREPARE AND SERVE SCHOOL MEALS, AND TO CREATE PARENT AND STUDENT ADVISORY COMMITTEES TO PROVIDE ADVICE TO ENSURE SCHOOL MEALS ARE HEALTHY AND APPEALING TO ALL STUDENTS; AND CREATING A PROGRAM TO ASSIST IN PROMOTING COLORADO FOOD PRODUCTS AND PREPARING SCHOOL MEALS USING BASIC NUTRITIOUS INGREDIENTS WITH MINIMAL RELIANCE ON PROCESSED PRODUCTS?

#### What Your Vote Means

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**YES** A “yes” vote on Proposition FF creates a program to provide access to free meals to all public school students in Colorado and offer grants to schools related to the provision of school meals. It also increases taxes for households with over \$300,000 in federal adjusted gross income by limiting state income tax deductions.

**NO** A “no” vote on Proposition FF means that the current method of funding school meals, which provides free meals to children from households with incomes below certain thresholds, will remain unchanged, and there will be no change to tax law.



### Add Tax Information Table to Petitions and Ballots

*Placed on the ballot by the legislature • Passes with a majority vote*

#### Ballot Title

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Shall there be a change to the Colorado Revised Statutes requiring that the ballot title and fiscal summary for any ballot initiative that increases or decreases state income tax rates include a table showing the average tax change for tax filers in different income categories?

#### What Your Vote Means

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**YES** A “yes” vote on Proposition GG requires that a tax information table be included on petitions and ballots for any citizen-initiated measure that changes the individual income tax rate. The table must list the average change in taxes owed for taxpayers in specified income categories.

**NO** A “no” vote on Proposition GG keeps petitions and ballots in their current format.



### State Income Tax Rate Reduction

*Placed on the ballot by citizen initiative • Passes with a majority vote*

#### Ballot Title

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Shall there be a change to the Colorado Revised Statutes reducing the state income tax rate from 4.55% to 4.40%?

#### What Your Vote Means

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**YES** A “yes” vote on Proposition 121 reduces the state income tax rate to 4.40 percent for tax year 2022 and future years.

**NO** A “no” vote on Proposition 121 keeps the state income tax rate unchanged at 4.55 percent.



122

**Access to Natural Psychedelic Substances**

*Placed on the ballot by citizen initiative • Passes with a majority vote*

**Ballot Title**

Shall there be a change to the Colorado Revised Statutes concerning legal regulated access to natural medicine for persons 21 years of age or older, and, in connection therewith, defining natural medicine as certain plants or fungi that affect a person’s mental health and are controlled substances under state law; establishing a natural medicine regulated access program for supervised care, and requiring the department of regulatory agencies to implement the program and comprehensively regulate natural medicine to protect public health and safety; creating an advisory board to advise the department as to the implementation of the program; granting a local government limited authority to regulate the time, place, and manner of providing natural medicine services; allowing limited personal possession, use, and uncompensated sharing of natural medicine; providing specified protections under state law, including criminal and civil immunity, for authorized providers and users of natural medicine; and, in limited circumstances, allowing the retroactive removal and reduction of criminal penalties related to the possession, use, and sale of natural medicine?

**What Your Vote Means**

**YES** A “yes” vote on Proposition 122 requires the state to establish a regulated system for accessing psychedelic mushrooms and, if approved by the regulating state agency, additional plant-based psychedelic substances and decriminalizes the possession and use of psychedelic mushrooms and certain plant-based psychedelic substances in Colorado law for individuals aged 21 and over.

**NO** A “no” vote on Proposition 122 means that the possession and use of psychedelic mushrooms and other plant-based psychedelic substances will remain illegal under state law.

123

**Dedicate Revenue for Affordable Housing Programs**

*Placed on the ballot by citizen initiative • Passes with a majority vote*

**Ballot Title**

Shall there be a change to the Colorado Revised Statutes concerning statewide funding for additional affordable housing, and, in connection therewith, dedicating state revenues collected from an existing tax of one-tenth of one percent on federal taxable income of every individual, estate, trust, and corporation, as defined in law, for affordable housing and exempting the dedicated revenues from the constitutional limitation on state fiscal year spending; allocating 60% of the dedicated revenues to affordable housing financing programs that will reduce rents, purchase land for affordable housing development, and build assets for renters; allocating 40% of the dedicated revenues to programs that support affordable home ownership, serve persons experiencing homelessness, and support local planning capacity; requiring local governments that seek additional affordable housing funding to expedite development approvals for affordable housing projects and commit to increasing the number of affordable housing units by 3% annually; and specifying that the dedicated revenues shall not supplant existing appropriations for affordable housing programs?

**What Your Vote Means**

**YES** A “yes” vote on Proposition 123 sets aside money for new affordable housing programs and exempts this money from the state’s revenue limit.

**NO** A “no” vote on Proposition 123 means that state revenue will continue to be spent on priorities as determined by the state legislature or returned to taxpayers, as under current law.



## Quick Ballot Reference Guide

124

### Increase Allowable Liquor Store Locations

*Placed on the ballot by citizen initiative • Passes with a majority vote*

#### Ballot Title

Shall there be a change to the Colorado Revised Statutes concerning increasing the number of retail liquor store licenses in which a person may hold an interest, and, in connection therewith, phasing in the increase by allowing up to 8 licenses by December 31, 2026, up to 13 licenses by December 31, 2031, up to 20 licenses by December 31, 2036, and an unlimited number of licenses on or after January 1, 2037?

#### What Your Vote Means

**YES** A “yes” vote on Proposition 124 allows retail liquor stores to apply for and, if approved, increase the number of locations over time, with no limit on the number of locations after 2037.

**NO** A “no” vote on Proposition 124 retains current law that limits retail liquor stores to a total of three locations in the state through 2026, and a total of four locations thereafter.

125

### Allow Grocery and Convenience Stores to Sell Wine

*Placed on the ballot by citizen initiative • Passes with a majority vote*

#### Ballot Title

Shall there be a change to the Colorado Revised Statutes concerning the expansion of retail sale of alcohol beverages, and, in connection therewith, establishing a new fermented malt beverage and wine retailer license for off-site consumption to allow grocery stores, convenience stores, and other business establishments licensed to sell fermented malt beverages, such as beer, for off-site consumption to also sell wine; automatically converting such a fermented malt beverage retailer license to the new license; and allowing fermented malt beverage and wine retailer licensees to conduct tastings if approved by the local licensing authority?

#### What Your Vote Means

**YES** A “yes” vote on Proposition 125 allows licensed grocery and convenience stores that currently sell beer to also sell wine.

**NO** A “no” vote on Proposition 125 means that licensed grocery and convenience stores may continue selling beer, but not wine.

126

### Third-Party Delivery of Alcohol Beverages

*Placed on the ballot by citizen initiative • Passes with a majority vote*

#### Ballot Title

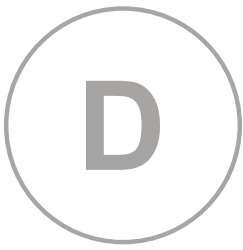
Shall there be a change to the Colorado Revised Statutes concerning authorization for the third-party delivery of alcohol beverages, and, in connection therewith, allowing retail establishments licensed to sell alcohol beverages for on-site or off-site consumption to deliver all types of alcohol beverages to a person twenty-one years of age or older through a third-party delivery service that obtains a delivery service permit; prohibiting the delivery of alcohol beverages to a person who is under 21 years of age, is intoxicated, or fails to provide proof of identification; removing the limit on the percentage of gross sales revenues a licensee may receive from alcohol beverage deliveries; and allowing a technology services company, without obtaining a third-party delivery service permit, to provide software or a digital network application that connects consumers and licensed retailers for the delivery of alcohol beverages?

#### What Your Vote Means

**YES** A “yes” vote on Proposition 126 allows third-party companies to deliver alcohol from grocery stores, convenience stores, liquor stores, bars, restaurants, and other liquor-licensed businesses, and makes takeout and delivery of alcohol from bars and restaurants permanently available.

**NO** A “no” vote on Proposition 126 maintains current law, which requires businesses to use their own employees to deliver alcohol. Bars and restaurants may offer takeout and delivery of alcohol until July 2025.





# New 23<sup>rd</sup> Judicial District Judges

*Placed on the ballot by the legislature • Passes with 55 percent of the vote*

## Amendment D proposes amending the Colorado Constitution to:

- require the Governor to reassign judges from the existing 18<sup>th</sup> Judicial District to the new 23<sup>rd</sup> Judicial District on a one-time basis.

## What Your Vote Means

**YES** A “yes” vote on Amendment D directs the Governor to reassign judges from the existing 18<sup>th</sup> Judicial District to the new 23<sup>rd</sup> Judicial District by November 30, 2024.

**NO** A “no” vote on Amendment D means that there could be uncertainty in Colorado law about assignment of judges in the new 23<sup>rd</sup> Judicial District and that continuity of court functions could be disrupted.

## Summary and Analysis for Amendment D

In 2020, the state legislature passed a law to create the 23<sup>rd</sup> Judicial District out of the existing 18<sup>th</sup> Judicial District. The law specified that judges who currently live within the new district boundaries will be reassigned to the new district. Amendment D addresses this same judicial transfer by adding constitutional provisions for the seating of 23<sup>rd</sup> district judges and ensures court services continue without interruption or uncertainty. Specifically, Amendment D amends the state constitution to require the Governor to reassign judges from the 18<sup>th</sup> Judicial District to the newly formed 23<sup>rd</sup> Judicial District.

### What is the difference between the Colorado Constitution and state statutes?

The Colorado Constitution is the highest legal authority in the state, establishes government duties and functions, and tends to be broad in scope. It can only be changed if approved by a statewide vote. The state legislature has the authority to enact statutes that impact many aspects of daily life and are generally more detailed and specific. State statutes must not violate the state constitution.

### What are judicial districts?

Under the state constitution, the state is divided into judicial districts consisting of one or more counties. District courts in these judicial districts hear both civil and criminal court cases, including felony criminal cases, family law matters, settling of wills after death, and behavioral health cases. The state legislature may change the boundaries of a judicial district, or increase or reduce the number of judicial districts.

There have been 22 judicial districts in Colorado since 1964. In 2020, the state legislature created a new 23<sup>rd</sup> Judicial District out of the existing 18<sup>th</sup> Judicial District. Beginning in 2025, the 18<sup>th</sup> Judicial District will consist of Arapahoe County, and the 23<sup>rd</sup> will include Douglas, Elbert, and Lincoln Counties.

### How are judges selected in Colorado?

The constitution requires judges to be nominated by a judicial nominating commission and then appointed by the Governor. Thereafter, judges must periodically go before voters in retention elections if they wish to serve additional terms. Reassigning judges from one district to another is not covered in this process.

### What happens if Amendment D passes?

Amendment D directs the Governor to reassign judges from the 18<sup>th</sup> Judicial District to the newly created 23<sup>rd</sup> Judicial District. Reassigned judges must live in the new 23<sup>rd</sup> Judicial District, and may run in retention elections to serve additional terms in the new district once their initial terms are complete.

### What happens if Amendment D fails?

If Amendment D fails, it is uncertain how the transition of judges to the new district will be resolved. The constitution provides that judicial vacancies are filled by a Governor’s appointment through the nominating process, regardless of

how the vacancy occurred. Casework and court proceedings in the new 23<sup>rd</sup> Judicial District also may be reassigned as determined by the Judicial Department.

*For information on those issue committees that support or oppose the measures on the ballot at the November 8, 2022 election, go to the Colorado Secretary of State's elections center web site hyperlink for ballot and initiative information:*

<https://www.sos.state.co.us/pubs/elections/Initiatives/InitiativesHome.html>

### **Argument For Amendment D**

- 1) Amendment D establishes a smooth transition for the new judicial district and helps avoid the cost of potential litigation. Because it is unclear if current state law will ensure the proper seating of judges in the new district, the amendment provides a definitive legal mechanism for the transition. This will prevent the invalidation of rulings resulting from allegations of improper seating of judges, as well as offset costs and address other logistical concerns. Requiring the Governor to assign judges to the new district in a timely and efficient way also prevents disruptions and delays in casework and court proceedings.

### **Argument Against Amendment D**

- 1) Amendment D is not the only way to assign judges to the 23<sup>rd</sup> Judicial District. The constitution and state statute allow for judges to be appointed through a vacancy process or to serve in other districts under certain circumstances.

### **Fiscal Impact for Amendment D**

Amendment D will increase workload in the Governor's office to reassign judges to the new 23<sup>rd</sup> Judicial District. In addition, by resolving the constitutionality of seating judges in the new 23<sup>rd</sup> district in advance, the state may avoid potential costs for litigation in the courts to determine how the judges should be assigned.



# Extend Homestead Exemption to Gold Star Spouses

Placed on the ballot by the legislature • Passes with 55 percent of the vote

## Amendment E proposes amending the Colorado Constitution to:

- reduce property taxes for the surviving spouses of both United States Armed Forces service members who died in the line of duty and veterans who died as a result of a service-related injury or disease.

## What Your Vote Means

**YES** A “yes” vote on Amendment E reduces the property taxes paid by a homeowner who is the surviving spouse of either a military member who died in the line of duty or a veteran who died as a result of a service-related injury or disease by expanding the existing homestead exemption for disabled veterans to include these surviving spouses.

**NO** A “no” vote on Amendment E means that the existing homestead exemption is not expanded to include surviving spouses of either a military member who died in the line of duty or a veteran who died as a result of a service-related injury or disease.

## Summary and Analysis for Amendment E

Amendment E expands the current homestead exemption to reduce the property taxes paid by a homeowner who is the surviving spouse of either a military service member who died in the line of duty or a veteran whose death resulted from a service-related injury or disease.

### What is the current homestead exemption?

The homestead exemption in the state constitution reduces property taxes owed on a qualifying homeowner’s primary residence by exempting 50 percent of the first \$200,000 of the home’s value from taxation. The state legislature can adjust the \$200,000 amount to either increase or decrease the homestead exemption. Examples of the effect of this exemption can be found in Table 1.

Qualifying homeowners include Coloradans aged 65 or over who have lived in their home for at least ten years and veterans with a service-connected disability rated 100 percent permanent and total by the federal government. A qualifying veteran who is also eligible for a reduction in property taxes as a senior cannot claim both reductions.

The surviving spouse of a veteran with a disability who continues to live in the home can continue to claim the homestead exemption after the veteran dies. The surviving spouse who continues to live in the home of a senior who claimed or could have claimed the homestead exemption can also claim the exemption.

Although counties collect property tax, the state reimburses them for the cost of the homestead exemption.

### How does the homestead exemption reduce a homeowner’s property tax bill?

The dollar amount of the tax reduction from the homestead exemption varies among homeowners depending on the statewide residential assessment rate, the local property tax rate, and the home’s value after the exemption is applied.

Table 1 provides examples of how the homestead exemption reduces property taxes based on an average 2021 property tax rate and the current exemption level. The actual tax reductions will vary because local governments can set different property tax rates.

Home Value	Average Taxes without Homestead Exemption	Home Value with Homestead Exemption	Average Taxes with Homestead Exemption	Average Tax Reduction
\$150,000	\$950	\$75,000	\$470	\$480
\$200,000	\$1,260	\$100,000	\$630	\$630
\$500,000	\$3,160	\$400,000	\$2,530	\$630
\$1,000,000	\$6,320	\$900,000	\$5,690	\$630

In 2021, 266,538 seniors claimed homestead exemptions, with an average tax reduction of \$587, and 9,016 veterans claimed homestead exemptions, with an average tax reduction of \$617.

### Who qualifies for the homestead exemption under the measure?

Amendment E extends the homestead exemption to surviving spouses, also known as Gold Star spouses, of U.S. Armed Forces service members who died in the line of duty and of veterans whose death resulted from a service-related injury or disease.

To claim the homestead exemption, the surviving spouse must own and live in the home and be determined qualified under federal law by the state Department of Military and Veterans Affairs (DMVA). To qualify, a surviving spouse must provide evidence to the DMVA from either the U.S. Department of Defense or the U.S. Department of Veterans Affairs that the service member's death was the result of a service-related injury or disease, whether the death occurred while on active duty or following separation from the military.

An estimated 490 surviving spouses who are not otherwise able to claim the homestead exemption would be eligible for the exemption under this measure in property tax year 2023.

*For information on those issue committees that support or oppose the measures on the ballot at the November 8, 2022 election, go to the Colorado Secretary of State's elections center web site hyperlink for ballot and initiative information:*

<https://www.sos.state.co.us/pubs/elections/Initiatives/InitiativesHome.html>

### Argument For Amendment E

- 1) The measure allows Colorado to do more to help Gold Star families whose spouses have lost their lives in service to our nation and state. Losing a spouse can lead to unmet financial needs, and the tax exemption in Amendment E helps Gold Star spouses offset expenses of the family home. Additionally, Colorado currently allows spouses of 100 percent disabled veterans to keep the homestead exemption when that veteran dies, but provides no exemption if the spouse is killed while serving in the military. Amendment E addresses an inconsistency that is unfair to surviving families.

### Argument Against Amendment E

- 1) Amendment E reduces taxes only for Gold Star spouses who are financially able to own homes. Gold Star spouses who cannot afford to own a home do not benefit from this measure. Further, the intent of the current homestead exemption for 100 percent permanently disabled veterans is to help address the employment and income limitations of their disability. Gold Star spouses may not have the same employment challenges as permanently disabled veterans.

### Fiscal Impact for Amendment E

**State spending.** Counties collect property taxes, but they do not lose revenue from the homestead exemption because the state reimburses them for the reduction in property tax revenue resulting from the homestead exemption. In 2021, the state reimbursed counties \$162.1 million in homestead exemptions, of which \$156.5 million was for senior homestead exemptions and \$5.6 million for veterans with a disability homestead exemptions. Amendment E will increase state spending by \$288,000 in state budget year 2023-24 to cover the reimbursements authorized in the measure.



# Changes to Charitable Gaming Operations

*Placed on the ballot by the legislature • Passes with 55 percent of the vote*

## Amendment F proposes amending the Colorado Constitution to:

- reduce from five to three the minimum number of years a nonprofit organization must be in operation in Colorado in order to apply for a bingo-raffle license, and authorize the state legislature to establish a different requirement beginning in 2025; and
- allow, but not require, a member of a nonprofit organization who is managing or operating a bingo-raffle game (bingo-raffle worker) to receive compensation up to the minimum wage, before repealing restrictions on compensation beginning July 1, 2024.

## What Your Vote Means

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**YES** A “yes” vote on Amendment F reduces from five to three the minimum number of years a nonprofit organization must operate in Colorado in order to apply for a bingo-raffle license, and authorizes the state legislature to establish a different requirement beginning in 2025. In addition, a “yes” vote allows, but does not require, bingo-raffle workers to be paid. Wages are capped at minimum wage through June 30, 2024, after which wages are not limited.

**NO** A “no” vote on Amendment F maintains the current requirement that a nonprofit organization must operate in Colorado for five years before applying for a bingo-raffle license, and that bingo-raffle workers must be unpaid volunteers.

## Summary and Analysis for Amendment F

### What types of charitable gaming are currently allowed in Colorado?

In 1958, the Colorado Constitution was amended to permit the operation of games of chance by certain nonprofit organizations. Typical games of chance include:

- bingo, in which each player has at least one card with a grid of letters and numbers, and marks off the letter and number combinations called by the bingo caller until one of the players completes the designated winning pattern; and
- raffles, which involve tickets that have a unique number or other identifier randomly drawn to reveal the prize winner, and include pull-tabs and pickles.

The proceeds of any game must be exclusively devoted to the purposes of the nonprofit organization conducting the bingo or raffle. Only a member of a nonprofit organization may participate in the management or operation of a bingo-raffle game (bingo-raffle worker). A bingo-raffle worker cannot be paid a wage for managing or operating bingo-raffle games.

The following types of nonprofit organizations can apply for a license if they have been continuously operating in Colorado for at least five years: chartered branches, lodges, and chapters of national or state organizations; religious, charitable, labor, fraternal, educational, voluntary firefighters', or veterans' organizations; political parties; and the Colorado State Fair Authority.

### What does Amendment F do?

The Colorado Constitution currently allows nonprofit organizations that have continuously operated in Colorado for five or more years to apply for a bingo-raffle license, and prohibits them from paying bingo-raffle workers. The state legislature cannot change either of these requirements without voter approval. Amendment F decreases the number of years, from five to three, that a nonprofit organization must operate in Colorado before applying for a bingo-raffle license. On or after January 1, 2025, the measure allows the state legislature to change the time-period requirement,

effectively repealing the constitutional limitation on the state legislature's ability to change the time-period requirement. However, the requirement will remain three years without legislative action.

The measure also allows, but does not require, bingo-raffle workers to receive compensation. Wages are capped at the minimum wage through June 30, 2024, after which bingo-raffle workers may be paid any amount agreed upon by the workers and nonprofit organization. The measure does not change the current constitutional requirement that only members of a nonprofit organization may participate in the management or operation of bingo and raffles.

*For information on those issue committees that support or oppose the measures on the ballot at the November 8, 2022 election, go to the Colorado Secretary of State's elections center web site hyperlink for ballot and initiative information:*

<https://www.sos.state.co.us/pubs/elections/Initiatives/InitiativesHome.html>

### Argument For Amendment F

- 1) Bingo-raffle gaming is an important tool that nonprofit organizations use to raise funds for their programs. Expanding licenses to nonprofit organizations that have been in existence for a fewer number of years provides more organizations with this fundraising opportunity. Also, Amendment F may allow nonprofit organizations to raise additional money by operating more games more often because payment of a wage will likely incentivize their members to work bingo-raffle games.

### Argument Against Amendment F

- 1) Allowing bingo-raffle workers to receive a wage to manage or operate bingo-raffle games potentially reduces the amount of money nonprofit organizations are able to dedicate to their core mission. In addition, permitting less-established nonprofit organizations to operate bingo-raffle games in Colorado will likely increase the number of organizations raising funds in this manner, further decreasing the total amount of funds available for each organization.

### Fiscal Impact for Amendment F

**State revenue.** Amendment F increases state revenue from bingo-raffle license fees by about \$20,000 in state budget year 2022-23 and by larger amounts in future years. This revenue is generated from additional nonprofit organizations becoming licensed to run bingo and raffle games and paying the current fee of \$100. The measure may also impact state revenue from quarterly fees paid by bingo-raffle licensees, but this impact will depend on future changes in behavior by charitable gaming organizations and participants.

**State spending.** Amendment F increases state spending by about \$294,000 in state budget year 2022-23, and by about \$420,000 in state budget year 2023-24. This spending is required to update program rules and materials, process new license applications and game manager oaths, investigate complaints, conduct inspections, and make changes to the bingo-raffle computer system.



# Healthy School Meals for All

*Placed on the ballot by the legislature • Passes with a majority vote*

## Proposition FF proposes amending the Colorado statutes to:

- create the Healthy School Meals for All program to provide access to free meals for all public school students in Colorado; and
- pay for the program by increasing the taxes paid by households with incomes of \$300,000 or more and by using additional federal funding for school meals.

## What Your Vote Means

**YES** A “yes” vote on Proposition FF creates a program to provide access to free meals to all public school students in Colorado and offer grants to schools related to the provision of school meals. It also increases taxes for households with over \$300,000 in federal adjusted gross income by limiting state income tax deductions.

**NO** A “no” vote on Proposition FF means that the current method of funding school meals, which provides free meals to children from households with incomes below certain thresholds, will remain unchanged, and there will be no change to tax law.

## Summary and Analysis for Proposition FF

### What does the measure do?

The measure creates the Healthy School Meals for All program (program) to reimburse school meal providers for offering free school breakfasts and lunches to all public school students, regardless of family income, beginning with the 2023-24 school year.

Beginning in the 2024-25 school year, the program will also provide grant funding to school meal providers to:

- purchase products grown, raised, and processed in Colorado to include in school meals;
- increase wages or provide stipends for employees who prepare and serve school meals; and
- receive training, equipment, and technical assistance, via a nonprofit organization, to help prepare healthy school meals using basic, nutritious ingredients, and to support collaboration between schools, communities, and local food growers.

The measure pays for the program by increasing taxes on households with more than \$300,000 in adjusted gross income per year. It also requires the state and school meal providers to participate in certain federal programs to bring in additional federal funds.

### Who can participate in the program?

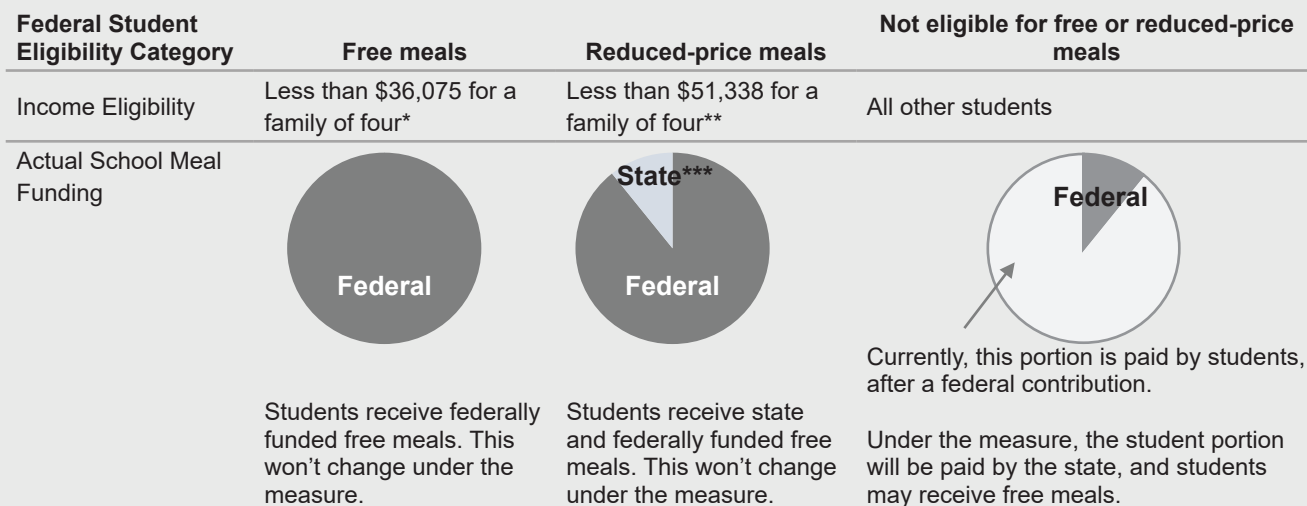
Any school meal provider can participate in the program. A school meal provider manages school food programs within its area, and may be a school district, charter school, group representing several school districts or charter schools, or another entity that participates in the National School Lunch Program. There are currently 183 school meal providers in Colorado.

Any student at a participating school who wishes to receive a school meal will be able to do so for free under the measure. This includes students in early childhood education programs administered by public schools.

### Who pays for school meals now?

Currently, schools receive money from the state and federal governments, as well as payments from families, to pay for student meals. Federal programs, like the federal School Breakfast Program and National School Lunch Program, reimburse school meal providers for all or a portion of the cost of meals, based on a student’s family income. In

**Figure 1**  
**School Meal Reimbursements**  
**Eligibility Categories and Funding Sources**



\*Less than 130% of federal poverty guideline; annual income for budget year 2022-23

\*\*Less than 185% of federal poverty guideline; annual income for budget year 2022-23

\*\*\*This portion is paid by the federal government in the 2022-23 school year only. The state covered this portion before the pandemic, and will continue to do so in future years.

Colorado, students eligible for reduced-price meals receive free meals because the state covers the student's portion of the cost. As a result, some students pay full price for a school meal and some eat for free, as shown in Figure 1.

**Changes due to COVID-19.** In the spring of 2020, when the COVID-19 pandemic first disrupted the country's public education system, the federal government covered the cost to provide free school meals to all students. This temporary reimbursement recently ended, meaning that students who are not eligible for free or reduced-price meals have to pay for meals during the 2022-23 school year.

All students were able to receive free meals during the 2020-21 and 2021-22 school years. Approximately 355,000 students, or 40 percent of all Colorado students in kindergarten through twelfth grade, would have met family income criteria to be eligible for free school meals in Colorado had universal free school meals not been available.

**How is the new program funded?**

The new school meal program is funded through two sources: increased state income taxes for households with incomes of \$300,000 or above and increased federal funding.

**Increased state income tax revenue.** Beginning in tax year 2023, the measure increases state income taxes paid by households with at least \$300,000 in federal adjusted gross income by limiting the amount of money they can deduct from their Colorado taxable income. These households will be limited to \$12,000 in state income tax deductions for single filers and to \$16,000 for joint filers. This will affect an estimated 113,988 returns, or about 5 percent of returns filed in Colorado. The limit applies to either the taxpayer's standard deduction or itemized deductions. Expenses most often included in itemized deductions are charitable contributions, state and local taxes, and mortgage interest.

The amount of additional taxes each household will owe depends on the amount of deductions the household claims on its federal tax returns. For example, if a married couple filing jointly claims the standard \$25,900 deduction on their federal income taxes, they will pay an additional \$450 in state income taxes. If the couple claims \$50,000 in itemized deductions, they will pay an additional \$1,547 in state income taxes under the measure. Table 1 shows an example using the standard deduction for a couple making \$375,000. For a more detailed breakdown, see the Fiscal Impact Section below.



The measure is expected to increase income tax revenue to the state by \$100.7 million in budget year 2023-24, the first full year the tax change will be in effect. This money is not subject to the state's constitutional revenue limit.

**Increased federal funding.** The measure requires school meal providers to maximize their federal reimbursement by participating in certain federal programs, which will increase federal funding and reduce the amount of state funds necessary to support the new school meals program, as follows:

- First, the measure requires the state to participate in a federal project that makes students receiving Medicaid automatically eligible for federally funded free school meals.
- Second, school meal providers will be required to participate in the federal Community Eligibility Provision program, if eligible. This program allows schools with a high number of students qualifying for free and reduced-price meals to receive additional federal reimbursement, with some schools meeting the requirements to provide free meals to all students.

### How will the program be monitored?

Beginning in 2024, the Colorado Department of Education must submit a report every two years to the state legislature on the implementation and progress of the school meal and grant programs created by the measure. The department must also contract with an independent auditor to conduct a financial and performance audit of the program. The audit report must be easily accessible by the public.

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### Arguments For Proposition FF

- 1) Research shows that children experiencing hunger have lower grades than their peers, and are more likely to struggle with behavioral problems and experience emotional, mental, and physical health issues. By providing school meals to all students, the measure ensures that every child has access to food and is not hungry in school.
- 2) Providing free meals to all students helps families at a time when many are facing higher costs of living. The cost of school meals can be a significant expense, and the measure removes tradeoffs for many families between paying for meals and covering other necessary household expenses. The current income threshold for free meals does not capture all students who may face food insecurity, and even if a student can afford to bring or pay for a meal, the measure will take a daily financial concern off of families' plates.
- 3) The measure removes a source of shame and embarrassment for students who receive free meals. When some students receive free school meals and others pay for their meal, it creates stigma and shame for the students who receive the free meals or who have school meal debt that they cannot pay. Feeling singled out causes many students to skip what may be their only healthy and balanced meal of the day.

**Table 1**  
**Example of Income Tax Change Under Proposition FF**

Component	Current Law	Under Measure	Change
Adjusted Gross Income <i>minus</i>	\$375,000	\$375,000	
Standard Deduction* <i>equals</i>	\$25,900	\$25,900	
Federal Taxable Income <i>plus</i>	\$349,100	\$349,100	
Add Back (deductions - limit) <i>equals</i>	\$0	\$9,900**	
Colorado Taxable Income <i>multiplied by 4.55% equals</i>	\$349,100	\$359,000	
State Income Taxes	\$15,884	\$16,335	\$450

*\*This example uses the standard deduction (\$12,950 for a single taxpayer, \$25,900 for a joint filer in tax year 2022). A taxpayer's actual deductions will determine the change in income taxes paid; itemized deductions that exceed \$25,900 will result in higher state income taxes paid.*

*\*\*\$25,900 standard deduction minus \$16,000 limit for joint filers. This example assumes no other add backs.*

## Arguments Against Proposition FF

- 1) The measure raises taxes on some households at a time when inflation is high and the cost of living is increasing. Higher taxes mean that those taxpayers will have less money to save or invest in the economy. Those dollars are best used by individuals and families in a way that they see fit.
- 2) The state should not pay to feed kids who can afford to purchase a school meal or bring food from home. Feeding kids should be the role and responsibility of the parents or caregivers, not the government. The measure requires ongoing state funding, resources, and oversight for a program that is not needed by all students.
- 3) Colorado schools are underfunded. If voters want to increase taxes to help students, it would be better to give local school districts new funding to use in a way that best serves their students, such as increasing teacher salaries or providing additional educational materials and opportunities.

## Fiscal Impact for Proposition FF

Proposition FF increases state revenue and spending beginning in state budget year 2022-23.

**State revenue.** By limiting state income tax deductions for taxpayers with at least \$300,000 in adjusted gross income, the measure is expected to increase state revenue by an estimated \$50.4 million in budget year 2022-23 (a half-year impact), \$100.7 million in budget year 2023-24, \$104.2 million in budget year 2024-25, and by increasing amounts in later years. The revenue generated is not subject to the state constitutional revenue limit. Of the total annual amount, an estimated \$3.7 million in budget year 2022-23, and \$7.5 million in budget year 2023-24 will be deposited in the State Education Fund as a result of increasing Colorado taxable income.

**State spending.** The measure is expected to increase state spending by an estimated \$212,289 in budget year 2022-23 for administrative costs to set up the new program, by up to \$115.3 million in budget year 2023-24 for school meal reimbursements and administrative costs, and by between \$71.4 million and \$101.4 million per year starting in the 2024-25 budget year when the new program is fully operational.

**Table 2**  
**Estimated Impact on Taxpayers by Income Category**

Income Category	Estimated Number of Taxpayers*	Total Change in Tax Burden	Average Change in Tax Burden
\$14,999 or less	394,516	No change	No change
\$15,000 to \$29,999	348,440	No change	No change
\$30,000 to \$39,999	234,632	No change	No change
\$40,000 to \$49,999	209,806	No change	No change
\$50,000 to \$69,999	328,119	No change	No change
\$70,000 to \$99,999	328,257	No change	No change
\$100,000 to \$149,999	319,212	No change	No change
\$150,000 to \$199,999	162,242	No change	No change
\$200,000 to \$249,999	85,851	No change	No change
<u>\$250,000 to \$499,999</u>	<u>118,749</u>		
\$250,000 - \$299,999	48,135	No change	No change
\$300,000 - \$499,999	70,614	+\$57.4 million	+\$813
\$500,000 to \$999,999	29,951	+\$27.7 million	+\$923
\$1,000,000 or more	13,423	+\$15.7 million	+\$1,166
<b>Total</b>	<b>2,573,198</b>	<b>+\$100.7 million</b>	
<i>Income under \$300,000</i>	<i>2,064,694</i>	<i>\$0</i>	<i>\$0</i>
<i>Income above \$300,000</i>	<i>113,988</i>	<i>+\$100.7 million</i>	<i>+\$884</i>

\*The estimated number of taxpayers counts joint filers as one taxpayer.

This program will reimburse school meal providers for the cost of offering free meals to all students (between \$48.5 million and \$78.5 million when fully implemented), and provide grant funding to school meal providers to purchase Colorado grown food (\$9.5 million), funding to increase wages for employees who prepare and serve school meals (\$7.6 million), and grants to assist school food providers with the promotion and utilization of local foods (\$5.0 million).

Costs to the state assume additional reimbursements from the federal government, and will depend on the number of students who become eligible for federal meal reimbursement as a result of the measure, as well as the school districts in which they reside. Given this uncertainty, this analysis shows a wide range of potential costs.

In addition, the Department of Revenue will have costs of \$209,855 in budget year 2023-24 and \$98,292 in later years to administer the tax changes under the bill. State spending is paid from the state General Fund.

**School district revenue and spending.** School districts will have additional revenue from meal reimbursements, employee wage support payments, and local food purchasing grants. The amount each district receives will depend on the number of meals served and the components of the program in which a district chooses to participate. This revenue will be used to pay school district costs to provide meals to students and increase employee wages. School districts will also have additional workload to adjust to new data, documentation, and grant program requirements.

**Taxpayer impact.** Proposition FF will increase the amount of income tax owed by taxpayers who have over \$300,000 in federal taxable income. State law requires Legislative Council Staff to estimate the potential tax burden on affected taxpayers within specified income categories. Table 2 shows the expected change in tax burden based on data on income and income tax deductions claimed on 2019 tax returns. The actual impact on any given taxpayer with income above \$300,000 will depend on the deductions taken on their federal income tax returns. For taxpayers with incomes above \$400,000, the new limits on deductions will be applied in addition to the existing limits on deductions in state law.

## State Spending and Tax Increases

Article X, Section 20, of the Colorado Constitution requires that the following fiscal information be provided when a tax increase question is on the ballot:

- estimates or actual amounts of state fiscal year spending for the current year and each of the past four years with the overall percentage and dollar change; and
- for the first full year of the proposed tax increase, estimates of the maximum dollar amount of the tax increase and of state fiscal year spending without the increase.

“Fiscal year spending” is a legal term in the Colorado Constitution. It equals the amount of revenue subject to the constitutional spending limit that the state or a district is permitted to keep and either spend or save for a single year. Table 3 shows state fiscal year spending for the current year and each of the past four years.

	<b>Actual FY 2018-19</b>	<b>Actual FY 2019-20</b>	<b>Actual FY 2020-21</b>	<b>Actual FY 2021-22</b>	<b>Estimated FY 2022-23</b>
Fiscal Year Spending	\$14.36 billion	\$14.87 billion	\$15.64 billion	\$16.01 billion	\$16.66 billion
Four-Year Dollar Change in State Spending: \$2.30 billion					
Four-Year Percent Change in State Spending: 16.0 percent					

Table 4 shows the revenue expected from the limit on income tax deductions in Proposition FF for FY 2023-24, the first full fiscal year for which the tax increase would be in place, and an estimate of state fiscal year spending without the tax increase.

	<b>FY 2023-24 Estimate</b>
Fiscal Year Spending Without the Tax Increase	\$20.88 billion
Revenue Increase from the Limit on Income Tax Deductions	\$100.7 million



# Add Tax Information Table to Petitions and Ballots

*Placed on the ballot by the legislature • Passes with a majority vote*

## Proposition GG proposes amending the Colorado statutes to:

- require that a tax information table appear on the petition and ballot for any citizen-initiated measure that changes the individual income tax rate.

## What Your Vote Means

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**YES** A “yes” vote on Proposition GG requires that a tax information table be included on petitions and ballots for any citizen-initiated measure that changes the individual income tax rate. The table must list the average change in taxes owed for taxpayers in specified income categories.

**NO** A “no” vote on Proposition GG keeps petitions and ballots in their current format.

## Summary and Analysis for Proposition GG

For any citizen-initiated measure that changes the state income tax rate, Proposition GG requires a tax information table to be included on the ballot and on the petitions circulated to voters. The table must list the average change in taxes owed for taxpayers in eight specific income categories.

### What is a citizen initiative and what is currently included in ballot language?

The Colorado Constitution and state law create a process for citizens to initiate and adopt laws by popular vote. To place a measure on the statewide ballot, proponents must collect a certain number of valid signatures from registered voters across the state on a petition. Under current law, petitions include the ballot language and a summary of the fiscal impact of the measure.

A number of additional requirements exist for citizen-initiated measures that affect government revenue. For example, the constitution requires that the ballot language for measures that increase taxes begin with the language, “Shall taxes be increased...” and include an estimate of the revenue generated if the measure passes. State law requires that ballot language for measures that decrease state revenue include language listing the three largest areas of government programs impacted by the revenue reduction, and the estimated decrease in tax revenue.

### How does Proposition GG change the ballot language for citizen-initiated measures?

For any measure that increases or decreases the income tax rate, Proposition GG requires that a tax information table be included in the measure’s ballot language. The ballot language, including the tax information table, must also appear on the petitions that proponents use to collect signatures. If a measure receives enough signatures and qualifies for the ballot, the tax information table must appear on the printed ballot that appears before voters at an election. The tax information table in the ballot language must show:

- eight specified taxpayer income categories, defined in Proposition GG;
- the current average income tax owed in each income category;
- the average income tax owed in each income category if the tax measure were to pass; and
- the difference between average tax owed before and after the rate change.

An example of the proposed tax information table is shown as Table 1.



**Table 1  
Tax Information Table Required under Proposition GG**

Income Categories*	Current Average Income Tax Owed	Proposed Average Income Tax Owed	Proposed Change in Average Income Tax Owed If Passed + or -
\$25,000 or less			
\$25,001-\$50,000			
\$50,001-\$100,000			
\$100,001-\$200,000			
\$200,001-\$500,000			
\$500,001-\$1,000,000			
\$1,000,001-\$2,000,000			
\$2,000,001-\$5,000,000			

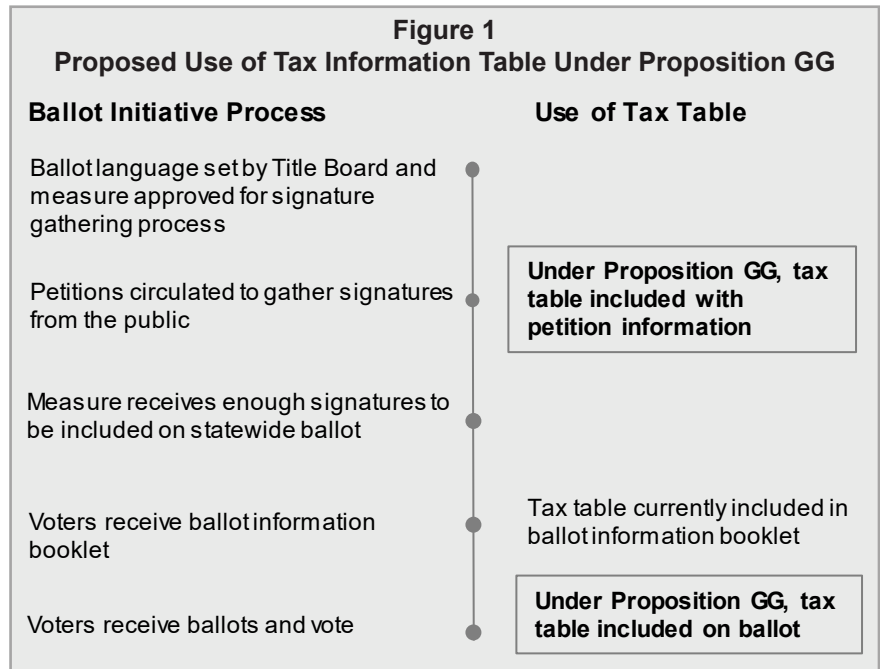
*\*Adjusted Gross Income reported to the federal Internal Revenue Service.*

**What information is currently provided to voters about tax changes?**

Under current law, a tax information table identifying the average change in taxes paid by taxpayers in different income categories must appear in this statewide ballot information booklet for any measure that increases or decreases individual income tax revenue, or state sales tax revenue. No table is currently included on the ballot. The tax information table in the ballot information booklet, which contains minor differences from the table called for in Proposition GG, is prepared after the measure has qualified for the election.

You can see an example of this table in the analysis for Proposition 121, State Income Tax Rate Reduction in this booklet. A comparison of when the tax information table is required under current law compared with Proposition GG is shown in Figure 1.

In addition, state law requires that a brief fiscal summary be prepared for all citizen-initiated measures, which estimates tax revenue to the state, among other fiscal impacts. This fiscal summary must be included on the petitions used by proponents to collect signatures. Once proponents begin collecting signatures, a more detailed fiscal analysis is prepared for the measure and posted online. This fiscal analysis is updated as necessary and republished online before the election. An abstract of the most recent analysis for this measure is included in this ballot information booklet.



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<https://www.sos.state.co.us/pubs/elections/Initiatives/InitiativesHome.html>



### Argument For Proposition GG

- 1) Proposition GG allows voters to easily see the impact of income tax rate changes on individuals of different income categories when signing a petition and casting a vote. Voters are presented the information at the moment that they are making their decision about a measure and will not need to seek out additional information to understand how the measure will affect their own taxes and those of other taxpayers.

### Argument Against Proposition GG

- 1) Proposition GG adds unnecessary complexity and costs to statewide printed ballots, and duplicates information that is already provided to voters in the ballot information booklet. The ballot will become even longer, more expensive to produce, and more complicated than it is now, especially in years when there are multiple tax measures.

### Fiscal Impact for Proposition GG

**State spending.** The measure increases information technology costs in the Secretary of State's Office to modify the statewide election information system to accommodate the tax information table on ballots.

The measure may also increase workload for the Secretary of State's Office, Department of Law, and the legislative department to incorporate the tax information table into ballot titles.

**Local government spending.** The measure will increase costs for county clerks to include a tax information table on the printed ballot. The format and size of a tax table is expected to increase the length of ballots, and therefore the printing and mailing cost for counties to provide ballots to voters.



# State Income Tax Rate Reduction

*Placed on the ballot by citizen initiative • Passes with a majority vote*

## Proposition 121 proposes amending the Colorado statutes to:

- reduce the state income tax rate for individuals and corporations from 4.55 percent to 4.40 percent for tax year 2022 and future years.

## What Your Vote Means

**YES** A “yes” vote on Proposition 121 reduces the state income tax rate to 4.40 percent for tax year 2022 and future years.

**NO** A “no” vote on Proposition 121 keeps the state income tax rate unchanged at 4.55 percent.

## Summary and Analysis for Proposition 121

Proposition 121 reduces the state income tax rate from 4.55 percent to 4.40 percent for individuals and corporations for tax year 2022 and future years.

### What is the state’s current income tax rate?

Colorado’s permanent income tax applies at a flat rate of 4.55 percent, which means that all taxpayers pay the same tax rate regardless of their taxable income. The income tax applies to the Colorado taxable income of both individual and corporate taxpayers. Colorado taxable income is equal to federal taxable income, adjusted for any state additions and deductions.

In some years, existing law temporarily reduces the state income tax rate to 4.50 percent in order to pay back a portion of the amount the state collected over its revenue limit, which the state is required to return to taxpayers. The tax rate was reduced to 4.50 percent in 2020 and 2021, and is expected to be reduced to 4.50 percent in each of 2022 through 2024, to return money to taxpayers.

### How does Proposition 121 change state income tax collections?

Proposition 121 reduces the state individual and corporate income tax rate to 4.40 percent for tax year 2022 and future years. The measure is expected to reduce state income tax collections by \$412.6 million in state budget year 2023-24. This amount represents a reduction in expected state General Fund revenue of approximately 2.4 percent.

### How are state income tax collections spent?

State income tax collections are the main source of General Fund revenue. The General Fund is the main source of state revenue available to be allocated by the state legislature to pay for general government operations such as education, human services, and corrections. In state budget year 2020-21, the state income tax generated \$10.7 billion, which accounted for 68.4 percent of General Fund revenue. In addition to General Fund revenue, the state budget also includes money from federal funds and other taxes and fees. More information about the state budget can be found at: <https://leg.colorado.gov/explorebudget/>.

### How does Proposition 121 affect state spending?

The measure’s long-term effect on state spending depends on whether state revenue is above or below the constitutional revenue limit, which is called the Taxpayer’s Bill of Rights (TABOR) limit. Money collected under the limit may be spent or saved, while money collected over the limit must be returned to taxpayers. The money that is returned is called the TABOR refund, and is different from the refund a taxpayer gets when they overpay their income taxes.

During years when the state collects money over the TABOR limit, Proposition 121 will reduce the amount of money returned to taxpayers and will not change the amount of money available to pay for state operations. During years when the state collects less than the limit, Proposition 121 will reduce the amount of money available for state

**Table 1**  
**Estimated Impact of Proposition 121 on Individual Income Taxpayers**  
**by Income Category in State Budget Year 2023-24**

*(Showing an Income Tax Rate Decrease from 4.55% to 4.40%)*

Colorado Taxable Income Category	Estimated Number of Taxpayers	Total Change in Taxes Owed	Average Change in Taxes Owed
\$14,999 or less	1,198,693	-\$4.3 million	-\$7
\$15,000 to \$29,999	477,377	-\$11.2 million	-\$23
\$30,000 to \$39,999	247,465	-\$9.1 million	-\$37
\$40,000 to \$49,999	197,402	-\$9.4 million	-\$47
\$50,000 to \$69,999	285,180	-\$17.9 million	-\$63
\$70,000 to \$99,999	267,148	-\$23.7 million	-\$89
\$100,000 to \$149,999	227,416	-\$29.3 million	-\$129
\$150,000 to \$199,999	106,782	-\$19.5 million	-\$182
\$200,000 to \$249,999	56,750	-\$13.4 million	-\$236
\$250,000 to \$499,999	89,206	-\$32.1 million	-\$360
\$500,000 to \$999,999	33,309	-\$24.1 million	-\$725
\$1,000,000 or more	29,109	-\$188.3 million	-\$6,647
<b>Total</b>	<b>3,215,835</b>	<b>-\$382.3 million</b>	<b>-\$119</b>

government operations. The state currently expects to return money collected above the TABOR limit through at least budget year 2023-24.

### How does Proposition 121 affect taxpayers?

Table 1 shows the estimated decrease in state income tax owed for individual taxpayers with different levels of Colorado taxable income if the state income tax is reduced to 4.40 percent. Because Colorado taxable income is determined by applying additions and deductions to federal taxable income, the income shown in Table 1 may be less than the total amount of income earned by the taxpayer.

In addition to lowering the tax burden, the measure will

also reduce the amount of money that is returned to taxpayers in any year that the state collects money above its constitutional revenue limit (TABOR). When this occurs, the taxpayers who would receive less money may be different than those that benefit from a reduced tax burden under Proposition 121.

*For information on those issue committees that support or oppose the measures on the ballot at the November 8, 2022 election, go to the Colorado Secretary of State's elections center web site hyperlink for ballot and initiative information:*

<https://www.sos.state.co.us/pubs/elections/Initiatives/InitiativesHome.html>

### Arguments For Proposition 121

- 1) The state government currently collects more taxes than it uses for the programs it funds, and, in fact, more tax money than it is legally allowed to spend. By permanently lowering the tax rate, Proposition 121 cuts out the inefficiency of sending money to the government that just gets returned, while providing taxpayers with tax relief during future economic downturns. Families and businesses are better off when they can keep more of their own money.
- 2) There is no better time to cut the tax rate. The measure is a modest change that, according to the state's own forecasts, won't change the amount of money available for state spending for at least the next three years. The state legislature just approved the largest budget in state history and the budget is only expected to grow, even with the tax decrease under Proposition 121.

### Arguments Against Proposition 121

- 1) Most of the measure's benefits will go to a small population of very wealthy taxpayers, including corporations. About 75 percent of taxpayers will receive a tax cut of less than \$63 per year. Comparatively, those with incomes over \$1 million, representing less than 1 percent of taxpayers, will receive nearly half of the total tax savings from the measure. On average, these taxpayers are expected to save almost \$7,000 per year. In addition, corporations outside of Colorado will keep more money, which they may choose to invest elsewhere or pay as profits to out-of-state shareholders.



- 2) High inflation, the ongoing pandemic, and chaotic international relations have elevated the risk of an economic recession. If a recession occurs, the measure will likely reduce the amount of money available for the state budget, making it harder for the state to respond to economic challenges and provide critical services to those most impacted. Now is not the time to weaken the state's safety net.

## Fiscal Impact for Proposition 121

**State revenue.** Proposition 121 reduces state General Fund revenue by an estimated \$638 million in state budget year 2022-23 and \$413 million in state budget year 2023-24. The estimate for budget year 2022-23 represents a full-year impact for tax year 2022 and a half-year impact for tax year 2023, because the measure takes effect after completion of budget year 2021-22.

**State spending.** Implementation of the measure is expected to cost the state about \$11,000. Based on state economic forecasts, the measure would not affect the amount of General Fund available for the state to spend or save in budget year 2022-23 or budget year 2023-24. In future years when state revenue is below the constitutional limit (TABOR), the measure reduces the amount of General Fund available to be spent or saved. The three largest General Fund operating appropriations in state budget year 2021-22 were health and human services programs; kindergarten through 12<sup>th</sup> grade education; and corrections and judicial operations.

**TABOR refunds.** The Taxpayer's Bill of Rights Amendment, or TABOR, limits the amount of revenue that the state may spend and save each year. The revenue limit increases each year to account for inflation and population growth. Revenue the state collects over the limit must be returned to taxpayers. Proposition 121 lowers the state income tax rate, which will reduce the amount to be returned.

**Taxpayer impacts.** All taxpayers will pay 3.3 percent less in state income tax, though the impact in dollar terms will vary by income. On average, individual income taxpayers will pay \$93 less in individual income taxes for tax year 2022. In years where a refund is required by the Taxpayer's Bill of Rights including budget year 2022-23, lower income households may experience a net decrease, since the amount returned to them as a result of TABOR may fall by more than the amount they owe in income taxes.



# Access to Natural Psychedelic Substances

*Placed on the ballot by citizen initiative • Passes with a majority vote*

## Proposition 122 proposes amending Colorado statutes to:

- by late 2024, allow the supervised use of psychedelic mushrooms by individuals aged 21 and over at licensed facilities and require the state to create a regulatory structure for the operation of these licensed facilities;
- allow the state to expand the types of substances that may be used in licensed facilities to include the use of additional plant-based psychedelic substances — dimethyltryptamine (DMT), ibogaine, or mescaline — starting in 2026;
- decriminalize the personal possession, growing, sharing, and use, but not the sale, of five natural psychedelic substances by individuals aged 21 and over, including two substances found in psychedelic mushrooms — psilocybin and psilocin — and three plant-based psychedelic substances — dimethyltryptamine, ibogaine, and mescaline;
- allow local governments to regulate the time, place, and manner of operation of these facilities, while prohibiting local governments from banning licensed facilities, services, and use of natural psychedelic substances; and
- establish penalties for individuals under the age of 21 for possessing, using, or transporting natural psychedelic substances and for individuals aged 21 and over who allow underage access to these substances.

## What Your Vote Means

**YES** A “yes” vote on Proposition 122 requires the state to establish a regulated system for accessing psychedelic mushrooms and, if approved by the regulating state agency, additional plant-based psychedelic substances and decriminalizes the possession and use of psychedelic mushrooms and certain plant-based psychedelic substances in Colorado law for individuals aged 21 and over.

**NO** A “no” vote on Proposition 122 means that the possession and use of psychedelic mushrooms and other plant-based psychedelic substances will remain illegal under state law.

## Summary and Analysis for Proposition 122

### What does the measure do?

This measure allows individuals aged 21 and older to use five specific types of natural psychedelic substances. Specifically, the measure covers two chemicals found in psychedelic mushrooms — psilocybin and psilocin — and three other plant-based psychedelic substances — ibogaine, mescaline, and dimethyltryptamine, also known as DMT. Psychedelic substances can alter a person’s consciousness, mood, and awareness of their surroundings.

**Personal use.** Upon passage of the measure, psychedelic mushrooms and the other plant-based psychedelic substances will be decriminalized in state law, and individuals aged 21 and older will be able to grow, possess, share, and use them. Personal use does not allow for the sale of psychedelic mushrooms and other plant-based psychedelic substances.

**Licensed facilities.** The measure also requires the state to establish a regulated system for licensed facilities to offer supervised use of psychedelic mushrooms for individuals aged 21 and older, starting in 2024. Starting in 2026, the state may choose to expand the type of substances that may be used at these facilities to include additional plant-based psychedelic substances.

**How are these substances currently treated under state and federal law?**

All the substances listed in the measure are Schedule I controlled substances under federal and state law. Schedule I controlled substances are defined as drugs with no currently accepted medical use and a high potential for abuse. If the measure is approved, the state will no longer treat these substances as illegal drugs for the purposes of state criminal law. However, they will remain illegal under federal law.

The measure does not decriminalize the possession or use of peyote, a type of mescaline. Federal law already permits the use of peyote by certain Native American tribes for ceremonial purposes.

**Do these substances have medical uses?**

Currently, research is being done on the potential medical uses of psychedelic mushrooms and other plant-based psychedelic substances for treating depression, post-traumatic stress disorder, substance use disorders, and other mental health disorders. The U.S. Food and Drug Administration (FDA) has designated psychedelic mushrooms as a Breakthrough Therapy for treating depression. Breakthrough Therapy designation is used to speed up the research, development, and review of a drug when it may offer substantial improvements over existing treatments. The other plant-based psychedelic substances permitted for personal use under the measure have been the subject of research on their potential benefits; however, the FDA has not approved them for any specific medical use.

**How will these substances be regulated?**

The Department of Regulatory Agencies (DORA) is the state agency charged with regulating activities involving psychedelic mushrooms and other plant-based psychedelic substances for individuals aged 21 and older. Specifically, it will manage the licensing and registration for facilities where supervised use will occur, as well as people who are licensed to facilitate the use of them at licensed facilities. DORA will also regulate related businesses, such as cultivators and product manufacturers. Additionally, DORA is tasked with protecting consumers, developing public education campaigns, making recommendations to the state legislature regarding the potential for off-site use of natural psychedelic substances received at regulated facilities, and providing data on the implementation and outcomes of the program. Licensed facilities and related businesses will be required to pay a licensing fee to cover the cost of regulating these businesses.

Under the measure, local governments can regulate the time, place, and manner of operation of licensed facilities. Local governments cannot ban or prohibit licensed facilities, or ban or prohibit the personal use of psychedelic mushrooms or other plant-based psychedelic substances in their communities.

The measure also establishes a 15-member advisory board appointed by the Governor. The board is charged with making regulatory and policy recommendations to DORA, other affected state agencies, and the state legislature.

**What restrictions does the measure place on the use of substances?**

The measure states that it is not intended to:

- allow the sale of psychedelic mushrooms or other plant-based psychedelic substances for personal use;
- allow driving under the influence of these substances;
- permit use in a school, public building, or public place;
- permit underage access; or
- require an employer to permit the use of these substances in the workplace.

**What are the criminal penalties and legal protections under the measure?**

The measure impacts criminal penalties in several ways. First, it establishes specific penalties for individuals under the age of 21 who possess or use natural psychedelic substances, as well as penalties for people who allow underage access when cultivating these substances. Penalties range from requiring drug counseling to a \$250 fine.

In addition, the measure states that the removal and reduction of criminal penalties apply retroactively to someone who has already been convicted of an offense that would be decriminalized under the measure. Individuals who have completed their sentence may file a petition to the courts to have their criminal record sealed at no cost. Selling natural psychedelic substances outside of the licensed supervised use facilities will remain illegal.

The measure also offers protections for people who use psychedelic mushrooms and other plant-based psychedelic substances, including, but not limited to, protections from professional discipline, loss of a professional license, or denial of eligibility for public benefits unless required by federal law.

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## Arguments For Proposition 122

- 1) The measure provides a potentially valuable tool for meeting the mental health needs of Coloradans. Studies have shown that psychedelic mushrooms and other plant-based psychedelic substances, combined with counseling, may provide effective treatment for severe depression, anxiety, and post-traumatic stress disorder. The FDA has specifically found psychedelic mushrooms may offer substantial improvement in treating depression more successfully than existing therapies. Increasing access to psychedelic mushrooms and other plant-based psychedelic substances may help people who are struggling to find effective mental health treatment.
- 2) Putting people in the criminal justice system for using naturally occurring substances that have potential mental health benefits does not benefit society and costs taxpayers money. Possession and use of these substances are nonviolent offenses that do not pose a public safety risk. Studies have shown that psychedelic mushrooms are not addictive and that long-term adverse health impacts are rare, unlike tobacco use, which is legal. Individuals who are aged 21 or older should be allowed to access these naturally occurring substances without fear of criminal penalties.

## Arguments Against Proposition 122

- 1) There are currently no approved therapies that use psychedelic mushrooms or other plant-based psychedelic substances, and the effects of them can vary widely from person to person, depending on the dose, frequency of use, and type of substance. Breakthrough Therapy designation does not mean that the use of psychedelic mushrooms is safe or recommended. Further, DMT, ibogaine, and mescaline have not received a similar designation, and, specifically, ibogaine may cause life-threatening heart conditions. Proposing a regulatory framework for the use of these substances suggests that they offer legitimate treatment before they have received federal approval, potentially putting people's health and public safety at risk.
- 2) Under the guise of health care, Proposition 122 legalizes drugs that have been illegal for over 50 years and forces local communities to allow use of these substances. It also provides broad protections for criminals by allowing convictions to be wiped from their records. By decriminalizing personal use, the black market for these drugs may expand and provide access to youth or expose people to psychedelic substances that are tainted with other drugs. This may create additional burdens on local governments which, under the measure, have limited say on what is allowed in their communities.

## Fiscal Impact for Proposition 122

Proposition 122 will increase state revenue and spending, and potentially impacts local government spending, as described below. The state's budget year runs from July 1 through June 30.

**State revenue.** Under Proposition 122, state revenue will increase by about \$5.2 million per year in budget year 2024-25, \$5.6 million in 2025-26, and \$4.5 million per year in future years. This revenue is from facility and facilitator licensing fees; it is expected that fees will be set at a level needed to cover the costs of the program when fully implemented. In the first two years, additional fee revenue will be necessary to pay back the anticipated loan of state funds used to pay for initial start-up costs. The increase in revenue will depend on fee amounts and the number of license applications submitted. Revenue from licensing fees is subject to the state's TABOR limit.

**State spending.** Proposition 122 will increase costs in the Department of Regulatory Agencies (DORA) by an estimated \$0.7 million in budget year 2022-23 and \$2.2 million in budget year 2023-24 to establish program rules, support the advisory board, and issue initial licenses prior to the start of the new regulatory program created by the measure. The measure requires a loan from the state General Fund be used to cover these start-up costs for the program, which will be paid back in subsequent years.

Once regulation begins, DORA will have costs of approximately \$5.2 million in budget year 2024-25 and \$5.6 million in budget year 2025-26 to regulate the manufacture, cultivation, testing, storage, transfer, transport, delivery, sale, use, and purchase of psychedelic mushrooms by licensed facilities. Actual expenditures will depend on the number of regulated entities participating in this industry. Estimated spending in budget years 2024-25 and 2025-26 also includes the repayment of state money used to cover costs in the first two years.

To the extent that Proposition 122 reduces the number of people convicted of crimes related to controlled substances that become regulated under the measure, costs in the criminal justice system will be reduced.

**Local government impact.** Local government workload and spending will increase to the extent local governments issue additional regulations on the operation of licensed facilities in their jurisdiction. County jail costs may be reduced to the extent fewer people are held in jails for offenses relating to controlled substances that become decriminalized and regulated under the measure.



# Dedicate Revenue for Affordable Housing Programs

Placed on the ballot by citizen initiative • Passes with a majority vote

## Proposition 123 proposes amending the Colorado statutes to:

- set aside a portion of annual state income tax revenue for affordable housing programs;
- exempt that money from the state’s revenue limit, thereby reducing the amount of money collected above the limit that is returned to taxpayers; and
- establish eligible uses for this money.

## What Your Vote Means

**YES** A “yes” vote on Proposition 123 sets aside money for new affordable housing programs and exempts this money from the state’s revenue limit.

**NO** A “no” vote on Proposition 123 means that state revenue will continue to be spent on priorities as determined by the state legislature or returned to taxpayers, as under current law.

## Summary and Analysis for Proposition 123

### What does the measure do?

The measure sets aside a portion of annual income tax revenue from the state General Fund, up to 0.1 percent of taxable income each year, for affordable housing programs administered by the state Office of Economic Development and International Trade (OEDIT) and the Colorado Department of Local Affairs (DOLA). This amount, which the measure exempts from the state’s constitutional revenue limit, is estimated to be \$145 million in state budget year 2022-23 and \$290 million in state budget year 2023-24 and beyond. The measure specifies the uses for the dedicated funds, including:

- grants and loans to local governments and nonprofit organizations to acquire and preserve land for affordable housing development;
- assistance to develop affordable, multi-family rental housing;
- equity investments in affordable housing projects, including a program to share home equity with tenants;
- home ownership programs and down payment assistance for first-time homebuyers;
- a program addressing homelessness through rental assistance and eviction defense; and
- grants to increase the capacity of local government planning departments.

**Table 1**  
**Examples of Area Median Income in Colorado for a Four-Person Household**

Area (County or Metro Area)	Median Income	60% of Median
Boulder County	\$125,400	\$75,200
Denver-Aurora-Lakewood	\$117,800	\$70,700
Mesa County	\$83,500	\$50,100
Pueblo County	\$68,600	\$41,200
Alamosa County	\$53,400	\$32,000

*Source: FY 2022 Rounded MFI Estimate, U.S. Department of Housing and Urban Development.*

The measure requires that this funding add to, and not replace, existing state funds spent on affordable housing.

### What is affordable housing?

The measure defines affordable housing based on two factors: household income and housing costs. For certain programs, a household’s income is compared to the area median income, or the midpoint of what households in a specific area earn. As defined in the measure, affordable housing means housing for renters making up to 60

percent of the area median income, or homeowners making up to 100 percent of the area median income. Some of the new programs may benefit households at higher income levels. Table 1 shows examples of area median income for several areas in Colorado.

For a housing unit or project to qualify as affordable housing, housing costs must not exceed 30 percent of the household's income. Housing costs typically consist of rent or mortgage payments, but may include other costs such as utilities.

### What is the state currently doing to support affordable housing?

The state partners with local communities to increase and preserve Colorado's affordable housing stock, manage rental assistance vouchers, and address homelessness. The DOLA serves households with varied income levels and circumstances with grants and loans to provide developers, community organizations, public housing authorities, and local governments with money to acquire, modernize, and build housing and to assist buyers with down payments for homes. The current budget for the department's affordable housing initiatives is about \$200 million, about half of which is from state sources, with the rest coming from federal sources.

Since 2021, the state has allocated over \$1.2 billion from the federal American Rescue Plan Act (ARPA) of 2021 for affordable housing and services that address housing insecurity, lack of affordable and workforce housing, or homelessness. These are one-time funds that will be spent over the next several years specifically on:

- emergency rental assistance;
- homeowner mortgage assistance;
- tax credits for developers;
- housing and infrastructure; and
- other housing solutions, such as manufactured homes.

### How do the programs created by Proposition 123 work?

The measure creates the following programs with a focus on higher density, environmentally sustainable projects serving households with a range of income levels. For projects to qualify for funding, the local governments where the projects are located must commit to increasing affordable housing by 3 percent each year and create a fast-track approval process for affordable housing projects. If a local government chooses not to meet these requirements, or if it fails to achieve its affordable housing goals, projects in that municipality or county will be temporarily ineligible for funding from these programs.

Table 2 describes each proposed program, including the state agency that oversees it and the amount of money the program will receive based on the estimated \$290 million set aside in state budget year 2023-24. Note that programs

<b>Land Banking</b>	<b>OEDIT</b>	<b>\$26.1 million - \$43.5 million</b>
Provides grants to local governments and loans to nonprofit organizations with a history of providing affordable housing. The funds help buy land for affordable housing development.		
<b>Affordable Housing Equity</b>	<b>OEDIT</b>	<b>\$69.6 million - \$121.8 million</b>
Invests in new and existing low- and middle-income, multi-family rental units. Provides renters living in these units for at least a year with a share of the money made on the development, called a tenant equity vehicle. This money may be used for the renters' future purchase of a home, such as a down payment.		
<b>Concessionary Debt</b>	<b>OEDIT</b>	<b>\$26.1 million - \$60.9 million</b>
Finances new and existing low- and middle-income multi-family rental units, projects that qualify for federal low-income housing tax credits, and modular and factory-built housing manufacturers.		
<b>Affordable Home Ownership</b>	<b>DOLA</b>	<b>up to \$58.0 million</b>
Offers down payment assistance to first-time homebuyers. Makes grants or loans to nonprofits and community land trusts to support home ownership, and to mobile home owners' associations to help purchase mobile home parks.		
<b>Homelessness</b>	<b>DOLA</b>	<b>up to \$52.2 million</b>
Provides rental assistance, housing vouchers, and eviction defense to people experiencing, or at risk of experiencing, homelessness. Makes grants or loans to support new and existing supportive housing for people experiencing homelessness.		
<b>Local Government Capacity Building</b>	<b>DOLA</b>	<b>up to \$5.8 million</b>
Provides grants to local governments to support their planning departments in processing land use, permit, and zoning applications for housing projects.		
<i>OEDIT is the Office for Economic Development and International Trade.</i>		
<i>DOLA is the Department of Local Affairs.</i>		

overseen by OEDIT are run by a third-party administrator. A range of funding is available for these programs, as shown in the table. Some of the money for each program will be used for administrative expenses.

### How does the measure affect TABOR refunds?

The income tax revenue that is set aside under the measure is considered a voter-approved revenue change and is therefore not subject to the state's constitutional revenue limit, also called the Taxpayer's Bill of Rights (TABOR) limit. TABOR limits state government revenue to an amount adjusted annually for inflation and population growth. Revenue collected under the limit may be spent or saved. Revenue collected over the limit must be returned to taxpayers unless voters approve a measure allowing the government to keep it.

In years where state revenue exceeds the TABOR limit, the measure reduces the money returned to taxpayers by the amount of income tax revenue that the measure allows the state to keep. In years where state revenue is below the TABOR limit, the measure does not impact TABOR refunds, but may reduce the amount of money available for the rest of the state budget. In this case, the measure allows the state legislature to reduce part of the new funding to the affordable housing programs to balance the state budget. The state currently expects to return money collected above the limit through at least the 2023-24 budget year.

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### Arguments For Proposition 123

- 1) The measure creates a source of funds to tackle housing issues without raising tax rates, and gives local communities the flexibility to respond to their specific needs. The state and local governments are not doing enough to keep Colorado affordable.
- 2) Colorado's housing prices make it too hard for many households to afford rent or to buy their own home. The new programs help Coloradans participate in the housing market now and in the future. Creating more homes will allow residents and essential workers to remain in their communities.

### Arguments Against Proposition 123

- 1) Many of these programs do not address the underlying causes of high housing costs. Pumping money into the market may distort it further, and the real beneficiaries will be landlords and housing developers. This is neither the role of government nor the best use of public resources.
- 2) The measure is unnecessary and will reduce Coloradans' future TABOR refunds. The state already provides resources to support affordable housing, including over \$1 billion in federal stimulus funds allocated in recent years. This measure diverts money away from the state's budgeting process—money that goes toward priorities as determined by the legislature through deliberation and consultation with stakeholders and constituents—and instead sets aside money in a fund with fixed uses.

### Fiscal Impact for Proposition 123

Proposition 123 increases state government spending by transferring money from the state General Fund to pay for affordable housing programs. While the measure does not change state revenue, it reduces the amount returned to taxpayers in years when state revenue is over the TABOR revenue limit. These impacts are discussed below. The state budget year runs from July 1 through June 30.

**Transfers of state funds.** Proposition 123 transfers an estimated \$145 million in the 2022-23 budget year and \$290 million in the 2023-24 budget year and later years. These amounts are divided between programs in the Office of Economic Development and International Trade, which receives 60 percent, and the Department of Local Affairs, which receives 40 percent.



**State spending.** The money transferred under Proposition 123 is required to be spent for affordable housing programs and for administration of those programs. Programs are funded the year after the transfer occurs. For example, the money transferred in the 2022-23 budget year pays for programs in the 2023-24 budget year, and so on.

- **Office of Economic Development and International Trade.** Sixty percent of total transfers are paid to the Affordable Housing Financing Fund, estimated at \$87 million in the 2022-23 budget year and \$174 million in the 2023-24 budget year. Money in the fund is spent for the land banking program, the affordable housing equity program, and the concessionary debt program. A third party administrator is allowed to keep 2 percent of funds for its administrative costs.
- **Department of Local Affairs.** Forty percent of total transfers are paid to the Affordable Housing Support Fund, estimated at \$58 million in the 2022-23 budget year and \$116 million in the 2023-24 budget year. Money in the fund is spent for the affordable homeownership program, the homelessness program, and the local capacity development program. The department is allowed to keep 5 percent of funds for its administrative costs.

**Taxpayer impacts.** Proposition 123 will decrease the amount to be returned to taxpayers for years when state revenue is over the TABOR revenue limit. Any money left over at the end of the fiscal year remains in the fund rather than be returned to taxpayers. Based on forecasts from June 2022, Proposition 123 is expected to decrease the amount returned by \$145 million in tax year 2023 and \$290 million in tax year 2024. The impacts on taxpayers depend on how this money would be returned. Based on the number of income tax returns for tax year 2018, Proposition 123 is estimated to decrease the amount returned by \$43 per taxpayer in tax year 2023 and \$86 per taxpayer in tax year 2024.



# Increase Allowable Liquor Store Locations

Placed on the ballot by citizen initiative • Passes with a majority vote

## Proposition 124 proposes amending the Colorado statutes to:

- allow retail liquor stores to apply to state and local governments to open additional locations on a phased-in schedule, with no limit on the number of permissible locations after 2037.

## What Your Vote Means

**YES** A “yes” vote on Proposition 124 allows retail liquor stores to apply for and, if approved, increase the number of locations over time, with no limit on the number of locations after 2037.

**NO** A “no” vote on Proposition 124 retains current law that limits retail liquor stores to a total of three locations in the state through 2026, and a total of four locations thereafter.

## Summary and Analysis for Proposition 124

Currently, retail liquor stores are limited to three locations per licensee, with four locations allowed beginning in 2027. Under this measure, retail liquor stores would be allowed to apply for the same number of locations as liquor-licensed drugstores (grocery stores with a pharmacy that sell beer, wine, and spirits), as shown in Table 1.

Any new locations are required to be at least 1,500 feet away from other retail liquor stores. Additionally, in order to

open a new retail liquor store location, licensees must follow the current state and local government licensing protocols related to background checks, documentation, and a public hearing on the needs and desires of the neighborhood. Additional information about retail liquor stores can be found in the summary and analysis for Proposition 125.

This measure does not impact grocery and convenience stores that currently sell only beer, which are allowed to have an unlimited number of locations.

**Table 1**  
**Maximum Retail Liquor Store Locations Under Current Law and Under Proposition 124**

Timeframe	Retail Liquor Stores*		Liquor-Licensed Drugstores**
	Current Law	Proposition 124	
Prior to January 1, 2017	1	N/A	1
January 1, 2017 – December 31, 2021	2	N/A	5
January 1, 2022 – December 31, 2026	3	8	8
January 1, 2027 – December 31, 2031	4	13	13
January 1, 2032 – December 31, 2036	4	20	20
After January 1, 2037	4	Unlimited	Unlimited

\*Only stores licensed prior to 2016 may apply for additional locations, both under current law and under this measure.

\*\*Grocery stores with pharmacies licensed to sell all types of alcohol, including beer and other fermented malt beverages (e.g., hard seltzer and hard lemonade), wine and other vinous liquors (e.g., wine coolers, sake, cider, and mead), and spirits. New licensees must buy out two retail liquor stores, including all stores within a 1,500 feet radius (approximately three or four city blocks), or 3,000 feet in small communities.

For information on those issue committees that support or oppose the measures on the ballot at the November 8, 2022 election, go to the Colorado Secretary of State’s elections center web site hyperlink for ballot and initiative information:

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### Argument For Proposition 124

- 1) This measure brings parity to retail liquor stores that have been disadvantaged by the limited number of allowed locations. Currently, grocery store chains that are licensed to sell beer, wine, and spirits are permitted many more locations than retail liquor stores, with unlimited locations beginning in 2037. Meanwhile, retail liquor stores are limited to a total of four locations beginning in 2027. Proposition 124 addresses a long-term competitive disadvantage for retail liquor stores relative to large grocery store chains.

### Argument Against Proposition 124

- 1) Proposition 124 creates a disadvantage for small, locally owned liquor stores that may not have the capacity or desire to expand, and instead benefits large retail liquor store chains that have more resources. Current law is designed to ensure that neighborhood liquor stores can continue to compete with other retail liquor stores. Many of these small businesses are owned by minorities and women, who may lose customers as a result of increased competition from large retail liquor store chains.

### Fiscal Impact for Proposition 124

**State revenue.** The measure may increase state revenue from new retail liquor store licenses and ongoing renewals; however, the net impact of the change is assumed to be less than \$10,000 per year. Revenue is from state and local liquor licensing fees and is split between state cash funds and the General Fund.

**State spending.** The measure minimally increases workload for the Liquor Enforcement Division in the Department of Revenue to perform rulemaking, process applications for new retail liquor stores, and conduct enforcement.

**Local government.** The measure will minimally increase workload for local licensing authorities to process applications for new retail liquor stores and revenue from local application and licensing fees.



# Allow Grocery and Convenience Stores to Sell Wine

Placed on the ballot by citizen initiative • Passes with a majority vote

## Proposition 125 proposes amending the Colorado statutes to:

- allow grocery stores and convenience stores that sell beer to also sell wine, by automatically converting beer retail licenses to beer and wine retail licenses, beginning March 2023.

## What Your Vote Means

**YES** A “yes” vote on Proposition 125 allows licensed grocery and convenience stores that currently sell beer to also sell wine.

**NO** A “no” vote on Proposition 125 means that licensed grocery and convenience stores may continue selling beer, but not wine.

## Summary and Analysis for Proposition 125

### What does the measure do?

Under the measure, all fermented malt beverage retailer licenses will be automatically converted to allow licensees to also sell wine and other vinous liquors (such as wine coolers, sake, cider, and mead), and to conduct alcohol tastings, beginning March 1, 2023. These licensees include grocery and convenience stores that currently sell fermented malt beverages (such as beer, hard seltzer, and hard lemonade) for off-premises consumption. This measure does not impact the types of alcohol that may be sold by restaurants, bars, and other establishments.

### What are the current types of retail alcohol stores and what are the key differences in laws governing them?

License Type	Current Licensees*	Current Allowable Locations Per Licensee	Additional Phase-In of Allowable Locations
<b>Fermented Malt Beverage Retailer</b> Grocery and convenience stores licensed to sell beer and other fermented malt beverages (e.g., hard seltzer and hard lemonade). New licensees must be located 500 feet from another retail store.	1,819	Unlimited	N/A
<b>Liquor-Licensed Drugstore</b> Grocery stores with pharmacies licensed to sell all types of alcohol, including fermented malt beverages, wine and other vinous liquors (e.g., wine coolers, sake, cider, and mead), and spirits. New licensees must buy out two retail liquor stores, including all stores within a 1,500 foot radius (approximately three or four city blocks), or 3,000 feet in smaller communities.	26	8	13 beginning in 2027; 20 beginning in 2032; unlimited beginning in 2037
<b>Retail Liquor Store</b> Liquor stores licensed to sell all types of alcohol. New licensees must be located at least 1,500 feet away from other retail stores.	1,592	3	4 beginning in 2027

Source: Liquor Enforcement Division, Department of Revenue.  
\*Licensees as of June 30, 2021.

In 2016, the legislature made significant changes to the laws governing retail alcohol sales for the first time since the end of Prohibition. As a result, retail liquor stores and liquor-licensed drugstores (grocery stores with a pharmacy that sell beer, wine, and spirits), which had been limited to one location per licensee, were allowed additional locations on a phased-in schedule, shown in

Table 1. Additionally, grocery and convenience stores licensed to sell 3.2 beer (fermented malt beverage retailers) were permitted to automatically begin selling full-strength beer.

### Operational requirements. All of the stores discussed above:

- may not sell alcohol to individuals under the age of 21 or to those who appear intoxicated;
- may not sell alcohol between midnight and 8:00 a.m.;

- may not sell alcohol below cost, must purchase alcohol from licensed wholesalers, and may not have a vested interest in any manufacturer or wholesaler license;
- must require employees handling alcohol to be at least 18 years of age;
- may deliver alcohol using their own employees who are at least 21 years of age and using a store-owned vehicle;
- have to be located at least 500 feet away from any school; and
- must be licensed by both the state and local government.

Only liquor stores and liquor-licensed drugstores may conduct alcohol tastings, once approved by the local government. Fermented malt beverage retailers and liquor-licensed drugstores must receive approval from the state and local government before significantly expanding or modifying where alcohol is sold in the store.

For more information about retail alcohol sales, please refer to this legislative memo about Off-Premises Retail Liquor Licensing: <http://leg.colorado.gov/publications/premises-retail-liquor-licensing>.

*For information on those issue committees that support or oppose the measures on the ballot at the November 8, 2022 election, go to the Colorado Secretary of State's elections center web site hyperlink for ballot and initiative information:*

<https://www.sos.state.co.us/pubs/elections/Initiatives/InitiativesHome.html>

### Argument For Proposition 125

- 1) Consumers want the convenience of buying wine with groceries. This measure builds on the existing system to allow adults to buy wine in grocery and convenience stores, just as they do now with beer and other fermented malt beverages. These stores provide a safe and well-regulated environment to ensure responsible alcohol sales.

### Argument Against Proposition 125

- 1) The measure creates a disadvantage for small, locally owned liquor stores, and instead benefits large national grocery and convenience store chains. The automatic license conversion will more than double the number of stores where wine can be sold, without any community input or state or local government review.

### Fiscal Impact for Proposition 125

**State spending.** Costs and workload in the Department of Revenue will increase to process automatic license conversions for approximately 1,820 fermented malt beverage retailers. Costs include \$5,000 in one-time computer programming.

**Local government.** Similar to the state, local liquor licensing authorities will have an increase in workload to process automatic license conversions.



# Third-Party Delivery of Alcohol Beverages

Placed on the ballot by citizen initiative • Passes with a majority vote

## Proposition 126 proposes amending the Colorado statutes to:

- allow third-party companies to deliver alcohol directly to customers on behalf of grocery stores, convenience stores, liquor stores, bars, restaurants, and other liquor-licensed businesses; and
- permanently allow takeout and delivery of alcohol from bars and restaurants, which is currently scheduled to repeal in 2025.

## What Your Vote Means

**YES** A “yes” vote on Proposition 126 allows third-party companies to deliver alcohol from grocery stores, convenience stores, liquor stores, bars, restaurants, and other liquor-licensed businesses, and makes takeout and delivery of alcohol from bars and restaurants permanently available.

**NO** A “no” vote on Proposition 126 maintains current law, which requires businesses to use their own employees to deliver alcohol. Bars and restaurants may offer takeout and delivery of alcohol until July 2025.

## Summary and Analysis for Proposition 126

### What are current policies related to alcohol delivery?

Current Colorado law permits grocery stores, convenience stores, liquor stores, bars, restaurants, and other liquor-licensed businesses to deliver alcohol to customers, but they must use their own employees who are 21 years of age or older and follow other restrictions depending on their license type. Alcohol delivery by liquor stores has been allowed since 1994, by wineries since 1997, by grocery and convenience stores since 2019, and by bars and restaurants since 2020. Alcohol takeout and delivery by bars and restaurants is scheduled to repeal in July 2025.

### What does the measure do?

Under Proposition 126, grocery stores, convenience stores, liquor stores, bars, restaurants, and other liquor-licensed businesses will be allowed to contract with third-party companies, such as grocery and meal delivery services, to deliver alcohol to customers beginning March 1, 2023. The measure also changes current law to permanently allow alcohol takeout and delivery by bars and restaurants.

The measure outlines requirements for third-party alcohol delivery companies, including the requirement that companies obtain a delivery permit, follow various safety provisions, and submit proof of liability insurance. All individuals who deliver alcohol through a third-party delivery company are required to be 21 years of age or older, complete a certification program, verify the recipient’s legal age at the time of delivery, and refuse delivery to anyone who fails to provide proof of age or appears intoxicated. The measure also makes third-party delivery companies and workers liable for alcohol delivery violations and removes retail liquor licensees’ liability once alcohol is transferred to the third-party.

Retail alcohol stores and bars and restaurants are currently limited in the amount of revenue they may earn from alcohol delivery. The measure removes those restrictions. Limits on the amount of alcohol that may be offered for delivery or takeout from bars and restaurants remain in law, which are approximately equivalent to 2 bottles of wine, 12 cans of beer, and 1 liter of spirits per order.

*For information on those issue committees that support or oppose the measures on the ballot at the November 8, 2022 election, go to the Colorado Secretary of State’s elections center web site hyperlink for ballot and initiative information:*

<https://www.sos.state.co.us/pubs/elections/Initiatives/InitiativesHome.html>

### Argument For Proposition 126

- 1) The delivery of groceries and restaurant meals has become a convenience that Coloradans expect and continue to use. Allowing third-party delivery services to deliver alcohol will let many more stores and restaurants utilize delivery without having to devote the resources to meet burdensome requirements in current law. As a result, Coloradans will have more options available when supporting stores and restaurants from the comfort of home.

### Argument Against Proposition 126

- 1) The measure expands alcohol delivery options without the safeguards available in a physical store or restaurant that ensure alcohol is not sold to minors. Currently, retail liquor licensees make deliveries using their own trained employees and are liable for any violation. Under this measure, retailers are not liable once alcohol leaves their premises, and enforcement of third-party alcohol delivery laws is expected to be more difficult as a result.

### Fiscal Impact for Proposition 126

**State revenue and spending.** The measure increases costs in the Department of Revenue by an estimated \$120,000 and 1.2 FTE per year, paid for by equivalent revenue from delivery permit fees. The department requires additional administrative and enforcement staff to process applications and conduct delivery compliance checks. Exact licensing fee revenue to the state will depend on the number of applicants and the fee schedule set by the department.

**Local government.** Any impact to local liquor licensing authorities is expected to be minimal, as the third-party delivery permitting will be administered by the state licensing authority. To the extent that local jurisdictions increase enforcement, workload and costs will increase.



## Titles and Text

### Amendment D New 23<sup>rd</sup> Judicial District Judges

The ballot title below is a summary drafted by the professional legal staff for the general assembly for ballot purposes only. The ballot title will not appear in the Colorado constitution. The text of the measure that will appear in the Colorado constitution below was referred to the voters because it passed by a two-thirds majority vote of the state senate and the state house of representatives.

#### Ballot Title:

Shall there be an amendment to the Colorado constitution concerning judges of the newly created twenty-third judicial district, and, in connection therewith, directing the governor to designate judges from the eighteenth judicial district to serve the remainder of their terms in the twenty-third judicial district and requiring a judge so designated to establish residency within the twenty-third judicial district?

#### Text of Measure:

*Be It Resolved by the House of Representatives of the Seventy-third General Assembly of the State of Colorado, the Senate concurring herein:*

**SECTION 1.** At the election held on November 8, 2022, the secretary of state shall submit to the registered electors of the state the ballot title set forth in section 2 for the following amendment to the state constitution:

In the constitution of the state of Colorado, section 10 of article VI, **add** (5) as follows:

**Section 10. Judicial districts - district judges - repeal.** (5) PURSUANT TO THE CREATION OF THE TWENTY-THIRD JUDICIAL DISTRICT, NO LATER THAN NOVEMBER 30, 2024, THE GOVERNOR SHALL DESIGNATE DISTRICT JUDGES FROM THE EIGHTEENTH JUDICIAL DISTRICT TO SERVE AS DISTRICT JUDGES IN THE TWENTY-THIRD JUDICIAL DISTRICT. NO LATER THAN JANUARY 7, 2025, EACH DISTRICT JUDGE DESIGNATED PURSUANT TO THIS SECTION SHALL ESTABLISH RESIDENCE IN THE TWENTY-THIRD JUDICIAL DISTRICT. EACH DISTRICT JUDGE DESIGNATED PURSUANT TO THIS SECTION, AT THE COMPLETION OF THE LAST TERM FOR WHICH THE JUDGE WAS LAST ELECTED OR APPOINTED, IS ELIGIBLE TO SEEK RETENTION IN THE TWENTY-THIRD JUDICIAL DISTRICT. A VACANCY IN ANY JUDICIAL OFFICE IN THE TWENTY-THIRD JUDICIAL DISTRICT OCCURRING AFTER JANUARY 7, 2025, SHALL BE FILLED AS PROVIDED IN SECTION 20 (1) OF THIS ARTICLE VI.

**SECTION 2.** Each elector voting at the election may cast a vote either “Yes/For” or “No/Against” on the following ballot title: “Shall there be an amendment to the Colorado constitution concerning judges of the newly created twenty-third judicial district, and, in connection therewith, directing the governor to designate judges from the eighteenth judicial district to serve the remainder of their terms in the twenty-third judicial district and requiring a judge so designated to establish residency within the twenty-third judicial district?”

**SECTION 3.** Except as otherwise provided in section 1-40-123, Colorado Revised Statutes, if at least fifty-five percent of the electors voting on the ballot title vote “Yes/For”, then the amendment will become part of the state constitution.

### Amendment E Extend Homestead Exemption to Gold Star Spouses

The ballot title below is a summary drafted by the professional legal staff for the general assembly for ballot purposes only. The ballot title will not appear in the Colorado constitution. The text of the measure that will appear in the Colorado constitution below was referred to the voters because it passed by a two-thirds majority vote of the state senate and the state house of representatives.

#### Ballot Title:

Shall there be an amendment to the Colorado constitution concerning the extension of the property tax exemption for qualifying seniors and disabled veterans to the surviving spouse of a United States armed forces service member who died in the line of duty or veteran whose death resulted from a service-related injury or disease?

#### Text of Measure:

*Be It Resolved by the House of Representatives of the Seventy-third General Assembly of the State of Colorado, the Senate concurring herein:*

**SECTION 1.** At the election held on November 8, 2022, the secretary of state shall submit to the registered electors of the state the ballot title set forth in section 2 for the following amendment to the state constitution:

In the constitution of the state of Colorado, section 3.5 of article X, **add** (1)(d) and (1.7) as follows:

**Section 3.5. Homestead exemption for qualifying senior citizens, disabled veterans, and surviving spouses receiving dependency indemnity compensation - definition.** (1) For property tax years commencing on or after January 1, 2002, fifty percent of the first two hundred thousand dollars of actual value of residential real property, as defined by law, that, as of the assessment date, is owner-occupied and is used as the primary residence of the owner-occupier shall be exempt from property taxation if:

(d) FOR PROPERTY TAX YEARS COMMENCING ON OR AFTER JANUARY 1, 2023, ONLY, THE OWNER-OCCUPIER, AS OF THE ASSESSMENT DATE, IS AN ELIGIBLE SPOUSE.

(1.7) AS USED IN THIS SECTION, “ELIGIBLE SPOUSE” MEANS EITHER A SURVIVING SPOUSE OF A UNITED STATES ARMED FORCES SERVICE MEMBER WHO DIED IN THE LINE OF DUTY AND RECEIVED A DEATH GRATUITY FROM THE DEPARTMENT OF DEFENSE PURSUANT TO 10 U.S.C. SEC. 1475 ET SEQ. OR A SURVIVING SPOUSE OF A VETERAN WHOSE DEATH RESULTED FROM A SERVICE-RELATED INJURY OR DISEASE AS DETERMINED BY THE UNITED STATES DEPARTMENT OF VETERANS AFFAIRS IF THE SURVIVING SPOUSE IS RECEIVING DEPENDENCY INDEMNITY COMPENSATION AWARDED BY THE UNITED STATES DEPARTMENT OF VETERANS AFFAIRS PURSUANT TO CHAPTER 13 OF PART II OF TITLE 38 OF THE UNITED STATES CODE, CHAPTER 5 OF PART I OF TITLE 38 OF THE UNITED STATES CODE, AND ANY OTHER APPLICABLE PROVISION OF FEDERAL LAW.

**SECTION 2.** Each elector voting at the election may cast a vote either “Yes/For” or “No/Against” on the following ballot title: “Shall there be an amendment to the Colorado constitution concerning the extension of the property tax exemption for qualifying seniors and disabled veterans to the surviving spouse of a United States armed forces service member who died in the line of duty or veteran whose death resulted from a service-related injury or disease?”

**SECTION 3.** Except as otherwise provided in section 1-40-123, Colorado Revised Statutes, if at least fifty-five percent of the electors voting on the ballot title vote “Yes/For”, then the amendment will become part of the state constitution.

### Amendment F Changes to Charitable Gaming Operations

The ballot title below is a summary drafted by the professional legal staff for the general assembly for ballot purposes only. The ballot title will not appear in the Colorado constitution. The text of the measure that will appear in the Colorado constitution below was referred to the voters because it passed by a two-thirds majority vote of the state senate and the state house of representatives.





**Ballot Title:**

Shall there be an amendment to the Colorado constitution concerning the conduct of charitable gaming activities, and, in connection therewith, allowing managers and operators to be paid and repealing the required period of a charitable organization's continuous existence before obtaining a charitable gaming license?

**Text of Measure:**

*Be It Resolved by the House of Representatives of the Seventy-third General Assembly of the State of Colorado, the Senate concurring herein:*

**SECTION 1.** At the election held on November 8, 2022, the secretary of state shall submit to the registered electors of the state the ballot title set forth in section 2 for the following amendment to the state constitution:

In the constitution of the state of Colorado, section 2 of article XVIII, **amend** (2), (4)(c), and (6) as follows:

**Section 2. Lotteries prohibited - exceptions - repeal.** (2) No game of chance pursuant to this subsection (2) and subsections (3) and (4) of this section shall be conducted by any person, firm, or organization, unless a license as provided for in this subsection (2) has been issued to the firm or organization conducting such games of chance. The secretary of state shall, upon application ~~therefor~~ FOR A LICENSE on such forms as shall be prescribed by the secretary of state and upon the payment of an annual fee as determined by the general assembly, issue a license for the conducting of such games of chance to any bona fide chartered branch or lodge or chapter of a national or state organization or to any bona fide religious, charitable, labor, fraternal, educational, voluntary firemen's, or veterans' organization ~~which~~ THAT OPERATES WITHOUT PROFIT TO ITS MEMBERS AND ~~which~~ THAT IS REGISTERED WITH THE SECRETARY OF STATE AND HAS BEEN IN EXISTENCE CONTINUOUSLY FOR A PERIOD OF ~~FIVE~~ THREE years immediately prior to the making of ~~said~~ ITS application for ~~such~~ THE license OR, ON AND AFTER JANUARY 1, 2025, FOR SUCH PERIOD AS THE GENERAL ASSEMBLY MAY ESTABLISH UNDER SUBSECTION (5) OF THIS SECTION, and has had during the entire ~~five-year~~ period OF ITS EXISTENCE a dues-paying membership engaged in carrying out the objects of said corporation or organization, such license to expire at the end of each calendar year in which it was issued.

(4) Such games of chance shall be subject to the following restrictions:

(c) (I) No person may receive ~~any~~ remuneration or profit IN EXCESS OF THE APPLICABLE MINIMUM WAGE for participating in the management or operation of any such game.

(II) THIS SUBSECTION (4)(c) IS REPEALED, EFFECTIVE JULY 1, 2024.

(6) (a) The enforcement of this section shall be under such official or department of government of the state of Colorado as the general assembly shall provide.

(b) THIS SECTION DOES NOT REQUIRE OR AUTHORIZE THE SECRETARY OF STATE TO RECEIVE OR REVIEW CLAIMS CONCERNING EMPLOYEE WAGES OR COMPENSATION, INCLUDING TAX CLAIMS, OR OTHER ASSOCIATED LABOR, EMPLOYMENT, OR CONTRACTUAL MATTERS.

**SECTION 2.** Each elector voting at the election may cast a vote either "Yes/For" or "No/Against" on the following ballot title: "Shall there be an amendment to the Colorado constitution concerning the conduct of charitable gaming activities, and, in connection therewith, allowing managers and operators to be paid and repealing the required period of a charitable organization's continuous existence before obtaining a charitable gaming license?"

**SECTION 3.** Except as otherwise provided in section 1-40-123, Colorado Revised Statutes, if at least fifty-five percent of the electors voting on the ballot title vote "Yes/For", then the amendment will become part of the state constitution.

**Proposition FF  
Healthy School Meals for All**

The ballot title below is a summary drafted by the professional legal staff for the general assembly for ballot purposes only. The ballot title will not appear in the Colorado Revised Statutes. The text of the measure that will appear in the Colorado Revised Statutes below was referred to the voters because it passed by a majority vote of the state senate and the state house of representatives.

**Ballot Title:**

SHALL STATE TAXES BE INCREASED \$100,727,820 ANNUALLY BY A CHANGE TO THE COLORADO REVISED STATUTES THAT, TO SUPPORT HEALTHY MEALS FOR PUBLIC SCHOOL STUDENTS, INCREASES STATE TAXABLE INCOME ONLY FOR INDIVIDUALS WHO HAVE FEDERAL TAXABLE INCOME OF \$300,000 OR MORE BY LIMITING ITEMIZED OR STANDARD STATE INCOME TAX DEDUCTIONS TO \$12,000 FOR SINGLE TAX RETURN FILERS AND \$16,000 FOR JOINT TAX RETURN FILERS, AND, IN CONNECTION THEREWITH, CREATING THE HEALTHY SCHOOL MEALS FOR ALL PROGRAM TO PROVIDE FREE SCHOOL MEALS TO STUDENTS IN PUBLIC SCHOOLS; PROVIDING GRANTS FOR PARTICIPATING SCHOOLS TO PURCHASE COLORADO GROWN, RAISED, OR PROCESSED PRODUCTS, TO INCREASE WAGES OR PROVIDE STIPENDS FOR EMPLOYEES WHO PREPARE AND SERVE SCHOOL MEALS, AND TO CREATE PARENT AND STUDENT ADVISORY COMMITTEES TO PROVIDE ADVICE TO ENSURE SCHOOL MEALS ARE HEALTHY AND APPEALING TO ALL STUDENTS; AND CREATING A PROGRAM TO ASSIST IN PROMOTING COLORADO FOOD PRODUCTS AND PREPARING SCHOOL MEALS USING BASIC NUTRITIOUS INGREDIENTS WITH MINIMAL RELIANCE ON PROCESSED PRODUCTS?

**Text of Measure:**

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

**SECTION 1.** In Colorado Revised Statutes, **add** part 2 to article 82.9 of title 22 as follows:

PART 2  
HEALTHY SCHOOL MEALS FOR ALL PROGRAM

**22-82.9-201. Short title.** THE SHORT TITLE OF THIS PART 2 IS THE "HEALTHY SCHOOL MEALS FOR ALL ACT".

**22-82.9-202. Legislative declaration.** (1) THE GENERAL ASSEMBLY FINDS AND DECLARES THAT:

(a) NO COLORADO CHILD SHOULD EXPERIENCE HUNGER, AND EVERY PUBLIC SCHOOL STUDENT SHOULD BENEFIT FROM ACCESS TO HEALTHY, LOCALLY PROCURED, AND FRESHLY PREPARED MEALS DURING THE SCHOOL DAY;

(b) HEALTHY SCHOOL MEALS ARE NECESSARY FOR ALL STUDENTS FOR EFFECTIVE LEARNING, AND COLORADO'S INVESTMENT IN EDUCATION SHOULD INCLUDE HEALTHY SCHOOL MEALS FOR ALL STUDENTS TO SUPPORT THE NOURISHMENT STUDENTS NEED TO ACHIEVE ACADEMIC SUCCESS;

(c) ACCESS TO HEALTHY SCHOOL MEALS SHOULD NOT CAUSE STIGMA OR STRESS FOR ANY STUDENT SEEKING AN EDUCATION;

(d) COLORADO'S HEALTHY SCHOOL MEALS PROGRAM SHOULD SUPPORT COLORADO'S FOOD SYSTEMS, INCLUDING LOCAL FARMERS AND RANCHERS;

(e) COLORADO'S HEALTHY SCHOOL MEALS PROGRAM MUST SUPPORT STUDENTS' NUTRITION AND PROVIDE QUALITY MEALS TO BOOST THE HEALTH AND WELL-BEING OF COLORADO STUDENTS;

(f) DURING THE COVID-19 PANDEMIC, THE UNITED STATES DEPARTMENT OF AGRICULTURE EASED PROGRAM RESTRICTIONS TO ALLOW FREE



## Titles and Text

MEALS TO CONTINUE TO BE AVAILABLE TO ALL STUDENTS UNIVERSALLY, ENSURING THAT ALL STUDENTS FACING HUNGER HAD ACCESS TO FOOD WHILE IN SCHOOL; AND

(g) NOW THAT STRATEGIES EXIST TO PREVENT HUNGER FOR ALL STUDENTS DURING THE SCHOOL DAY, IT IS IMPERATIVE THAT THE STATE EMBRACE THESE STRATEGIES TO MOVE TOWARD THE GOAL OF ENDING CHILD HUNGER.

(2) THE GENERAL ASSEMBLY FINDS, THEREFORE, THAT IT IS IN THE BEST INTERESTS OF THE STUDENTS OF COLORADO AND THEIR FAMILIES TO ENACT THE HEALTHY SCHOOL MEALS FOR ALL PROGRAM TO PROVIDE FREE MEALS IN PUBLIC SCHOOLS FOR ALL STUDENTS.

**22-82.9-203. Definitions.** AS USED IN THIS PART 2, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(1) "COLORADO GROWN, RAISED, OR PROCESSED PRODUCTS" MEANS ALL FRUITS, VEGETABLES, GRAINS, MEATS, AND DAIRY PRODUCTS, EXCEPT LIQUID MILK, GROWN, RAISED, OR PRODUCED IN COLORADO AND MINIMALLY PROCESSED PRODUCTS OR VALUE-ADDED PROCESSED PRODUCTS THAT MEET THE STANDARDS FOR THE COLORADO PROUD DESIGNATION, AS ESTABLISHED BY THE COLORADO DEPARTMENT OF AGRICULTURE, EVEN IF THE PRODUCT DOES NOT HAVE THE COLORADO PROUD DESIGNATION.

(2) "COMMUNITY ELIGIBILITY PROVISION" MEANS THE FEDERAL PROGRAM CREATED IN 42 U.S.C. SEC. 1759a (a)(1)(F) THAT ALLOWS SCHOOL DISTRICTS TO CHOOSE TO RECEIVE FEDERAL SPECIAL ASSISTANCE PAYMENTS FOR SCHOOL MEALS IN EXCHANGE FOR PROVIDING FREE SCHOOL MEALS TO ALL STUDENTS ENROLLED IN ALL OR SELECTED SCHOOLS OF THE SCHOOL DISTRICT.

(3) "DEPARTMENT" MEANS THE DEPARTMENT OF EDUCATION CREATED IN SECTION 24-1-115.

(4) "ELIGIBLE MEAL" MEANS A LUNCH OR BREAKFAST THAT MEETS THE NUTRITIONAL REQUIREMENTS SPECIFIED IN 7 CFR 210.10, OR SUCCESSOR REGULATIONS, FOR THE NATIONAL SCHOOL LUNCH PROGRAM OR THE NATIONAL SCHOOL BREAKFAST PROGRAM.

(5) "FEDERAL FREE REIMBURSEMENT RATE" MEANS THE FREE REIMBURSEMENT RATE SET BY THE UNITED STATES DEPARTMENT OF AGRICULTURE FOR MEALS THAT QUALIFY FOR REIMBURSEMENT UNDER THE NATIONAL SCHOOL BREAKFAST PROGRAM AND THE NATIONAL SCHOOL LUNCH PROGRAM.

(6) "IDENTIFIED STUDENT PERCENTAGE" MEANS THE PERCENTAGE OF A PUBLIC SCHOOL'S OR SCHOOL DISTRICT'S STUDENT ENROLLMENT WHO ARE CERTIFIED AS ELIGIBLE FOR FREE MEALS BASED ON DOCUMENTATION OF BENEFIT RECEIPT OR CATEGORICAL ELIGIBILITY AS DESCRIBED IN 7 CFR 245.6, OR SUCCESSOR REGULATIONS.

(7) "MINIMALLY PROCESSED PRODUCTS" MEANS RAW OR FROZEN FABRICATED PRODUCTS; PRODUCTS THAT RETAIN THEIR INHERENT CHARACTER, SUCH AS SHREDDED CARROTS OR DICED ONIONS; AND DRIED PRODUCTS, SUCH AS BEANS, BUT DOES NOT INCLUDE ANY PRODUCTS THAT ARE HEATED, COOKED, OR CANNED.

(8) "NATIONAL SCHOOL BREAKFAST PROGRAM" MEANS THE FEDERAL SCHOOL BREAKFAST PROGRAM CREATED IN 42 U.S.C. SEC. 1773.

(9) "NATIONAL SCHOOL LUNCH PROGRAM" MEANS THE FEDERAL SCHOOL LUNCH PROGRAM CREATED IN THE "RICHARD B. RUSSELL NATIONAL SCHOOL LUNCH ACT", 42 U.S.C. SEC. 1751 ET SEQ.

(10) "PARTICIPATING SCHOOL FOOD AUTHORITY" MEANS A SCHOOL FOOD AUTHORITY THAT CHOOSES TO PARTICIPATE IN THE HEALTHY SCHOOL MEALS FOR ALL PROGRAM.

(11) "PROGRAM" MEANS THE HEALTHY SCHOOL MEALS FOR ALL PROGRAM CREATED IN SECTION 22-82.9-204.

(12) "SCHOOL FOOD AUTHORITY" HAS THE SAME MEANING AS PROVIDED

IN SECTION 22-32-120 (8).

(13) "STATE BOARD" MEANS THE STATE BOARD OF EDUCATION CREATED AND EXISTING PURSUANT TO SECTION 1 OF ARTICLE IX OF THE STATE CONSTITUTION.

(14) "VALUE-ADDED PROCESSED PRODUCTS" MEANS PRODUCTS THAT ARE ALTERED FROM THEIR UNPROCESSED OR MINIMALLY PROCESSED STATE THROUGH PRESERVATION TECHNIQUES, INCLUDING COOKING, BAKING, OR CANNING.

**22-82.9-204. Healthy school meals for all program - created - rules.**

(1) (a) THERE IS CREATED IN THE DEPARTMENT THE HEALTHY SCHOOL MEALS FOR ALL PROGRAM THROUGH WHICH EACH SCHOOL FOOD AUTHORITY THAT CHOOSES TO PARTICIPATE IN THE PROGRAM:

(I) OFFERS ELIGIBLE MEALS, WITHOUT CHARGE, TO ALL STUDENTS ENROLLED IN THE PUBLIC SCHOOLS SERVED BY THE PARTICIPATING SCHOOL FOOD AUTHORITY THAT PARTICIPATE IN THE NATIONAL SCHOOL LUNCH PROGRAM OR NATIONAL SCHOOL BREAKFAST PROGRAM;

(II) RECEIVES REIMBURSEMENT FOR THE MEALS AS DESCRIBED IN SUBSECTION (1)(b) OF THIS SECTION;

(III) IS ELIGIBLE TO RECEIVE A LOCAL FOOD PURCHASING GRANT PURSUANT TO SECTION 22-82.9-205, SUBJECT TO SUBSECTION (4)(b) OF THIS SECTION;

(IV) IS ELIGIBLE TO RECEIVE FUNDING PURSUANT TO SECTION 22-82.9-206 TO INCREASE WAGES OR PROVIDE STIPENDS FOR INDIVIDUALS WHOM THE PARTICIPATING SCHOOL FOOD AUTHORITY EMPLOYS TO DIRECTLY PREPARE AND SERVE FOOD FOR SCHOOL MEALS, SUBJECT TO SUBSECTION (4)(b) OF THIS SECTION; AND

(V) IS ELIGIBLE TO RECEIVE ASSISTANCE THROUGH THE LOCAL SCHOOL FOOD PURCHASING TECHNICAL ASSISTANCE AND EDUCATION GRANT PROGRAM PURSUANT TO SECTION 22-82.9-207, SUBJECT TO SUBSECTION (4)(b) OF THIS SECTION.

(b) THE AMOUNT OF THE REIMBURSEMENT PROVIDED THROUGH THE PROGRAM TO EACH PARTICIPATING SCHOOL FOOD AUTHORITY FOR EACH BUDGET YEAR IS EQUAL TO THE FEDERAL FREE REIMBURSEMENT RATE MULTIPLIED BY THE TOTAL NUMBER OF ELIGIBLE MEALS THAT THE PARTICIPATING SCHOOL FOOD AUTHORITY SERVES DURING THE APPLICABLE BUDGET YEAR MINUS THE TOTAL AMOUNT OF REIMBURSEMENT FOR ELIGIBLE MEALS SERVED DURING THE APPLICABLE BUDGET YEAR THAT THE PARTICIPATING SCHOOL FOOD AUTHORITY RECEIVES PURSUANT TO THE NATIONAL SCHOOL BREAKFAST PROGRAM, THE NATIONAL SCHOOL LUNCH PROGRAM, SECTIONS 22-54-123 AND 22-54-123.5, ARTICLE 82.7 OF THIS TITLE 22, AND PART 1 OF THIS ARTICLE 82.9.

(c) THE DEPARTMENT SHALL DEVELOP PROCEDURES TO ALLOCATE AND DISBURSE, BEGINNING IN THE 2023-24 BUDGET YEAR, THE MONEY APPROPRIATED AS REIMBURSEMENTS PURSUANT TO THIS SECTION AMONG PARTICIPATING SCHOOL FOOD AUTHORITIES EACH BUDGET YEAR IN AN EQUITABLE MANNER AND IN COMPLIANCE WITH THE REQUIREMENTS OF THE NATIONAL SCHOOL BREAKFAST PROGRAM AND THE NATIONAL SCHOOL LUNCH PROGRAM.

(2) A SCHOOL FOOD AUTHORITY THAT CHOOSES TO PARTICIPATE IN THE PROGRAM MUST ANNUALLY GIVE NOTICE OF PARTICIPATION TO THE DEPARTMENT AS PROVIDED BY RULE OF THE STATE BOARD. AT A MINIMUM, THE NOTICE MUST INCLUDE EVIDENCE THAT THE SCHOOL FOOD AUTHORITY IS PARTICIPATING IN THE COMMUNITY ELIGIBILITY PROVISION AS REQUIRED IN SUBSECTION (3) OF THIS SECTION.

(3) IF THE UNITED STATES DEPARTMENT OF AGRICULTURE CREATES THE OPTION FOR THE STATE, AS A WHOLE, TO PARTICIPATE IN THE COMMUNITY ELIGIBILITY PROVISION, THE DEPARTMENT SHALL PARTICIPATE IN THE OPTION AND SHALL WORK WITH SCHOOL FOOD AUTHORITIES AND THE NECESSARY STATE AND LOCAL DEPARTMENTS TO COLLECT DATA AND IMPLEMENT THE COMMUNITY ELIGIBILITY PROVISION STATEWIDE. UNTIL



SUCH TIME AS COLORADO PARTICIPATES IN THE COMMUNITY ELIGIBILITY PROVISION AS A STATE, EACH PARTICIPATING SCHOOL FOOD AUTHORITY, AS A CONDITION OF PARTICIPATING IN THE PROGRAM, MUST MAXIMIZE THE AMOUNT OF FEDERAL REIMBURSEMENT BY PARTICIPATING IN THE COMMUNITY ELIGIBILITY PROVISION FOR ALL SCHOOLS THAT QUALIFY FOR THE COMMUNITY ELIGIBILITY PROVISION AND THAT THE PARTICIPATING SCHOOL FOOD AUTHORITY SERVES.

(4) (a) AS SOON AS PRACTICABLE AFTER THE EFFECTIVE DATE OF THIS PART 2, THE DEPARTMENT SHALL APPLY TO THE FEDERAL SECRETARY OF AGRICULTURE TO PARTICIPATE IN THE DEMONSTRATION PROJECT OPERATED PURSUANT TO 42 U.S.C. SEC. 1758 (b)(15) FOR DIRECT CERTIFICATION FOR CHILDREN RECEIVING MEDICAID BENEFITS, WITH THE INTENT THAT THE DEMONSTRATION PROJECT IS IMPLEMENTED STATEWIDE TO THE EXTENT ALLOWABLE UNDER FEDERAL LAW. IF THE STATE IS SELECTED TO PARTICIPATE IN THE DEMONSTRATION PROJECT, THE DEPARTMENT SHALL COMPLY WITH ALL OF THE REQUIREMENTS OF THE DEMONSTRATION PROJECT, INCLUDING ENTERING INTO AN AGREEMENT WITH THE DEPARTMENT OF HEALTH CARE POLICY AND FINANCING TO ESTABLISH PROCEDURES BY WHICH A STUDENT MAY BE CERTIFIED, WITHOUT FURTHER APPLICATION, AS MEETING THE ELIGIBILITY REQUIREMENTS FOR FREE OR REDUCED-PRICE MEALS PURSUANT TO THE NATIONAL SCHOOL BREAKFAST PROGRAM AND THE NATIONAL SCHOOL LUNCH PROGRAM BASED ON INFORMATION COLLECTED BY THE DEPARTMENT OF HEALTH CARE POLICY AND FINANCING IN IMPLEMENTING THE MEDICAID PROGRAM.

(b) IMPLEMENTATION OF SECTIONS 22-82.9-205 TO 22-82.9-207 IS CONDITIONAL UPON THE STATE OF COLORADO BEING CERTIFIED TO PARTICIPATE IN THE DEMONSTRATION PROJECT FOR DIRECT CERTIFICATION FOR CHILDREN RECEIVING MEDICAID BENEFITS THAT IS OPERATED PURSUANT TO 42 U.S.C. SEC. 1758 (b)(15).

(5) THE STATE BOARD SHALL PROMULGATE RULES AS NECESSARY TO IMPLEMENT THE PROGRAM, INCLUDING RULES TO MAXIMIZE THE AMOUNT OF FEDERAL FUNDING AVAILABLE TO IMPLEMENT THE PROGRAM.

**22-82.9-205. Local food purchasing grant - amount - advisory committee - verification of invoices.** (1) (a) SUBJECT TO SUBSECTION (5) OF THIS SECTION, EACH PARTICIPATING SCHOOL FOOD AUTHORITY THAT CREATES AN ADVISORY COMMITTEE AS DESCRIBED IN SUBSECTION (3) OF THIS SECTION IS ELIGIBLE TO RECEIVE A LOCAL FOOD PURCHASING GRANT PURSUANT TO THIS SECTION TO PURCHASE COLORADO GROWN, RAISED, OR PROCESSED PRODUCTS.

(b) ON OR BEFORE AUGUST 1 OF THE FIRST FULL BUDGET YEAR IN WHICH THIS SECTION IS EFFECTIVE AS PROVIDED IN SUBSECTION (5) OF THIS SECTION AND ON OR BEFORE AUGUST 1 OF EACH BUDGET YEAR THEREAFTER, EACH PARTICIPATING SCHOOL FOOD AUTHORITY SHALL TRACK AND REPORT TO THE DEPARTMENT FOR THE PRECEDING BUDGET YEAR:

(I) THE TOTAL AMOUNT SPENT IN PURCHASING ALL PRODUCTS USED IN PREPARING MEALS AND HOW MUCH OF THAT TOTAL WAS ATTRIBUTABLE TO THE LOCAL FOOD PURCHASING GRANT THE PARTICIPATING SCHOOL FOOD AUTHORITY RECEIVED;

(II) THE TOTAL AMOUNT SPENT TO PURCHASE COLORADO GROWN, RAISED, OR PROCESSED PRODUCTS AND HOW MUCH OF THAT TOTAL WAS ATTRIBUTABLE TO THE LOCAL FOOD PURCHASING GRANT THE PARTICIPATING SCHOOL FOOD AUTHORITY RECEIVED;

(III) THE TOTAL AMOUNT SPENT TO PURCHASE VALUE-ADDED PROCESSED PRODUCTS AND HOW MUCH OF THAT TOTAL WAS ATTRIBUTABLE TO THE LOCAL FOOD PURCHASING GRANT THE PARTICIPATING SCHOOL FOOD AUTHORITY RECEIVED; AND

(IV) THE TOTAL NUMBER OF ELIGIBLE MEALS THE PARTICIPATING SCHOOL FOOD AUTHORITY PROVIDED TO STUDENTS.

(2) (a) SUBJECT TO THE PROVISIONS OF SUBSECTION (2)(b) OF THIS SECTION, AT THE BEGINNING OF EACH BUDGET YEAR THE DEPARTMENT, SUBJECT TO AVAILABLE APPROPRIATIONS, SHALL DISTRIBUTE TO EACH

PARTICIPATING SCHOOL FOOD AUTHORITY THAT IS ELIGIBLE TO RECEIVE A GRANT PURSUANT TO THIS SECTION THE GREATER OF FIVE THOUSAND DOLLARS OR AN AMOUNT EQUAL TO TWENTY-FIVE CENTS MULTIPLIED BY THE NUMBER OF LUNCHESES THAT QUALIFIED AS AN ELIGIBLE MEAL THAT THE PARTICIPATING SCHOOL FOOD AUTHORITY SERVED TO STUDENTS IN THE PRECEDING SCHOOL YEAR. THE PARTICIPATING SCHOOL FOOD AUTHORITY SHALL USE THE MONEY RECEIVED PURSUANT TO THIS SECTION TO PURCHASE ONLY COLORADO GROWN, RAISED, OR PROCESSED PRODUCTS AND AS PROVIDED IN SUBSECTION (3)(b) OF THIS SECTION AND SHALL NOT USE MORE THAN TWENTY-FIVE PERCENT OF THE AMOUNT RECEIVED TO PURCHASE VALUE-ADDED PROCESSED PRODUCTS. IN ADDITION, A SCHOOL FOOD AUTHORITY MAY USE UP TO TEN PERCENT OF THE MONEY RECEIVED PURSUANT TO THIS SECTION TO PAY ALLOWABLE COSTS, AS IDENTIFIED BY RULES OF THE STATE BOARD, INCURRED IN COMPLYING WITH THIS SECTION.

(b) AT THE BEGINNING OF EACH BUDGET YEAR, EACH PARTICIPATING SCHOOL FOOD AUTHORITY SHALL SUBMIT TO THE DEPARTMENT AN ESTIMATE OF THE AMOUNT IT EXPECTS TO SPEND TO PURCHASE COLORADO GROWN, RAISED, OR PROCESSED PRODUCTS FOR THE BUDGET YEAR; A DESCRIPTION OF THE ITEMS AND AMOUNTS IT EXPECTS TO PURCHASE; AND A LIST OF THE SUPPLIERS FROM WHICH IT EXPECTS TO PURCHASE THE ITEMS. IF, BASED ON THE INFORMATION PROVIDED, THE DEPARTMENT DETERMINES THAT A PARTICIPATING SCHOOL FOOD AUTHORITY IS UNLIKELY TO SPEND THE FULL AMOUNT OF THE GRANT DESCRIBED IN SUBSECTION (2)(a) OF THIS SECTION, THE DEPARTMENT SHALL REDUCE THE AMOUNT OF THE GRANT ACCORDINGLY. THE DEPARTMENT SHALL DISTRIBUTE TO OTHER PARTICIPATING SCHOOL FOOD AUTHORITIES THAT ARE ELIGIBLE TO RECEIVE GRANTS PURSUANT TO THIS SECTION ANY AMOUNT THAT IS RETAINED PURSUANT TO THIS SUBSECTION (2)(b). THE DEPARTMENT SHALL DISTRIBUTE THE ADDITIONAL AMOUNTS TO THE PARTICIPATING SCHOOL FOOD AUTHORITIES FOR WHICH THE GRANT AMOUNT CALCULATED PURSUANT TO SUBSECTION (2)(a) OF THIS SECTION IS LESS THAN TWENTY-FIVE THOUSAND DOLLARS, PRIORITIZED BASED ON THE HIGHEST IDENTIFIED STUDENT PERCENTAGES AND GREATEST FINANCIAL NEED.

(3) (a) TO RECEIVE A LOCAL FOOD PURCHASING GRANT PURSUANT TO THIS SECTION, A PARTICIPATING SCHOOL FOOD AUTHORITY MUST ESTABLISH AN ADVISORY COMMITTEE MADE UP OF STUDENTS AND PARENTS OF STUDENTS ENROLLED IN THE PUBLIC SCHOOLS SERVED BY THE PARTICIPATING SCHOOL FOOD AUTHORITY. IN SELECTING STUDENTS AND PARENTS TO SERVE ON THE ADVISORY COMMITTEE, THE PARTICIPATING SCHOOL FOOD AUTHORITY SHALL ENSURE THAT THE MEMBERSHIP OF THE ADVISORY COMMITTEE REFLECTS THE RACIAL, ETHNIC, AND SOCIOECONOMIC DEMOGRAPHICS OF THE STUDENT POPULATION ENROLLED BY THE PARTICIPATING SCHOOL FOOD AUTHORITY. THE ADVISORY COMMITTEE SHALL ADVISE THE PARTICIPATING SCHOOL FOOD AUTHORITY CONCERNING THE SELECTION OF FOODS TO ENSURE THAT MEALS ARE CULTURALLY RELEVANT, HEALTHY, AND APPEALING TO ALL AGES OF THE STUDENT POPULATION.

(b) A PARTICIPATING SCHOOL FOOD AUTHORITY MAY USE UP TO TWELVE PERCENT OF THE AMOUNT RECEIVED PURSUANT TO SUBSECTION (2) OF THIS SECTION TO SUPPORT IMPLEMENTATION OF THE ADVISORY COMMITTEE REQUIRED IN SUBSECTION (3)(a) OF THIS SECTION.

(4) THE DEPARTMENT SHALL ANNUALLY REQUIRE A SELECTED GROUP OF PARTICIPATING SCHOOL FOOD AUTHORITIES THAT RECEIVED A GRANT PURSUANT TO THIS SECTION IN THE PRECEDING BUDGET YEAR TO SUBMIT TO THE DEPARTMENT A REPRESENTATIVE SAMPLE OF THE INVOICES FOR THE PRODUCTS PURCHASED USING THE GRANT MONEY. NO LATER THAN SEPTEMBER 1 OF THE SECOND BUDGET YEAR IN WHICH THIS SECTION IS EFFECTIVE AS PROVIDED IN SUBSECTION (5) OF THIS SECTION, AND NO LATER THAN SEPTEMBER 1 OF EACH YEAR THEREAFTER, THE DEPARTMENT SHALL REVIEW THE INVOICES TO VERIFY THAT THE PRODUCTS PURCHASED MET THE REQUIREMENTS SPECIFIED IN THIS SECTION. IF THE DEPARTMENT FINDS THAT A PARTICIPATING SCHOOL FOOD AUTHORITY USED A SIGNIFICANT PORTION OF THE GRANT MONEY, AS DETERMINED BY RULE OF THE STATE BOARD, TO PURCHASE PRODUCTS THAT DID NOT MEET THE REQUIREMENTS OF THIS SECTION, THE PARTICIPATING SCHOOL FOOD AUTHORITY IS INELIGIBLE TO RECEIVE A GRANT PURSUANT TO THIS SECTION FOR THE NEXT BUDGET YEAR



## Titles and Text

FOLLOWING THE BUDGET YEAR IN WHICH THE DEPARTMENT COMPLETES THE REVIEW.

(5) THIS SECTION IS EFFECTIVE BEGINNING IN THE FIRST FULL BUDGET YEAR AFTER THE STATE OF COLORADO IS CERTIFIED TO PARTICIPATE IN THE FEDERAL DEMONSTRATION PROJECT FOR DIRECT CERTIFICATION FOR CHILDREN RECEIVING MEDICAID BENEFITS AS PROVIDED IN SECTION 22-82.9-204 (4) AND BEGINS INCLUDING MEDICAID DIRECT CERTIFICATION IN DETERMINING SCHOOL DISTRICTS' IDENTIFIED STUDENT PERCENTAGES.

### **22-82.9-206. School meals food preparation and service employees - wage increase or stipend.**

(1) SUBJECT TO SUBSECTION (2) OF THIS SECTION, IN ADDITION TO THE AMOUNTS RECEIVED PURSUANT TO SECTIONS 22-82.9-204 AND 22-82.9-205, A PARTICIPATING SCHOOL FOOD AUTHORITY MAY RECEIVE THE GREATER OF THREE THOUSAND DOLLARS OR AN AMOUNT EQUAL TO TWELVE CENTS MULTIPLIED BY THE NUMBER OF SCHOOL LUNCHESES THAT QUALIFY AS ELIGIBLE MEALS THAT THE PARTICIPATING SCHOOL FOOD AUTHORITY PROVIDED IN THE PREVIOUS BUDGET YEAR, SO LONG AS THE PARTICIPATING SCHOOL FOOD AUTHORITY USES ONE HUNDRED PERCENT OF THE AMOUNT RECEIVED PURSUANT TO THIS SECTION TO INCREASE WAGES OR PROVIDE STIPENDS FOR INDIVIDUALS WHOM THE PARTICIPATING SCHOOL FOOD AUTHORITY EMPLOYS TO DIRECTLY PREPARE AND SERVE FOOD FOR SCHOOL MEALS. TO RECEIVE THE AMOUNT DESCRIBED IN THIS SECTION, A PARTICIPATING SCHOOL FOOD AUTHORITY MUST SUBMIT DOCUMENTATION TO THE DEPARTMENT AS REQUIRED BY RULES OF THE STATE BOARD TO DEMONSTRATE THAT THE INCREASE IN WAGES OR PROVISION OF STIPENDS USING THE AMOUNT RECEIVED PURSUANT TO THIS SECTION IS IMPLEMENTED FOR THE BUDGET YEAR IN WHICH THE AMOUNT IS RECEIVED.

(2) THIS SECTION IS EFFECTIVE BEGINNING IN THE FIRST FULL BUDGET YEAR AFTER THE STATE OF COLORADO IS CERTIFIED TO PARTICIPATE IN THE FEDERAL DEMONSTRATION PROJECT FOR DIRECT CERTIFICATION FOR CHILDREN RECEIVING MEDICAID BENEFITS AS PROVIDED IN SECTION 22-82.9-204 (4) AND BEGINS INCLUDING MEDICAID DIRECT CERTIFICATION IN DETERMINING SCHOOL DISTRICTS' IDENTIFIED STUDENT PERCENTAGES.

### **22-82.9-207. Local school food purchasing technical assistance and education grant program - created - report.**

(1) SUBJECT TO SUBSECTION (4) OF THIS SECTION, THERE IS CREATED IN THE DEPARTMENT THE LOCAL SCHOOL FOOD PURCHASING TECHNICAL ASSISTANCE AND EDUCATION GRANT PROGRAM TO ISSUE A GRANT TO A STATEWIDE NONPROFIT ORGANIZATION TO DEVELOP AND MANAGE A GRANT PROGRAM TO ASSIST WITH THE PROMOTION OF COLORADO GROWN, RAISED, OR PROCESSED PRODUCTS TO PARTICIPATING SCHOOL FOOD AUTHORITIES AND TO ASSIST PARTICIPATING SCHOOL FOOD AUTHORITIES IN PREPARING MEALS USING BASIC INGREDIENTS, WITH MINIMAL RELIANCE ON PROCESSED PRODUCTS.

(2) SUBJECT TO AVAILABLE APPROPRIATIONS, THE NONPROFIT ORGANIZATION MAY AWARD GRANTS FOR:

(a) TRAINING, TECHNICAL ASSISTANCE, AND PHYSICAL INFRASTRUCTURE, AWARDED TO PARTICIPATING SCHOOL FOOD AUTHORITIES, GROWER ASSOCIATIONS, OR OTHER ORGANIZATIONS THAT AGGREGATE PRODUCTS FROM PRODUCERS FOR:

(I) PROFESSIONAL CONTRACTING SERVICES TO SUPPORT THE DEVELOPMENT AND SUSTAINABILITY OF LOCAL AND REGIONAL FOOD SYSTEMS;

(II) CHEF TRAINING ON FOOD HANDLING, MEAL PREPARATION USING BASIC INGREDIENTS, AND PROCUREMENT PRACTICES, AND FOR KITCHEN EQUIPMENT PURCHASES;

(III) GOOD AGRICULTURAL PRACTICES CERTIFICATION COSTS AND GOOD HANDLING PRACTICES CERTIFICATION COSTS AND TRAINING ON SELLING TO SCHOOLS; AND

(IV) CAPACITY BUILDING FOR LOCAL VALUE-ADDED PROCESSED PRODUCTS; AND

(b) EDUCATION, OUTREACH, AND PROMOTION FOR:

(I) SCHOOLS TO ENGAGE FAMILIES AND COMMUNITIES ON THE BENEFITS OF FARM-TO-SCHOOL AND WAYS TO SUPPORT FARM-TO-SCHOOL; AND

(II) GROWER ASSOCIATIONS AND GROWERS TO COMMUNICATE TO SCHOOLS AND SCHOOL COMMUNITIES ABOUT THE MULTIPLE BENEFITS OF PURCHASING LOCAL PRODUCTS.

(3) THE NONPROFIT ORGANIZATION SHALL ANNUALLY REPORT TO THE DEPARTMENT ON IMPLEMENTATION OF THE TECHNICAL ASSISTANCE AND EDUCATION GRANT PROGRAM, INCLUDING:

(a) THE NUMBER AND TYPES OF ENTITIES RECEIVING GRANTS;

(b) THE NUMBER, TYPES, AND PURPOSES OF THE GRANTS AWARDED PURSUANT TO SUBSECTION (2)(a) OF THIS SECTION; AND

(c) THE TYPES OF EDUCATION, OUTREACH, AND PROMOTION CONDUCTED BY PARTICIPATING SCHOOL FOOD AUTHORITIES AND OTHERS PURSUANT TO SUBSECTION (2)(b) OF THIS SECTION.

(4) THIS SECTION IS EFFECTIVE BEGINNING IN THE FIRST FULL BUDGET YEAR AFTER THE STATE OF COLORADO IS CERTIFIED TO PARTICIPATE IN THE FEDERAL DEMONSTRATION PROJECT FOR DIRECT CERTIFICATION FOR CHILDREN RECEIVING MEDICAID BENEFITS AS PROVIDED IN SECTION 22-82.9-204 (4) AND BEGINS INCLUDING MEDICAID DIRECT CERTIFICATION IN DETERMINING SCHOOL DISTRICTS' IDENTIFIED STUDENT PERCENTAGES.

**22-82.9-208. Report - audit.** (1) (a) ON OR BEFORE DECEMBER 1, 2024, AND ON OR BEFORE DECEMBER 1 EVERY TWO YEARS THEREAFTER, THE DEPARTMENT SHALL PREPARE A REPORT CONCERNING THE IMPLEMENTATION OF SECTION 22-82.9-204 AND SECTIONS 22-82.9-205, 22-82.9-206, AND 22-82.9-207, TO THE EXTENT THOSE SECTIONS ARE IN EFFECT AS PROVIDED IN SECTION 22-82.9-204 (4)(b). AT A MINIMUM, THE REPORT MUST DESCRIBE:

(I) THE INCREASE IN THE NUMBER OF STUDENTS WHO RECEIVE FREE ELIGIBLE MEALS AS A RESULT OF IMPLEMENTATION OF THE PROGRAM;

(II) THE EFFECT OF THE USE OF LOCAL FOOD PURCHASING GRANTS ON THE AMOUNT OF COLORADO GROWN, RAISED, OR PROCESSED PRODUCTS PURCHASED BY PARTICIPATING SCHOOL FOOD AUTHORITIES AND INCLUDE A COMPILATION OF THE INFORMATION REPORTED BY PARTICIPATING SCHOOL FOOD AUTHORITIES PURSUANT TO SECTION 22-82.9-205 (1)(b);

(III) THE EFFECT OF THE DISTRIBUTION OF MONEY PURSUANT TO SECTION 22-82.9-206 ON THE AMOUNT OF WAGES PAID OR THE AMOUNT OF STIPENDS PROVIDED TO INDIVIDUALS WHO ARE EMPLOYED BY PUBLIC SCHOOLS TO PREPARE AND SERVE SCHOOL MEALS; AND

(IV) A SUMMARY OF THE INFORMATION REPORTED BY THE NONPROFIT ORGANIZATION PURSUANT TO SECTION 22-82.9-207 (3) CONCERNING IMPLEMENTATION OF THE LOCAL SCHOOL FOOD PURCHASING TECHNICAL ASSISTANCE AND EDUCATION GRANT PROGRAM.

(b) THE DEPARTMENT SHALL SUBMIT THE REPORT TO THE EDUCATION COMMITTEES OF THE HOUSE OF REPRESENTATIVES AND THE SENATE; THE AGRICULTURE, LIVESTOCK, AND WATER COMMITTEE OF THE HOUSE OF REPRESENTATIVES; AND THE AGRICULTURE AND NATURAL RESOURCES COMMITTEE OF THE SENATE; OR ANY SUCCESSOR COMMITTEES.

(c) NOTWITHSTANDING THE REQUIREMENT IN SECTION 24-1-136 (11) (a)(I), THE REQUIREMENT TO SUBMIT THE REPORT DESCRIBED IN THIS SUBSECTION (1) CONTINUES INDEFINITELY.

(2) THE DEPARTMENT SHALL CONTRACT WITH AN INDEPENDENT AUDITOR TO CONDUCT A BIENNIAL FINANCIAL AND PERFORMANCE AUDIT OF THE IMPLEMENTATION OF THE PROGRAM, INCLUDING IMPLEMENTATION OF SECTION 22-82.9-204 AND INCLUDING IMPLEMENTATION OF LOCAL FOOD PURCHASING GRANTS PURSUANT TO SECTION 22-82.9-205, DISTRIBUTIONS FOR THE INCREASE IN WAGES OR PROVISION OF STIPENDS PURSUANT TO SECTION 22-82.9-206, AND IMPLEMENTATION OF THE LOCAL SCHOOL FOOD PURCHASING TECHNICAL ASSISTANCE



AND EDUCATION GRANT PROGRAM PURSUANT TO SECTION 22-82.9-207, TO THE EXTENT SAID SECTIONS ARE IN EFFECT AS PROVIDED IN SECTION 22-82.9-204 (4)(b). THE AUDIT OF THE TWO BUDGET YEARS IN EACH BIENNIAL CYCLE MUST BE COMPLETED BY DECEMBER 1 OF THE FOLLOWING BUDGET YEAR. THE DEPARTMENT SHALL MAKE THE AUDIT EASILY ACCESSIBLE BY THE PUBLIC ON THE DEPARTMENT WEBSITE.

**22-82.9-209. Program - funding.** FOR THE 2023-24 BUDGET YEAR AND FOR EACH BUDGET YEAR THEREAFTER, THE GENERAL ASSEMBLY SHALL APPROPRIATE TO THE DEPARTMENT, BY SEPARATE LINE ITEM IN THE ANNUAL GENERAL APPROPRIATION BILL, THE AMOUNT NECESSARY TO IMPLEMENT THE PROGRAM, INCLUDING THE AMOUNT REQUIRED TO REIMBURSE PARTICIPATING SCHOOL FOOD AUTHORITIES FOR ELIGIBLE MEALS PROVIDED TO STUDENTS PURSUANT TO SECTION 22-82.9-204 AND INCLUDING THE AMOUNT DISTRIBUTED AS LOCAL FOOD PURCHASING GRANTS PURSUANT TO SECTION 22-82.9-205, THE AMOUNT DISTRIBUTED PURSUANT TO SECTION 22-82.9-206 TO INCREASE THE WAGES OR PROVIDE STIPENDS FOR STAFF WHO PREPARE AND SERVE SCHOOL MEALS, AND AT LEAST FIVE MILLION DOLLARS ANNUALLY TO IMPLEMENT THE LOCAL SCHOOL FOOD PURCHASING TECHNICAL ASSISTANCE AND EDUCATION GRANT PROGRAM PURSUANT TO SECTION 22-82.9-207, TO THE EXTENT SAID SECTIONS ARE IN EFFECT AS PROVIDED IN SECTION 22-82.9-204 (4)(b). THE DEPARTMENT MAY EXPEND NOT MORE THAN ONE AND FIVE-TENTHS PERCENT OF THE TOTAL AMOUNT ANNUALLY APPROPRIATED PURSUANT TO THIS SECTION TO OFFSET THE DIRECT AND INDIRECT COSTS INCURRED BY THE DEPARTMENT IN IMPLEMENTING THIS PART 2.

**SECTION 2.** In Colorado Revised Statutes, **amend** 22-82.9-101 as follows:

**22-82.9-101. Short title.** ~~This article shall be known and may be cited as~~ THE SHORT TITLE OF THIS PART 1 IS THE "Child Nutrition School Lunch Protection Program Act".

**SECTION 3.** In Colorado Revised Statutes, 22-82.9-103, **amend** the introductory portion as follows:

**22-82.9-103. Definitions.** As used in this article PART 1, unless the context otherwise requires:

**SECTION 4.** In Colorado Revised Statutes, 22-82.9-105, **amend** (1) and (2) as follows:

**22-82.9-105. Program funding.** (1) For each fiscal year, the general assembly shall make an appropriation by separate line item in the annual general appropriation bill to allow school food authorities to provide lunches at no charge for children in state-subsidized early childhood education programs administered by public schools or in kindergarten through twelfth grade, participating in the school lunch program, who would otherwise be required to pay a reduced price for lunch. The appropriation to the department for the program must be in addition to any appropriation made by the general assembly pursuant to section 22-54-123 or 22-54-123.5 (1). The department may expend not more than two percent of the money annually appropriated for the program to offset the direct and indirect costs incurred by the department in implementing the program pursuant to this ~~article~~ 82-9 PART 1.

(2) The department is authorized to seek and accept gifts, grants, and donations from public and private sources for the purposes of this ~~article~~ PART 1, but receipt of gifts, grants, and donations ~~shall not be~~ ARE NOT a prerequisite to the implementation of the program.

**SECTION 5.** In Colorado Revised Statutes, 22-82.9-107, **amend** (1) as follows:

**22-82.9-107. No individual entitlement.** (1) ~~Nothing in this article shall be interpreted to~~ THIS PART 1 DOES NOT create a legal entitlement to any participant to assistance provided pursuant to the program.

**SECTION 6.** In Colorado Revised Statutes, 39-22-104, **amend** (3)(p) introductory portion; and **add** (3)(p.5) as follows:

**39-22-104. Income tax imposed on individuals, estates, and trusts - single rate - report - legislative declaration - definitions - repeal.** (3) There shall be added to the federal taxable income:

(p) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (3)(p.5) OF THIS SECTION, for income tax years commencing on or after January 1, 2022, for taxpayers who claim itemized deductions as defined in section 63 (d) of the internal revenue code and who have federal adjusted gross income in the income tax year equal to or exceeding four hundred thousand dollars:

(p.5) (I) FOR INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY 1, 2023, FOR TAXPAYERS WHO CLAIM ITEMIZED DEDUCTIONS AS DEFINED IN SECTION 63 (d) OF THE INTERNAL REVENUE CODE OR THE STANDARD DEDUCTION AS DEFINED IN SECTION 63 (c) OF THE INTERNAL REVENUE CODE AND WHO HAVE FEDERAL ADJUSTED GROSS INCOME IN THE INCOME TAX YEAR EQUAL TO OR EXCEEDING THREE HUNDRED THOUSAND DOLLARS:

(A) FOR A TAXPAYER WHO FILES A SINGLE RETURN, THE AMOUNT BY WHICH THE ITEMIZED DEDUCTIONS DEDUCTED FROM GROSS INCOME UNDER SECTION 63 (a) OF THE INTERNAL REVENUE CODE EXCEED, OR THE STANDARD DEDUCTION DEDUCTED FROM GROSS INCOME UNDER SECTION 63 (c) OF THE INTERNAL REVENUE CODE EXCEEDS, TWELVE THOUSAND DOLLARS; AND

(B) FOR TAXPAYERS WHO FILE A JOINT RETURN, THE AMOUNT BY WHICH THE ITEMIZED DEDUCTIONS DEDUCTED FROM GROSS INCOME UNDER SECTION 63 (a) OF THE INTERNAL REVENUE CODE EXCEED, OR THE STANDARD DEDUCTION DEDUCTED FROM GROSS INCOME UNDER SECTION 63 (c) OF THE INTERNAL REVENUE CODE EXCEEDS, SIXTEEN THOUSAND DOLLARS.

(II) FOR THE 2023-24 STATE FISCAL YEAR AND STATE FISCAL YEARS THEREAFTER, THE GENERAL ASSEMBLY SHALL ANNUALLY APPROPRIATE AN AMOUNT OF GENERAL FUND REVENUE AT LEAST EQUAL TO THE AMOUNT OF REVENUE GENERATED BY THE ADDITION TO FEDERAL TAXABLE INCOME DESCRIBED IN SUBSECTION (3)(p.5)(I) OF THIS SECTION, BUT NOT MORE THAN THE AMOUNT REQUIRED, TO FULLY FUND THE DIRECT AND INDIRECT COSTS OF IMPLEMENTING THE HEALTHY SCHOOL MEALS FOR ALL PROGRAM AS PROVIDED IN SECTION 22-82.9-209. THE PROVISIONS OF SUBSECTION (3)(p.5)(I) OF THIS SECTION CONSTITUTE A VOTER-APPROVED REVENUE CHANGE, APPROVED BY THE VOTERS AT THE STATEWIDE ELECTION IN NOVEMBER OF 2022, AND THE REVENUE GENERATED BY THIS VOTER-APPROVED REVENUE CHANGE MAY BE COLLECTED, RETAINED, APPROPRIATED, AND SPENT WITHOUT SUBSEQUENT VOTER APPROVAL, NOTWITHSTANDING ANY OTHER LIMITS IN THE STATE CONSTITUTION OR LAW. THE ADDITION TO FEDERAL TAXABLE INCOME DESCRIBED IN SUBSECTION (3)(p.5)(I) OF THIS SECTION DOES NOT APPLY FOR AN INCOME TAX YEAR THAT COMMENCES AFTER THE HEALTHY SCHOOL MEALS FOR ALL PROGRAM, OR ANY SUCCESSOR PROGRAM, IS REPEALED. UPON REPEAL OF THE HEALTHY SCHOOL MEALS FOR ALL PROGRAM, OR ANY SUCCESSOR PROGRAM, THE COMMISSIONER OF EDUCATION SHALL PROMPTLY NOTIFY THE EXECUTIVE DIRECTOR IN WRITING THAT THE PROGRAM IS REPEALED.

**SECTION 7.** In Colorado Revised Statutes, 22-2-112, **add** (1)(v) as follows:

**22-2-112. Commissioner - duties - report - legislative declaration - repeal.** (1) Subject to the supervision of the state board, the commissioner has the following duties:

(v) UPON THE REPEAL OF PART 2 OF ARTICLE 82.9 OF THIS TITLE 22 AND IN ACCORDANCE WITH SECTION 39-22-104 (3)(p.5)(II), TO PROMPTLY NOTIFY THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF REVENUE IN WRITING THAT THE HEALTHY SCHOOL MEALS FOR ALL PROGRAM IS REPEALED.

**SECTION 8. Refer to people under referendum.** At the election held on November 8, 2022, the secretary of state shall submit this act by its ballot title to the registered electors of the state for their approval or rejection. Each elector voting at the election may cast a vote either "Yes/For" or "No/Against" on the following ballot title: "Shall state taxes be



## Titles and Text

increased \$100,727,820 annually by a change to the Colorado Revised Statutes that, to support healthy meals for public school students, increases state taxable income only for individuals who have federal taxable income of \$300,000 or more by limiting itemized or standard state income tax deductions to \$12,000 for single tax return filers and \$16,000 for joint tax return filers, and, in connection therewith, creating the healthy school meals for all program to provide free school meals to students in public schools; providing grants for participating schools to purchase Colorado grown, raised, or processed products, to increase wages or provide stipends for employees who prepare and serve school meals, and to create parent and student advisory committees to provide advice to ensure school meals are healthy and appealing to all students; and creating a program to assist in promoting Colorado food products and preparing school meals using basic nutritious ingredients with minimal reliance on processed products?" Except as otherwise provided in section 1-40-123, Colorado Revised Statutes, if a majority of the electors voting on the ballot title vote "Yes/For", then the act will become part of the Colorado Revised Statutes.

### Proposition GG

#### Add Tax Information Table to Petitions and Ballots

The ballot title below is a summary drafted by the professional legal staff for the general assembly for ballot purposes only. The ballot title will not appear in the Colorado Revised Statutes. The text of the measure that will appear in the Colorado Revised Statutes below was referred to the voters because it passed by a majority vote of the state senate and the state house of representatives.

#### Ballot Title:

Shall there be a change to the Colorado Revised Statutes requiring that the ballot title and fiscal summary for any ballot initiative that increases or decreases state income tax rates include a table showing the average tax change for tax filers in different income categories?

#### Text of Measure:

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

**SECTION 1.** In Colorado Revised Statutes, 1-5-407, **amend** (7) as follows:

**1-5-407. Form of ballots.** (7) No printing or distinguishing marks shall be on the ballot except as specifically provided in this code, or in section 1-40-106 (3)(e) to (3)(g) AND (3)(j).

**SECTION 2.** In Colorado Revised Statutes, 1-40-105.5, **amend** (1.5)(a) (III); and **add** (1.5)(a)(V) as follows:

**1-40-105.5. Initial fiscal impact statement - definition.** (1.5) (a) For every initiated measure properly submitted to the title board, the director shall prepare a fiscal summary that consists of the following information:

(III) Any information from the initiated measure or a description of state and local government implementation in order to provide the information required in subsection (1.5)(a)(I) or (1.5)(a)(II) of this section; and

(V) IF THE MEASURE WOULD EITHER INCREASE OR DECREASE THE INDIVIDUAL INCOME TAX RATE, A TABLE THAT SHOWS THE ESTIMATED EFFECT OF THE CHANGE ON THE TAX OWED BY INDIVIDUALS IN DIFFERENT INCOME CATEGORIES. THE TABLE PREPARED BY THE DIRECTOR MUST HAVE ONE COLUMN TITLED "INCOME CATEGORIES" THAT SHOWS INCOME CATEGORIES, ONE COLUMN TITLED "CURRENT AVERAGE INCOME TAX OWED" THAT SHOWS THE AVERAGE INCOME TAX OWED BY FILERS WITHIN EACH INCOME CATEGORY, ONE COLUMN TITLED "PROPOSED AVERAGE INCOME TAX OWED" THAT SHOWS THE AVERAGE INCOME TAX OWED BY FILERS WITHIN EACH INCOME CATEGORY IF THE INITIATED MEASURE WERE TO PASS, AND ONE COLUMN TITLED "PROPOSED CHANGE IN AVERAGE INCOME TAX OWED" THAT IDENTIFIES THE DIFFERENCE BETWEEN THE AVERAGE INCOME TAX OWED BY FILERS WITHIN EACH INCOME CATEGORY IF THE INITIATED MEASURE WERE TO PASS AND IF THE INITIATED MEASURE WERE NOT TO PASS. IF THE DIFFERENCE IN THE AMOUNT OF TAX OWED SHOWN IN THE TABLE IS AN INCREASE, THE CHANGE MUST BE EXPRESSED

AS A DOLLAR AMOUNT PRECEDED BY A PLUS SIGN. IF THE CHANGE IN THE AMOUNT OF TAX OWED SHOWN IN THE TABLE IS A DECREASE, THE CHANGE MUST BE EXPRESSED AS A DOLLAR AMOUNT PRECEDED BY A NEGATIVE SIGN. THE DIRECTOR SHALL USE THE FOLLOWING INCOME CATEGORIES IN CREATING THE TABLE:

(A) FEDERAL ADJUSTED GROSS INCOME OF TWENTY-FIVE THOUSAND DOLLARS OR LESS;

(B) FEDERAL ADJUSTED GROSS INCOME GREATER THAN TWENTY-FIVE THOUSAND DOLLARS AND NO MORE THAN FIFTY THOUSAND DOLLARS;

(C) FEDERAL ADJUSTED GROSS INCOME GREATER THAN FIFTY THOUSAND DOLLARS AND NO MORE THAN ONE HUNDRED THOUSAND DOLLARS;

(D) FEDERAL ADJUSTED GROSS INCOME GREATER THAN ONE HUNDRED THOUSAND DOLLARS AND NO MORE THAN TWO HUNDRED THOUSAND DOLLARS;

(E) FEDERAL ADJUSTED GROSS INCOME GREATER THAN TWO HUNDRED THOUSAND DOLLARS AND NO MORE THAN FIVE HUNDRED THOUSAND DOLLARS;

(F) FEDERAL ADJUSTED GROSS INCOME GREATER THAN FIVE HUNDRED THOUSAND DOLLARS AND NO MORE THAN ONE MILLION DOLLARS;

(G) FEDERAL ADJUSTED GROSS INCOME GREATER THAN ONE MILLION DOLLARS AND NO MORE THAN TWO MILLION DOLLARS; AND

(H) FEDERAL ADJUSTED GROSS INCOME GREATER THAN TWO MILLION DOLLARS AND NO MORE THAN FIVE MILLION DOLLARS.

**SECTION 3.** In Colorado Revised Statutes, 1-40-106, **amend** (3)(h); and **add** (3)(j) as follows:

**1-40-106. Title board - meetings - ballot title - initiative and referendum - definitions.** (3) (h) In determining whether a ballot title qualifies as brief for purposes of ~~sections~~ SECTION 1-40-102 (10) and ~~1-40-106 (3)(b)~~ SUBSECTION (3)(b) OF THIS SECTION, the language required by subsection (3)(e), (3)(f), ~~or~~ (3)(g), OR (3)(j) of this section may not be considered.

(j) A BALLOT TITLE FOR A MEASURE THAT EITHER INCREASES OR DECREASES THE INDIVIDUAL INCOME TAX RATE MUST, IF APPLICABLE, INCLUDE THE TABLE CREATED FOR THE FISCAL SUMMARY PURSUANT TO SECTION 1-40-105.5 (1.5)(a)(V).

**SECTION 4.** In Colorado Revised Statutes, 1-40-124.5, **amend** (1)(b) (III) introductory portion as follows:

**1-40-124.5. Ballot information booklet.** (1) (b) The director of research of the legislative council of the general assembly shall prepare a fiscal impact statement for every initiated or referred measure, taking into consideration fiscal impact information submitted by the office of state planning and budgeting, the department of local affairs or any other state agency, and any proponent or other interested person. The fiscal impact statement prepared for every measure shall be substantially similar in form and content to the fiscal notes provided by the legislative council of the general assembly for legislative measures pursuant to section 2-2-322. A complete copy of the fiscal impact statement for such measure shall be available through the legislative council of the general assembly. The ballot information booklet shall indicate whether there is a fiscal impact for each initiated or referred measure and shall abstract the fiscal impact statement for such measure. The abstract for every measure shall appear after the arguments for and against such measure in the analysis section of the ballot information booklet, and shall include, but shall not be limited to:

(III) For any initiated or referred measure that modifies the state tax laws, if the measure would either increase or decrease individual income tax revenue or state sales tax revenue, a table that shows the number of tax filers in each income category, the total ~~tax burden~~ change in THE AMOUNT OF TAX OWED for each income category, and the average ~~tax burden~~ change IN THE AMOUNT OF TAX OWED for each filer



within each income category. If the change in a tax burden THE AMOUNT OF TAX OWED shown in the table is an increase, the change must be expressed as a dollar amount preceded by a plus sign. If the change in a tax burden THE AMOUNT OF TAX OWED shown in the table is a decrease, the change must be expressed as a dollar amount preceded by a negative sign. The table must use the following income categories:

**SECTION 5. Refer to people under referendum.** At the election held on November 8, 2022, the secretary of state shall submit this act by its ballot title to the registered electors of the state for their approval or rejection. Each elector voting at the election may cast a vote either "Yes/For" or "No/Against" on the following ballot title: "Shall there be a change to the Colorado Revised Statutes requiring that the ballot title and fiscal summary for any ballot initiative that increases or decreases state income tax rates include a table showing the average tax change for tax filers in different income categories?" Except as otherwise provided in section 1-40-123, Colorado Revised Statutes, if a majority of the electors voting on the ballot title vote "Yes/For", then the act will become part of the Colorado Revised Statutes.

## Proposition 121 State Income Tax Rate Reduction

The ballot title below is a summary drafted by the professional staff of the offices of the secretary of state, the attorney general, and the legal staff for the general assembly for ballot purposes only. The ballot title will not appear in the Colorado Revised Statutes. The text of the measure that will appear in the Colorado Revised Statutes below was drafted by the proponents of the initiative. The initiated measure is included on the ballot as a proposed change to current law because the proponents gathered the required amount of petition signatures.

### Ballot Title:

Shall there be a change to the Colorado Revised Statutes reducing the state income tax rate from 4.55% to 4.40%?

### Text of Measure:

*Be it enacted by the People of the State of Colorado:*

**SECTION 1.** In Colorado Revised Statutes, 39-22-104, **amend** (1.7) as follows:

#### **39-22-104. Income tax imposed on individuals, estates, and trusts - single rate - legislative declaration - definitions - repeal.**

(1.7) (a) Except as otherwise provided in section 39-22-627, subject to subsection (2) of this section, with respect to taxable years commencing on or after January 1, 2000, but before January 1, 2020, a tax of four and sixty-three one-hundredths percent is imposed on the federal taxable income, as determined pursuant to section 63 of the internal revenue code, of every individual, estate, and trust.

(b) Except as otherwise provided in section 39-22-627, subject to subsection (2) of this section, with respect to taxable years commencing on or after January 1, 2020, BUT BEFORE JANUARY 1, 2022, a tax of four and fifty-five one-hundredths percent is imposed on the federal taxable income, as determined pursuant to section 63 of the internal revenue code, of every individual, estate, and trust.

(c) EXCEPT AS OTHERWISE PROVIDED IN SECTION 39-22-627, SUBJECT TO SUBSECTION (2) OF THIS SECTION, WITH RESPECT TO TAXABLE YEARS COMMENCING ON OR AFTER JANUARY 1, 2022, A TAX OF FOUR AND FORTY ONE-HUNDREDTHS PERCENT IS IMPOSED ON THE FEDERAL TAXABLE INCOME, AS DETERMINED PURSUANT TO SECTION 63 OF THE INTERNAL REVENUE CODE, OF EVERY INDIVIDUAL, ESTATE, AND TRUST.

**SECTION 2.** In Colorado Revised Statutes, 39-22-301, **amend** (I)(d)(I) (J) and **add** (1)(d)(I)(K) as follows:

**39-22-301. Corporate tax imposed.** (1) (d) (I) A tax is imposed upon each domestic C corporation and foreign C corporation doing business

in Colorado annually in an amount of the net income of such C corporation during the year derived from sources within Colorado as set forth in the following schedule of rates:

(I) Except as otherwise provided in section 39-22-627, for income tax years commencing on or after January 1, 2000, but before January 1, 2020, four and sixty-three one-hundredths percent of the Colorado net income;

(J) Except as otherwise provided in section 39-22-627, for income tax years commencing on or after January 1, 2020, BUT BEFORE JANUARY 1, 2022, four and fifty-five one-hundredths percent of the Colorado net income.

(K) EXCEPT AS OTHERWISE PROVIDED IN SECTION 39-22-627, FOR INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY 1, 2022, FOUR AND FORTY ONE-HUNDREDTHS PERCENT OF THE COLORADO NET INCOME.

**SECTION 3. Effective date.** THIS ACT SHALL TAKE EFFECT UPON PROCLAMATION BY THE GOVERNOR.

## Proposition 122 Access to Natural Psychedelic Substances

The ballot title below is a summary drafted by the professional staff of the offices of the secretary of state, the attorney general, and the legal staff for the general assembly for ballot purposes only. The ballot title will not appear in the Colorado Revised Statutes. The text of the measure that will appear in the Colorado Revised Statutes below was drafted by the proponents of the initiative. The initiated measure is included on the ballot as a proposed change to current law because the proponents gathered the required amount of petition signatures.

### Ballot Title:

Shall there be a change to the Colorado Revised Statutes concerning legal regulated access to natural medicine for persons 21 years of age or older, and, in connection therewith, defining natural medicine as certain plants or fungi that affect a person's mental health and are controlled substances under state law; establishing a natural medicine regulated access program for supervised care, and requiring the department of regulatory agencies to implement the program and comprehensively regulate natural medicine to protect public health and safety; creating an advisory board to advise the department as to the implementation of the program; granting a local government limited authority to regulate the time, place, and manner of providing natural medicine services; allowing limited personal possession, use, and uncompensated sharing of natural medicine; providing specified protections under state law, including criminal and civil immunity, for authorized providers and users of natural medicine; and, in limited circumstances, allowing the retroactive removal and reduction of criminal penalties related to the possession, use, and sale of natural medicine?

### Text of Measure:

*Be it Enacted by the People of the State of Colorado:*

**SECTION 1.** In Colorado Revised Statutes, **add** Article 170 to Title 12 as follows:

#### ARTICLE 170 NATURAL MEDICINE HEALTH ACT of 2022

**12-170-101. Short title.** THE SHORT TITLE OF THIS ARTICLE 170 IS THE "NATURAL MEDICINE HEALTH ACT OF 2022."

**12-170-102. Legislative declaration.** (1) THE VOTERS OF THE STATE OF COLORADO FIND AND DECLARE THAT:

(a) COLORADO'S CURRENT APPROACH TO MENTAL HEALTH HAS FAILED TO FULFILL ITS PROMISE. COLORADANS DESERVE MORE TOOLS TO ADDRESS MENTAL HEALTH ISSUES, INCLUDING APPROACHES SUCH AS NATURAL MEDICINES THAT ARE GROUNDED IN TREATMENT, RECOVERY, HEALTH, AND



## Titles and Text

WELLNESS RATHER THAN CRIMINALIZATION, STIGMA, SUFFERING, AND PUNISHMENT.

(b) COLORADANS ARE EXPERIENCING PROBLEMATIC MENTAL HEALTH ISSUES, INCLUDING BUT NOT LIMITED TO SUICIDALITY, ADDICTION, DEPRESSION, AND ANXIETY.

(c) AN EXTENSIVE AND GROWING BODY OF RESEARCH IS ADVANCING TO SUPPORT THE EFFICACY OF NATURAL MEDICINES COMBINED WITH PSYCHOTHERAPY AS TREATMENT FOR DEPRESSION, ANXIETY, SUBSTANCE USE DISORDERS, END-OF-LIFE DISTRESS, AND OTHER CONDITIONS.

(d) THE FEDERAL GOVERNMENT WILL TAKE YEARS TO ACT AND COLORADANS DESERVE THE RIGHT TO ACCESS NATURAL MEDICINES NOW.

(e) NATURAL MEDICINES HAVE BEEN USED SAFELY FOR MILLENNIA BY CULTURES FOR HEALING.

(f) COLORADO CAN BETTER PROMOTE HEALTH AND HEALING BY REDUCING ITS FOCUS ON CRIMINAL PUNISHMENTS FOR PERSONS WHO SUFFER MENTAL HEALTH ISSUES AND BY ESTABLISHING REGULATED ACCESS TO NATURAL MEDICINES THROUGH A HUMANE, COST-EFFECTIVE, AND RESPONSIBLE APPROACH.

(g) THE CITY AND COUNTY OF DENVER VOTERS ENACTED ORDINANCE 301 IN MAY 2019 TO MAKE THE ADULT PERSONAL POSSESSION AND USE OF THE NATURAL MEDICINE PSILOCYBIN THE LOWEST LAW ENFORCEMENT PRIORITY IN THE CITY AND COUNTY OF DENVER AND TO PROHIBIT THE CITY AND COUNTY FROM SPENDING RESOURCES ON ENFORCING RELATED PENALTIES.

(h) OREGON VOTERS ENACTED MEASURE 109 IN OREGON IN NOVEMBER 2020 TO ESTABLISH A REGULATED SYSTEM OF DELIVERING A NATURAL MEDICINE, IN PART TO PROVIDE PEOPLE ACCESS TO PSILOCYBIN FOR THERAPEUTIC PURPOSES.

(i) CRIMINALIZING NATURAL MEDICINES HAS DENIED PEOPLE FROM ACCESSING ACCURATE EDUCATION AND HARM REDUCTION INFORMATION RELATED TO THE USE OF NATURAL MEDICINES, AND LIMITED THE DEVELOPMENT OF APPROPRIATE TRAINING FOR FIRST-AND MULTI-RESPONDERS INCLUDING LAW ENFORCEMENT, EMERGENCY MEDICAL SERVICES, SOCIAL SERVICES, AND FIRE SERVICES.

(j) THE PURPOSE OF THIS NATURAL MEDICINE HEALTH ACT OF 2022 IS TO ESTABLISH A NEW, COMPASSIONATE, AND EFFECTIVE APPROACH TO NATURAL MEDICINES BY:

(I) ADOPTING A PUBLIC HEALTH AND HARM REDUCTION APPROACH TO NATURAL MEDICINES BY REMOVING CRIMINAL PENALTIES FOR PERSONAL USE FOR ADULTS TWENTY-ONE YEARS OF AGE AND OLDER;

(II) DEVELOPING AND PROMOTING PUBLIC EDUCATION RELATED TO THE USE OF NATURAL MEDICINES AND APPROPRIATE TRAINING FOR FIRST RESPONDERS; AND

(III) ESTABLISHING REGULATED ACCESS BY ADULTS TWENTY-ONE YEARS OF AGE AND OLDER TO NATURAL MEDICINES THAT SHOW PROMISE IN IMPROVING WELL-BEING, LIFE SATISFACTION, AND OVERALL HEALTH.

(k) THE PROVISIONS OF THIS ARTICLE 170 SHALL BE INTERPRETED CONSISTENTLY WITH THE FINDINGS AND PURPOSES STATED IN THIS SECTION AND SHALL NOT BE LIMITED BY ANY COLORADO LAW THAT COULD CONFLICT WITH OR BE INTERPRETED TO CONFLICT WITH THE PURPOSES AND POLICY OBJECTIVES STATED IN THIS SECTION.

(l) THE PEOPLE OF THE STATE OF COLORADO FURTHER FIND AND DECLARE THAT IT IS NECESSARY TO ENSURE CONSISTENCY AND FAIRNESS IN THE APPLICATION OF THIS ARTICLE 170 THROUGHOUT THE STATE AND THAT, THEREFORE, THE MATTERS ADDRESSED BY THIS ARTICLE 170 ARE, EXCEPT AS SPECIFIED HEREIN, MATTERS OF STATEWIDE CONCERN.

**12-170-103. Definitions.** (1) AS USED IN THIS ARTICLE 170, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(a) "ADMINISTRATION SESSION" MEANS A SESSION HELD AT A HEALING CENTER OR ANOTHER LOCATION AS PERMITTED BY RULES ADOPTED BY THE DEPARTMENT AT WHICH A PARTICIPANT PURCHASES, CONSUMES, AND EXPERIENCES THE EFFECTS OF A NATURAL MEDICINE UNDER THE SUPERVISION OF A FACILITATOR.

(b) "DEPARTMENT" MEANS THE DEPARTMENT OF REGULATORY AGENCIES.

(c) "FACILITATOR" MEANS A PERSON LICENSED BY THE DEPARTMENT WHO:

(I) IS TWENTY-ONE YEARS OF AGE OR OLDER.

(II) HAS AGREED TO PROVIDE NATURAL MEDICINE SERVICES TO A PARTICIPANT.

(III) HAS MET THE REQUIREMENTS ESTABLISHED BY THE DEPARTMENT.

(d) "HEALING CENTER" MEANS AN ENTITY LICENSED BY THE DEPARTMENT THAT IS ORGANIZED AND OPERATED AS A PERMITTED ORGANIZATION:

(I) THAT ACQUIRES, POSSESSES, CULTIVATES, MANUFACTURES, DELIVERS, TRANSFERS, TRANSPORTS, SUPPLIES, SELLS, OR DISPENSES NATURAL MEDICINE AND RELATED SUPPLIES; OR PROVIDES NATURAL MEDICINE FOR NATURAL MEDICINE SERVICES AT LOCATIONS PERMITTED BY THE DEPARTMENT; OR ENGAGES IN TWO OR MORE OF THESE ACTIVITIES;

(II) WHERE ADMINISTRATION SESSIONS ARE HELD; OR

(III) WHERE NATURAL MEDICINE SERVICES ARE PROVIDED BY A FACILITATOR.

(e) "HEALTH-CARE FACILITY" MEANS A HOSPITAL, HOSPICE, COMMUNITY MENTAL HEALTH CENTER, FEDERALLY QUALIFIED HEALTH CENTER, RURAL HEALTH CLINIC, PACE ORGANIZATION, LONG-TERM CARE FACILITY, A CONTINUING CARE RETIREMENT COMMUNITY, OR OTHER TYPE OF FACILITY WHERE HEALTH-CARE IS PROVIDED.

(f) "INTEGRATION SESSION" MEANS A MEETING BETWEEN A PARTICIPANT AND FACILITATOR THAT OCCURS AFTER THE PARTICIPANT HAS COMPLETED AN ADMINISTRATION SESSION.

(g) "LOCALITY" MEANS A COUNTY, MUNICIPALITY, OR CITY AND COUNTY.

(h) "NATURAL MEDICINE" MEANS THE FOLLOWING SUBSTANCES IN ANY FORM THAT WOULD CAUSE SUCH PLANT OR FUNGUS TO BE DESCRIBED IN THE "UNIFORM CONTROLLED SUBSTANCES ACT OF 2013", ARTICLE 18 OF TITLE 18: DIMETHYLTRYPTAMINE; IBOGAINE; Mescaline (EXCLUDING LOPHOPHORA WILLIAMSII ("PEYOTE")); PSILOCYBIN; OR PSILOCYN.

(i) "NATURAL MEDICINE SERVICES" MEANS SERVICES PROVIDED BY A FACILITATOR OR OTHER AUTHORIZED PERSON TO A PARTICIPANT BEFORE, DURING, AND AFTER THE PARTICIPANT'S CONSUMPTION OF NATURAL MEDICINE, INCLUDING, AT A MINIMUM AT:

(I) A PREPARATION SESSION;

(II) AN ADMINISTRATION SESSION; AND

(III) AN INTEGRATION SESSION.

(j) "PARTICIPANT" MEANS A PERSON TWENTY-ONE YEARS OF AGE OR OLDER WHO RECEIVES NATURAL MEDICINE SERVICES.

(k) "PERMITTED ORGANIZATION" MEANS ANY LEGAL ENTITY REGISTERED AND QUALIFIED TO DO BUSINESS IN THE STATE OF COLORADO THAT MEETS THE STANDARDS SET BY THE DEPARTMENT UNDER SECTION 12-170-104.

(l) "PREPARATION SESSION" MEANS A MEETING BETWEEN A PARTICIPANT AND A FACILITATOR THAT OCCURS BEFORE THE PARTICIPANT PARTICIPATES IN THE ADMINISTRATION SESSION.

**12-170-104. Regulated natural medicine access program.** (1) THE REGULATED NATURAL MEDICINE ACCESS PROGRAM IS ESTABLISHED AND





THE DEPARTMENT SHALL REGULATE THE MANUFACTURE, CULTIVATION, TESTING, STORAGE, TRANSFER, TRANSPORT, DELIVERY, SALE, AND PURCHASE OF NATURAL MEDICINES BY AND BETWEEN HEALING CENTERS AND OTHER PERMITTED ENTITIES AND THE PROVISION OF NATURAL MEDICINE SERVICES TO PARTICIPANTS.

(2) NOT LATER THAN JANUARY 1, 2024, THE DEPARTMENT SHALL ADOPT RULES TO ESTABLISH THE QUALIFICATIONS, EDUCATION, AND TRAINING REQUIREMENTS THAT FACILITATORS MUST MEET PRIOR TO PROVIDING NATURAL MEDICINE SERVICES, AND TO APPROVE ANY REQUIRED TRAINING PROGRAMS.

(3) NOT LATER THAN SEPTEMBER 30, 2024, THE DEPARTMENT SHALL ADOPT RULES NECESSARY TO IMPLEMENT THE REGULATED NATURAL MEDICINE ACCESS PROGRAM AND SHALL BEGIN ACCEPTING APPLICATIONS FOR LICENSURE BY THAT DATE WITH DECISIONS MADE ON ALL LICENSING APPLICATIONS WITHIN 60 DAYS OF RECEIVING THE APPLICATION.

(4) FOR PURPOSES OF THE REGULATED NATURAL MEDICINE ACCESS PROGRAM SET FORTH IN THIS SECTION:

(a) UNTIL JUNE 1, 2026, THE TERM NATURAL MEDICINE SHALL ONLY INCLUDE PSILOCYBIN AND PSILOCYN.

(b) AFTER JUNE 1, 2026, IF RECOMMENDED BY THE NATURAL MEDICINE ADVISORY BOARD, THE DEPARTMENT MAY ADD ONE OR MORE OF THE FOLLOWING TO THE TERM NATURAL MEDICINE: DIMETHYLTRYPTAMINE; IBOGAINE; AND Mescaline (EXCLUDING LOPHOPHORA WILLIAMSII (“PEYOTE”).

(c) THE DEPARTMENT MAY PREPARE PROPOSED RULES FOR THE ADDITION OF DIMETHYLTRYPTAMINE; IBOGAINE; AND Mescaline (EXCLUDING LOPHOPHORA WILLIAMSII (“PEYOTE”)) TO THE TERM NATURAL MEDICINE PRIOR TO JUNE 1, 2026, IN THE EVENT THAT DIMETHYLTRYPTAMINE; IBOGAINE; OR Mescaline (EXCLUDING LOPHOPHORA WILLIAMSII (“PEYOTE”)) IS ADDED TO THE TERM NATURAL MEDICINE UNDER SUBSECTION (4)(b) OF THIS SECTION.

(5) IN CARRYING OUT ITS DUTIES UNDER THIS ARTICLE 170, THE DEPARTMENT SHALL CONSULT WITH THE NATURAL MEDICINE ADVISORY BOARD AND MAY ALSO CONSULT WITH OTHER STATE AGENCIES OR ANY OTHER INDIVIDUAL OR ENTITY THE DEPARTMENT FINDS NECESSARY.

(6) THE RULES ADOPTED BY THE DEPARTMENT SHALL INCLUDE, BUT ARE NOT LIMITED TO, RULES TO:

(a) ESTABLISH THE REQUIREMENTS GOVERNING THE SAFE PROVISION OF NATURAL MEDICINE SERVICES TO PARTICIPANTS THAT INCLUDE:

(I) HOLDING AND VERIFYING COMPLETION OF A PREPARATION SESSION, AN ADMINISTRATION SESSION, AND AN INTEGRATION SESSION.

(II) HEALTH AND SAFETY WARNINGS THAT MUST BE PROVIDED TO PARTICIPANTS BEFORE NATURAL MEDICINE SERVICES BEGIN.

(III) EDUCATIONAL MATERIALS THAT MUST BE PROVIDED TO PARTICIPANTS BEFORE NATURAL MEDICINE SERVICES BEGIN.

(IV) THE FORM THAT EACH FACILITATOR, PARTICIPANT, AND AUTHORIZED REPRESENTATIVE OF A HEALING CENTER MUST SIGN BEFORE PROVIDING OR RECEIVING NATURAL MEDICINE SERVICES VERIFYING THAT THE PARTICIPANT WAS PROVIDED ACCURATE AND COMPLETE HEALTH INFORMATION AND INFORMED OF IDENTIFIED RISK FACTORS AND CONTRAINDICATIONS.

(V) PROPER SUPERVISION DURING THE ADMINISTRATION SESSION AND SAFE TRANSPORTATION FOR THE PARTICIPANT WHEN THE SESSION IS COMPLETE.

(VI) PROVISIONS FOR GROUP ADMINISTRATION SESSIONS WHERE ONE OR MORE FACILITATORS PROVIDE NATURAL MEDICINE SERVICES TO MORE THAN ONE PARTICIPANT AS PART OF THE SAME ADMINISTRATION SESSION.

(VII) PROVISIONS TO ALLOW A FACILITATOR OR A HEALING CENTER TO

REFUSE TO PROVIDE NATURAL MEDICINE SERVICES TO A PARTICIPANT.

(VIII) THE REQUIREMENTS AND STANDARDS FOR INDEPENDENT TESTING OF NATURAL MEDICINE FOR CONCENTRATION AND CONTAMINANTS, TO THE EXTENT AVAILABLE TECHNOLOGY REASONABLY PERMITS.

(IX) THE LICENSURE OF ENTITIES PERMITTED TO ENGAGE IN THE TESTING OF NATURAL MEDICINE FOR USE IN NATURAL MEDICINE SERVICES OR OTHERWISE.

(X) THE STANDARDS FOR ADVERTISING AND MARKETING NATURAL MEDICINE AND NATURAL MEDICINE SERVICES.

(XI) THE STANDARDS FOR QUALIFICATION AS A PERMITTED ORGANIZATION ADDRESSING, WITHOUT LIMITATION, ENVIRONMENTAL, SOCIAL, AND GOVERNANCE CRITERIA DIRECTED TO THE FINDINGS AND DECLARATIONS SET FORTH IN SECTION 12-170-102.

(b) ESTABLISH THE REQUIREMENTS GOVERNING THE LICENSING AND PRACTICE OF FACILITATORS THAT INCLUDE:

(I) THE FORM AND CONTENT OF LICENSE AND RENEWAL APPLICATIONS FOR FACILITATORS SUBMITTED UNDER THIS ARTICLE 170.

(II) THE QUALIFICATIONS, EDUCATION, AND TRAINING REQUIREMENTS THAT FACILITATORS MUST MEET PRIOR TO PROVIDING NATURAL MEDICINE SERVICES. THE REQUIREMENTS SHALL:

(A) BE TIERED SO AS TO REQUIRE VARYING LEVELS OF EDUCATION AND TRAINING DEPENDING ON THE PARTICIPANTS THE FACILITATOR WILL BE WORKING WITH AND THE SERVICES THE FACILITATOR WILL BE PROVIDING.

(B) INCLUDE EDUCATION AND TRAINING ON CLIENT SAFETY; CONTRAINDICATIONS; MENTAL HEALTH; MENTAL STATE; PHYSICAL HEALTH; PHYSICAL STATE; SOCIAL AND CULTURAL CONSIDERATIONS; PHYSICAL ENVIRONMENT; PREPARATION; INTEGRATION; AND ETHICS.

(C) ALLOW FOR LIMITED WAIVERS OF EDUCATION AND TRAINING REQUIREMENTS BASED ON AN APPLICANT’S PRIOR EXPERIENCE, TRAINING, OR SKILL, INCLUDING, BUT NOT LIMITED TO, WITH NATURAL MEDICINES.

(D) NOT IMPOSE UNREASONABLE FINANCIAL OR LOGISTICAL BARRIERS THAT MAKE OBTAINING A FACILITATOR LICENSE COMMERCIALY UNREASONABLE FOR LOW INCOME PEOPLE OR OTHER APPLICANTS.

(E) NOT REQUIRE A PROFESSIONAL LICENSE OR PROFESSIONAL DEGREE OTHER THAN A FACILITATOR LICENSE GRANTED PURSUANT TO THIS SECTION.

(F) ALLOW FOR PAID COMPENSATION FOR NATURAL MEDICINE SERVICES.

(G) ALLOW FOR THE PROVISION OF NATURAL MEDICINE SERVICES TO MORE THAN ONE PARTICIPANT AT A TIME IN GROUP ADMINISTRATION SESSIONS.

(III) OVERSIGHT AND SUPERVISION REQUIREMENTS FOR FACILITATORS, INCLUDING PROFESSIONAL RESPONSIBILITY STANDARDS AND CONTINUING EDUCATION REQUIREMENTS.

(IV) A COMPLAINT, REVIEW, AND DISCIPLINARY PROCESS FOR FACILITATORS WHO ENGAGE IN MISCONDUCT.

(V) RECORDKEEPING, PRIVACY, AND CONFIDENTIALITY REQUIREMENTS FOR FACILITATORS, PROVIDED SUCH RECORD KEEPING DOES NOT RESULT IN THE DISCLOSURE TO THE PUBLIC OR ANY GOVERNMENT AGENCY OF PERSONALLY IDENTIFIABLE INFORMATION OF PARTICIPANTS.

(VI) PROCEDURES FOR SUSPENDING OR REVOKING THE LICENSES OF FACILITATORS WHO VIOLATE THE PROVISIONS OF THIS ARTICLE 170 OR THE RULES ADOPTED BY THE DEPARTMENT.

(c) ESTABLISH THE REQUIREMENTS GOVERNING THE LICENSING AND OPERATION OF HEALING CENTERS THAT INCLUDE:



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- (I) QUALIFICATIONS FOR LICENSURE AND RENEWAL.
- (II) OVERSIGHT REQUIREMENTS FOR HEALING CENTERS.
- (III) RECORDKEEPING, PRIVACY, AND CONFIDENTIALITY REQUIREMENTS FOR HEALING CENTERS, PROVIDED SUCH RECORD KEEPING DOES NOT RESULT IN THE DISCLOSURE TO THE PUBLIC OR ANY GOVERNMENT AGENCY OF PERSONALLY IDENTIFIABLE INFORMATION OF PARTICIPANTS.
- (IV) SECURITY REQUIREMENTS FOR HEALING CENTERS, INCLUDING REQUIREMENTS FOR PROTECTION OF EACH LICENSED HEALING CENTER LOCATION BY A FULLY OPERATIONAL SECURITY ALARM SYSTEM.
- (V) PROCEDURES FOR SUSPENDING OR REVOKING THE LICENSES OF HEALING CENTERS THAT VIOLATE THE PROVISIONS OF THIS ARTICLE 170 OR THE RULES ADOPTED BY THE DEPARTMENT.
- (VI) PERMISSIBLE FINANCIAL RELATIONSHIPS BETWEEN LICENSED HEALING CENTERS, FACILITATORS, AND OTHER ENTITIES.
- (VII) PROCEDURES AND POLICIES THAT ALLOW FOR HEALING CENTERS TO RECEIVE PAYMENT FOR SERVICES AND NATURAL MEDICINES PROVIDED.
- (VIII) PROCEDURES AND POLICIES TO ENSURE STATEWIDE ACCESS TO HEALING CENTERS AND NATURAL MEDICINE SERVICES.
- (IX) RULES THAT PROHIBIT AN INDIVIDUAL FROM HAVING A FINANCIAL INTEREST IN MORE THAN FIVE HEALING CENTERS.
- (X) RULES THAT ALLOW FOR HEALING CENTERS TO SHARE THE SAME PREMISES WITH OTHER HEALING CENTERS OR TO SHARE THE SAME PREMISES WITH HEALTH-CARE FACILITIES.
- (XI) RULES THAT ALLOW FOR LOCATIONS NOT OWNED BY A HEALING CENTER WHERE NATURAL MEDICINE SERVICES MAY BE PROVIDED BY LICENSED FACILITATORS, INCLUDING BUT NOT LIMITED TO, HEALTH-CARE FACILITIES AND PRIVATE RESIDENCES.
- (d) ESTABLISH PROCEDURES, POLICIES, AND PROGRAMS TO ENSURE THE REGULATORY ACCESS PROGRAM IS EQUITABLE AND INCLUSIVE AND TO PROMOTE THE LICENSING OF AND THE PROVISION OF NATURAL MEDICINE SERVICES TO PERSONS FROM COMMUNITIES THAT HAVE BEEN DISPROPORTIONATELY HARMED BY HIGH RATES OF CONTROLLED SUBSTANCES ARRESTS; TO PERSONS WHO FACE BARRIERS TO ACCESS TO HEALTH CARE; TO PERSONS WHO HAVE A TRADITIONAL OR INDIGENOUS HISTORY WITH NATURAL MEDICINES; OR TO PERSONS WHO ARE VETERANS THAT INCLUDE, BUT ARE NOT LIMITED TO:
- (I) REDUCED FEES FOR LICENSURE AND FACILITATOR TRAINING.
- (II) INCENTIVIZING THE PROVISION OF NATURAL MEDICINE SERVICES AT A REDUCED COST TO LOW INCOME INDIVIDUALS.
- (III) INCENTIVIZING GEOGRAPHIC AND CULTURAL DIVERSITY IN LICENSING AND THE PROVISION AND AVAILABILITY OF NATURAL MEDICINE SERVICES.
- (VI) A PROCESS FOR ANNUALLY REVIEWING THE EFFECTIVENESS OF SUCH POLICIES AND PROGRAMS PROMULGATED UNDER THIS SUBSECTION (6) (d).
- (e) ESTABLISH APPLICATION, LICENSING, AND RENEWAL FEES FOR HEALING CENTER AND FACILITATOR LICENSES. THE FEES SHALL BE:
- (I) SUFFICIENT, BUT SHALL NOT EXCEED THE AMOUNT NECESSARY, TO COVER THE COST OF ADMINISTERING THE REGULATED NATURAL MEDICINE ACCESS PROGRAM, INCLUDING THE REGULATED NATURAL MEDICINE ACCESS PROGRAM FUND IN 12-170-106.
- (II) FOR LICENSING AND RENEWAL FEES, SCALED BASED ON EITHER THE VOLUME OF BUSINESS OF THE LICENSEE OR THE GROSS ANNUAL REVENUE OF THE LICENSEE.
- (f) DEVELOP AND PROMOTE ACCURATE PUBLIC EDUCATION CAMPAIGNS RELATED TO THE USE OF NATURAL MEDICINE, INCLUDING BUT NOT LIMITED TO PUBLIC SERVICE ANNOUNCEMENTS, EDUCATIONAL CURRICULA, AND APPROPRIATE CRISIS RESPONSE, AND APPROPRIATE TRAINING FOR FIRST- AND MULTI-RESPONDERS INCLUDING LAW ENFORCEMENT, EMERGENCY MEDICAL SERVICES, SOCIAL SERVICES, AND FIRE SERVICES.
- (g) STUDY AND DELIVER RECOMMENDATIONS TO THE LEGISLATURE REGARDING THE REGULATION OF DOSAGE FOR OFF-SITE USE OF NATURAL MEDICINES.
- (h) COLLECT AND ANNUALLY PUBLISH DATA ON THE IMPLEMENTATION AND OUTCOMES OF THE REGULATED NATURAL MEDICINE ACCESS PROGRAM IN ACCORDANCE WITH GOOD DATA AND PRIVACY PRACTICES AND THAT DOES NOT DISCLOSE ANY IDENTIFYING INFORMATION ABOUT INDIVIDUAL LICENSEES OR PARTICIPANTS.
- (i) ADOPT, AMEND, AND REPEAL RULES AS NECESSARY TO IMPLEMENT THE REGULATED NATURAL MEDICINE ACCESS PROGRAM AND TO PROTECT THE PUBLIC HEALTH AND SAFETY.
- (7) PARTICIPANT RECORDS COLLECTED AND MAINTAINED BY HEALING CENTERS, FACILITATORS, REGISTERED ENTITIES, OR THE DEPARTMENT SHALL CONSTITUTE MEDICAL DATA AS DEFINED BY SECTION 24-72-204 (3) (a)(I) AND ARE NOT PUBLIC RECORDS SUBJECT TO DISCLOSURE.
- (8) THE DEPARTMENT SHALL HAVE THE AUTHORITY TO CREATE AND ISSUE ANY ADDITIONAL TYPES OF LICENSES AND REGISTRATIONS IT DEEMS NECESSARY TO CARRY OUT THE INTENTS AND PURPOSES OF THE REGULATED NATURAL MEDICINE ACCESS PROGRAM, INCLUDING ALLOWING NATURAL MEDICINE SERVICES TO BE PROVIDED AT OTHER TYPES OF LICENSED HEALTH FACILITIES OR BY INDIVIDUALS IN ORDER TO INCREASE ACCESS TO AND THE AVAILABILITY OF NATURAL MEDICINE SERVICES.
- (9) THE DEPARTMENT SHALL HAVE THE AUTHORITY TO ADOPT RULES THAT DIFFERENTIATE BETWEEN NATURAL MEDICINES AND THAT REGULATE EACH NATURAL MEDICINE DIFFERENTLY BASED ON ITS SPECIFIC QUALITIES, TRADITIONAL USES, AND SAFETY PROFILE.
- (10) THE DEPARTMENT SHALL ADOPT, AMEND, AND REPEAL ALL RULES IN ACCORDANCE WITH THE STATE ADMINISTRATIVE PROCEDURE ACT, ARTICLE 4 OF TITLE 24, C.R.S., AS AMENDED, AND THE RULES PROMULGATED THEREUNDER.
- 12-170-105. Natural Medicine Advisory Board** (1) THE NATURAL MEDICINE ADVISORY BOARD SHALL BE ESTABLISHED WITHIN THE DEPARTMENT FOR THE PURPOSE OF ADVISING THE DEPARTMENT AS TO THE IMPLEMENTATION OF THE REGULATED NATURAL MEDICINE ACCESS PROGRAM.
- (2) THE BOARD SHALL CONSIST OF FIFTEEN MEMBERS. MEMBERS SHALL BE APPOINTED BY THE GOVERNOR, WITH THE CONSENT OF THE SENATE.
- (3) MEMBERS OF THE INITIAL BOARD SHALL BE APPOINTED BY JANUARY 31, 2023. IN MAKING THE APPOINTMENTS, THE GOVERNOR SHALL APPOINT:
- (a) AT LEAST SEVEN MEMBERS WITH SIGNIFICANT EXPERTISE AND EXPERIENCE IN ONE OR MORE OF THE FOLLOWING AREAS: NATURAL MEDICINE THERAPY, MEDICINE, AND RESEARCH; MYCOLOGY AND NATURAL MEDICINE CULTIVATION; PERMITTED ORGANIZATION CRITERIA; EMERGENCY MEDICAL SERVICES AND SERVICES PROVIDED BY FIRST RESPONDERS; MENTAL AND BEHAVIORAL HEALTH PROVIDERS; HEALTH CARE INSURANCE AND HEALTH CARE POLICY; AND PUBLIC HEALTH, DRUG POLICY, AND HARM REDUCTION.
- (b) AT LEAST EIGHT MEMBERS WITH SIGNIFICANT EXPERTISE AND EXPERIENCE IN ONE OR MORE OF THE FOLLOWING AREAS: RELIGIOUS USE OF NATURAL MEDICINES; ISSUES CONFRONTING VETERANS; TRADITIONAL INDIGENOUS USE OF NATURAL MEDICINES; LEVELS AND DISPARITIES IN ACCESS TO HEALTH CARE SERVICES AMONG DIFFERENT COMMUNITIES; AND PAST CRIMINAL JUSTICE REFORM EFFORTS IN COLORADO. AT LEAST ONE OF THE EIGHT MEMBERS SHALL HAVE EXPERTISE OR EXPERIENCE IN TRADITIONAL INDIGENOUS USE OF NATURAL MEDICINES.
- (4) FOR THE INITIAL BOARD, SEVEN OF THE MEMBERS SHALL BE



APPOINTED TO A TERM OF TWO YEARS AND EIGHT MEMBERS SHALL BE APPOINTED TO A TERM OF FOUR YEARS. EACH MEMBER APPOINTED THEREAFTER SHALL BE APPOINTED TO A TERM OF FOUR YEARS. MEMBERS OF THE BOARD MAY SERVE UP TO TWO CONSECUTIVE TERMS. MEMBERS ARE SUBJECT TO REMOVAL AS PROVIDED IN ARTICLE IV, SECTION 6 OF THE COLORADO CONSTITUTION.

(5) NOT LATER THAN SEPTEMBER 30, 2023, AND ANNUALLY THEREAFTER, THE BOARD SHALL MAKE RECOMMENDATIONS TO THE DEPARTMENT RELATED TO, BUT NOT LIMITED TO, ALL OF THE FOLLOWING AREAS:

(a) ACCURATE PUBLIC HEALTH APPROACHES REGARDING USE, EFFECT, AND RISK REDUCTION FOR NATURAL MEDICINE AND THE CONTENT AND SCOPE OF EDUCATIONAL CAMPAIGNS RELATED TO NATURAL MEDICINE;

(b) RESEARCH RELATED TO THE EFFICACY AND REGULATION OF NATURAL MEDICINE, INCLUDING RECOMMENDATIONS RELATED TO PRODUCT SAFETY, HARM REDUCTION, AND CULTURAL RESPONSIBILITY;

(c) THE PROPER CONTENT OF TRAINING PROGRAMS, EDUCATIONAL AND EXPERIENTIAL REQUIREMENTS, AND QUALIFICATIONS FOR FACILITATORS;

(d) AFFORDABLE, EQUITABLE, ETHICAL, AND CULTURALLY RESPONSIBLE ACCESS TO NATURAL MEDICINE AND REQUIREMENTS TO ENSURE THE REGULATED NATURAL MEDICINE ACCESS PROGRAM IS EQUITABLE AND INCLUSIVE;

(e) APPROPRIATE REGULATORY CONSIDERATIONS FOR EACH NATURAL MEDICINE;

(f) THE ADDITION OF NATURAL MEDICINES TO THE REGULATED NATURAL MEDICINE ACCESS PROGRAM UNDER SECTION 12-170-104(4)(b) BASED ON AVAILABLE MEDICAL, PSYCHOLOGICAL, AND SCIENTIFIC STUDIES, RESEARCH, AND OTHER INFORMATION RELATED TO THE SAFETY AND EFFICACY OF EACH NATURAL MEDICINE;

(g) ALL RULES TO BE PROMULGATED BY THE DEPARTMENT UNDER 12-170-104; AND

(h) REQUIREMENTS FOR ACCURATE AND COMPLETE DATA COLLECTION, REPORTING, AND PUBLICATION OF INFORMATION RELATED TO THE IMPLEMENTATION OF THIS ARTICLE 170.

(6) THE BOARD SHALL, ON AN ONGOING BASIS, REVIEW AND EVALUATE EXISTING RESEARCH, STUDIES, AND REAL-WORLD DATA RELATED TO NATURAL MEDICINE AND MAKE RECOMMENDATIONS TO THE LEGISLATURE AND OTHER RELEVANT STATE AGENCIES AS TO WHETHER NATURAL MEDICINE AND ASSOCIATED SERVICES SHOULD BE COVERED UNDER HEALTH FIRST COLORADO OR OTHER INSURANCE PROGRAMS AS A COST EFFECTIVE INTERVENTION FOR VARIOUS MENTAL HEALTH CONDITIONS, INCLUDING BUT NOT LIMITED TO END OF LIFE ANXIETY, SUBSTANCE USE DISORDER, ALCOHOLISM, DEPRESSIVE DISORDERS, NEUROLOGICAL DISORDERS, CLUSTER HEADACHES, AND POST TRAUMATIC STRESS DISORDER.

(7) THE BOARD SHALL, ON AN ONGOING BASIS, REVIEW AND EVALUATE SUSTAINABILITY ISSUES RELATED TO NATURAL MEDICINE AND IMPACT ON INDIGENOUS CULTURES AND DOCUMENT EXISTING RECIPROCITY EFFORTS AND CONTINUING SUPPORT MEASURES THAT ARE NEEDED AS PART OF ITS ANNUAL REPORT.

(8) THE BOARD SHALL PUBLISH AN ANNUAL REPORT DESCRIBING ITS ACTIVITIES INCLUDING THE RECOMMENDATIONS AND ADVICE PROVIDED TO THE DEPARTMENT AND THE LEGISLATURE.

(9) THE DEPARTMENT SHALL PROVIDE REQUESTED TECHNICAL, LOGISTICAL AND OTHER SUPPORT TO THE BOARD TO ASSIST THE BOARD WITH ITS DUTIES AND OBLIGATIONS.

(10) THIS SECTION IS REPEALED EFFECTIVE DECEMBER 31, 2033.

**12-170-106. Regulated natural medicine access program fund.** (1) THE REGULATED NATURAL MEDICINE ACCESS PROGRAM FUND IS HEREBY CREATED IN THE STATE TREASURY. THE FUND IS ADMINISTERED BY THE

DEPARTMENT AND CONSISTS OF ALL MONEY FROM FEES COLLECTED AND MONEY TRANSFERRED FROM THE GENERAL FUND UNDER THIS ARTICLE 170. ALL INTEREST AND INCOME EARNED ON THE DEPOSIT AND INVESTMENT OF MONEY IN THE FUND SHALL BE CREDITED TO THE FUND AND SHALL NOT BE TRANSFERRED TO THE GENERAL FUND OR ANY OTHER STATE FUND AT THE END OF ANY STATE FISCAL YEAR.

(2) THE DEPARTMENT MAY SEEK, ACCEPT, AND EXPEND ANY GIFTS, GRANTS, DONATIONS, LOAN OF FUNDS, PROPERTY, OR ANY OTHER REVENUE OR AID IN ANY FORM FROM THE STATE, ANY STATE AGENCY, ANY OTHER PUBLIC SOURCE, ANY PRIVATE SOURCE, OR ANY COMBINATION THEREOF, AND ANY SUCH MONETARY RECEIPTS SHALL BE CREDITED TO THE FUND AND ANY SUCH IN-KIND RECEIPTS SHALL BE APPLIED FOR THE BENEFIT OF THE FUND.

(3) THE MONEY IN THE FUND IS CONTINUALLY APPROPRIATED TO THE DEPARTMENT FOR THE DIRECT AND INDIRECT COSTS OF CARRYING OUT THE PROVISIONS OF THIS ARTICLE 170.

(4) FUNDS FOR THE INITIAL ESTABLISHMENT AND SUPPORT OF THE REGULATORY ACTIVITIES BY THE DEPARTMENT UNDER THIS ARTICLE 170, INCLUDING THE NATURAL MEDICINE ADVISORY BOARD, THE DEVELOPMENT AND PROMOTION OF PUBLIC EDUCATION CAMPAIGNS RELATED TO THE USE OF NATURAL MEDICINE, AND THE DEVELOPMENT OF THE POLICIES, PROCEDURES, AND PROGRAMS REQUIRED BY 12-170-104(6)(d) SHALL BE ADVANCED FROM THE GENERAL FUND TO THE REGULATED NATURAL MEDICINE ACCESS PROGRAM FUND AND SHALL BE REPAID TO THE GENERAL FUND BY THE INITIAL PROCEEDS FROM FEES COLLECTED PURSUANT TO THIS ARTICLE 170.

(5) THE OFFICE OF STATE PLANNING AND BUDGETING SHALL DETERMINE THE AMOUNT OF THE INITIAL ADVANCE FROM THE GENERAL FUND TO THE REGULATED NATURAL MEDICINE ACCESS PROGRAM FUND BASED ON THE ESTIMATED COSTS OF ESTABLISHING THE PROGRAM.

**12-170-107. Localities.** (1) A LOCALITY MAY REGULATE THE TIME, PLACE, AND MANNER OF THE OPERATION OF HEALING CENTERS LICENSED PURSUANT TO THIS ARTICLE 170 WITHIN ITS BOUNDARIES.

(2) A LOCALITY MAY NOT BAN OR COMPLETELY PROHIBIT THE ESTABLISHMENT OR OPERATION OF HEALING CENTERS LICENSED PURSUANT TO THIS ARTICLE 170 WITHIN ITS BOUNDARIES.

(3) A LOCALITY MAY NOT BAN OR COMPLETELY PROHIBIT A LICENSED HEALTH-CARE FACILITY OR INDIVIDUAL WITHIN ITS BOUNDARIES FROM PROVIDING NATURAL MEDICINE SERVICES IF THE LICENSED HEALTH-CARE FACILITY OR INDIVIDUAL IS PERMITTED TO PROVIDE NATURAL MEDICINE SERVICES BY THE DEPARTMENT PURSUANT TO THIS ARTICLE 170.

(4) A LOCALITY MAY NOT PROHIBIT THE TRANSPORTATION OF NATURAL MEDICINE THROUGH ITS JURISDICTION ON PUBLIC ROADS BY A LICENSEE OR AS OTHERWISE ALLOWED BY THIS ARTICLE 170.

(5) A LOCALITY MAY NOT ADOPT ORDINANCES OR REGULATIONS THAT ARE UNREASONABLE OR IN CONFLICT WITH THIS ARTICLE 170, BUT MAY ENACT LAWS IMPOSING LESSER CRIMINAL OR CIVIL PENALTIES THAN PROVIDED BY THIS ARTICLE 170

**12-170-108. Protections.** (1) SUBJECT TO THE LIMITATIONS IN THIS ARTICLE 170, BUT NOTWITHSTANDING ANY OTHER PROVISION OF LAW:

(a) ACTIONS AND CONDUCT PERMITTED PURSUANT TO A LICENSE OR REGISTRATION ISSUED BY THE DEPARTMENT OR BY DEPARTMENT RULE, OR BY THOSE WHO ALLOW PROPERTY TO BE USED PURSUANT TO A LICENSE OR REGISTRATION ISSUED BY THE DEPARTMENT OR BY DEPARTMENT RULE, ARE NOT UNLAWFUL AND SHALL NOT BE AN OFFENSE UNDER STATE LAW, OR THE LAWS OF ANY LOCALITY WITHIN THE STATE, OR BE SUBJECT TO A CIVIL FINE, PENALTY, OR SANCTION, OR BE A BASIS FOR DETENTION, SEARCH, OR ARREST, OR TO DENY ANY RIGHT OR PRIVILEGE, OR TO SEIZE OR FORFEIT ASSETS UNDER STATE LAW OR THE LAWS OF ANY LOCALITY WITHIN THE STATE.

(b) A CONTRACT IS NOT UNENFORCEABLE ON THE BASIS THAT NATURAL MEDICINES, AS ALLOWED UNDER THIS ARTICLE 170, ARE PROHIBITED BY



## Titles and Text

### FEDERAL LAW.

(c) A HOLDER OF A PROFESSIONAL OR OCCUPATIONAL LICENSE, CERTIFICATION, OR REGISTRATION IS NOT SUBJECT TO PROFESSIONAL DISCIPLINE OR LOSS OF A PROFESSIONAL LICENSE OR CERTIFICATION FOR PROVIDING ADVICE OR SERVICES ARISING OUT OF OR RELATED TO NATURAL MEDICINE LICENSES, APPLICATIONS FOR LICENSES ON THE BASIS THAT NATURAL MEDICINES ARE PROHIBITED BY FEDERAL LAW, OR FOR PERSONAL USE OF NATURAL MEDICINES AS ALLOWED UNDER THIS ARTICLE 170. THIS SECTION DOES NOT PERMIT A PERSON TO ENGAGE IN MALPRACTICE.

(d) MENTAL HEALTH, SUBSTANCE USE DISORDER, OR BEHAVIORAL HEALTH SERVICES OTHERWISE COVERED UNDER THE COLORADO MEDICAL ASSISTANCE ACT, ARTICLES 4 TO 6 OF TITLE 25.5, C.R.S., SHALL NOT BE DENIED ON THE BASIS THAT THEY ARE COVERED IN CONJUNCTION WITH NATURAL MEDICINE SERVICES OR THAT NATURAL MEDICINES ARE PROHIBITED BY FEDERAL LAW. NO INSURANCE OR INSURANCE PROVIDER IS REQUIRED TO COVER THE COST OF THE NATURAL MEDICINE ITSELF.

(e) NOTHING IN THIS SECTION SHALL BE CONSTRUED OR INTERPRETED TO PREVENT THE DEPARTMENT FROM ENFORCING ITS RULES AGAINST A LICENSEE OR TO LIMIT A STATE OR LOCAL LAW ENFORCEMENT AGENCY'S ABILITY TO INVESTIGATE UNLAWFUL ACTIVITY IN RELATION TO A LICENSEE.

**12-170-109. Personal use.** (1) SUBJECT TO THE LIMITATIONS IN THIS ARTICLE 170, BUT NOTWITHSTANDING ANY OTHER PROVISION OF LAW, THE FOLLOWING ACTS ARE NOT AN OFFENSE UNDER STATE LAW OR THE LAWS OF ANY LOCALITY WITHIN THE STATE OR SUBJECT TO A CIVIL FINE, PENALTY, OR SANCTION, OR THE BASIS FOR DETENTION, SEARCH, OR ARREST, OR TO DENY ANY RIGHT OR PRIVILEGE, OR TO SEIZE OR FORFEIT ASSETS UNDER STATE LAW OR THE LAWS OF ANY LOCALITY, IF THE PERSON IS TWENTY-ONE YEARS OF AGE OR OLDER:

(a) POSSESSING, STORING, USING, PROCESSING, TRANSPORTING, PURCHASING, OBTAINING, OR INGESTING NATURAL MEDICINE FOR PERSONAL USE, OR GIVING AWAY NATURAL MEDICINE FOR PERSONAL USE WITHOUT REMUNERATION TO A PERSON OR PERSONS TWENTY-ONE YEARS OF AGE OR OLDER.

(b) GROWING, CULTIVATING, OR PROCESSING PLANTS OR FUNGI CAPABLE OF PRODUCING NATURAL MEDICINE FOR PERSONAL USE IF:

(I) THE PLANTS AND FUNGI ARE KEPT IN OR ON THE GROUNDS OF A PRIVATE HOME OR RESIDENCE; AND

(II) THE PLANTS AND FUNGI ARE SECURED FROM ACCESS BY PERSONS UNDER TWENTY-ONE YEARS OF AGE.

(c) ASSISTING ANOTHER PERSON OR PERSONS WHO ARE TWENTY-ONE YEARS OF AGE OR OLDER, OR ALLOWING PROPERTY TO BE USED, IN ANY OF THE ACTIONS OR CONDUCT PERMITTED UNDER SUBSECTION (1).

(2) FOR THE PURPOSE OF THIS ARTICLE 170, "PERSONAL USE" MEANS THE PERSONAL INGESTION OR USE OF A NATURAL MEDICINE AND INCLUDES THE AMOUNT A PERSON MAY CULTIVATE OR POSSESS OF NATURAL MEDICINE NECESSARY TO SHARE NATURAL MEDICINES WITH OTHER PERSONS TWENTY-ONE YEARS OF AGE OR OLDER WITHIN THE CONTEXT OF COUNSELING, SPIRITUAL GUIDANCE, BENEFICIAL COMMUNITY-BASED USE AND HEALING, SUPPORTED USE, OR RELATED SERVICES. "PERSONAL USE" DOES NOT INCLUDE THE SALE OF NATURAL MEDICINES FOR REMUNERATION.

(3) CONDUCT PERMITTED BY THIS ARTICLE 170 SHALL NOT, BY ITSELF:

(a) CONSTITUTE CHILD ABUSE OR NEGLECT WITHOUT A FINDING OF ACTUAL THREAT TO THE HEALTH OR WELFARE OF A CHILD BASED ON ALL RELEVANT FACTORS.

(b) BE THE BASIS TO RESTRICT PARENTING TIME WITH A CHILD WITHOUT A FINDING THAT THE PARENTING TIME WOULD ENDANGER THE CHILD'S PHYSICAL HEALTH OR SIGNIFICANTLY IMPAIR THE CHILD'S EMOTIONAL DEVELOPMENT.

(4) CONDUCT PERMITTED BY THIS ARTICLE 170 SHALL NOT, BY ITSELF, BE THE BASIS FOR PUNISHING OR OTHERWISE PENALIZING A PERSON CURRENTLY UNDER PAROLE, PROBATION, OR OTHER STATE SUPERVISION, OR RELEASED AWAITING TRIAL OR OTHER HEARING.

(5) CONDUCT PERMITTED BY THIS ARTICLE 170 SHALL NOT, BY ITSELF, BE THE BASIS FOR DETENTION, SEARCH, OR ARREST; AND THE POSSESSION OR SUSPICION OF POSSESSION OF NATURAL MEDICINE, OR THE POSSESSION OF MULTIPLE CONTAINERS OF NATURAL MEDICINE, SHALL NOT INDIVIDUALLY OR IN COMBINATION WITH EACH OTHER CONSTITUTE REASONABLY ARTICULABLE SUSPICION OF A CRIME. NATURAL MEDICINES AS PERMITTED BY THIS ARTICLE 170 ARE NOT CONTRABAND NOR SUBJECT TO SEIZURE AND SHALL NOT BE HARMED OR DESTROYED.

(6) CONDUCT PERMITTED BY THIS ARTICLE 170 SHALL NOT, BY ITSELF, BE THE BASIS TO DENY ELIGIBILITY FOR ANY PUBLIC ASSISTANCE PROGRAM, UNLESS REQUIRED BY FEDERAL LAW.

(7) FOR THE PURPOSES OF MEDICAL CARE, INCLUDING ORGAN TRANSPLANTS, CONDUCT PERMITTED BY THIS ARTICLE 170 DOES NOT CONSTITUTE THE USE OF AN ILLICIT SUBSTANCE OR OTHERWISE DISQUALIFY A PERSON FROM MEDICAL CARE OR MEDICAL INSURANCE.

(8) NOTHING IN THIS SECTION SHALL BE CONSTRUED OR INTERPRETED TO PERMIT A PERSON TO GIVE AWAY ANY AMOUNT OF NATURAL MEDICINE AS PART OF A BUSINESS PROMOTION OR OTHER COMMERCIAL ACTIVITY OR TO PERMIT PAID ADVERTISING RELATED TO NATURAL MEDICINE, SHARING OF NATURAL MEDICINE, OR SERVICES INTENDED TO BE USED CONCURRENTLY WITH A PERSON'S CONSUMPTION OF NATURAL MEDICINE. SUCH ADVERTISING MAY BE CONSIDERED EVIDENCE OF COMMERCIAL ACTIVITY THAT IS PROHIBITED UNDER THIS SECTION. THIS PROVISION DOES NOT PRECLUDE THE DONATION OF NATURAL MEDICINE BY A PERSON TWENTY-ONE YEARS OF AGE OR OLDER, PAYMENT FOR BONA FIDE HARM REDUCTION SERVICES, BONA FIDE THERAPY SERVICES, OR OTHER BONA FIDE SUPPORT SERVICES, MAINTAINING PERSONAL OR PROFESSIONAL WEBSITES RELATED TO NATURAL MEDICINE SERVICES, DISSEMINATION OF EDUCATIONAL MATERIALS RELATED TO NATURAL MEDICINE, OR LIMIT THE ABILITY OF A HEALING CENTER TO DONATE NATURAL MEDICINE OR PROVIDE NATURAL MEDICINE AT REDUCED COST CONSISTENT WITH DEPARTMENT RULES.

(9) A PERSON WHO HAS COMPLETED A SENTENCE FOR A CONVICTION, WHETHER BY TRIAL OR PLEA OF GUILTY OR *NOLO CONTENDERE*, WHO WOULD NOT HAVE BEEN GUILTY OF AN OFFENSE UNDER THIS ACT HAD IT BEEN IN EFFECT AT THE TIME OF THE OFFENSE, MAY FILE A PETITION BEFORE THE TRIAL COURT THAT ENTERED THE JUDGMENT OF CONVICTION IN THE PERSON'S CASE TO SEAL THE RECORD OF THE CONVICTION AT NO COST. IF THERE IS NO OBJECTION FROM THE DISTRICT ATTORNEY, THE COURT SHALL AUTOMATICALLY SEAL SUCH RECORD. IF THERE IS AN OBJECTION BY THE DISTRICT ATTORNEY, A HEARING SHALL BE HELD AND THE COURT SHALL DETERMINE IF THE PRIOR CONVICTION DOES NOT QUALIFY TO BE SEALED UNDER THIS ACT. IF THE RECORD DOES NOT QUALIFY TO BE SEALED, THE COURT SHALL DENY THE SEALING OF THE RECORD. NOTHING IN THIS SECTION SHALL BE CONSTRUED TO DIMINISH OR ABROGATE ANY RIGHTS OR REMEDIES OTHERWISE AVAILABLE TO THE PETITIONER OR APPLICANT.

**12-170-110. Personal use penalties.** (1) UNLESS OTHERWISE PROVIDED BY SUBSECTION (2) OF THIS SECTION, A PERSON WHO IS UNDER TWENTY-ONE YEARS OF AGE IS SUBJECT TO A DRUG PETTY OFFENSE, AND UPON CONVICTION THEREOF, SHALL BE SUBJECT ONLY TO A PENALTY OF NO MORE THAN FOUR (4) HOURS OF DRUG EDUCATION OR COUNSELING PROVIDED AT NO COST TO THE PERSON, IF THE PERSON:

(a) POSSESSES, USES, INGESTS, INHALES, OR TRANSPORTS NATURAL MEDICINE FOR PERSONAL USE;

(b) GIVES AWAY WITHOUT REMUNERATION NATURAL MEDICINE FOR PERSONAL USE; OR

(c) POSSESSES, USES, OR GIVES AWAY WITHOUT REMUNERATION NATURAL MEDICINE PARAPHERNALIA.

(2) TO THE EXTENT SUBSECTION (1) ESTABLISHES A PENALTY FOR



CONDUCT NOT OTHERWISE PROHIBITED BY LAW OR ESTABLISHES A PENALTY THAT IS GREATER THAN EXISTS ELSEWHERE IN LAW FOR THE CONDUCT SET FORTH IN SUBSECTION (1), THE PENALTIES IN SUBSECTION (1) SHALL NOT APPLY.

(3) A PERSON WHO CULTIVATES NATURAL MEDICINES THAT ARE NOT SECURE FROM ACCESS BY A PERSON UNDER TWENTY-ONE YEARS OF AGE IN VIOLATION OF 12-170-109(1)(b) IS SUBJECT TO A CIVIL FINE NOT EXCEEDING TWO-HUNDRED AND FIFTY DOLLARS, IN ADDITION TO ANY OTHER APPLICABLE PENALTIES.

(4) A PERSON SHALL NOT BE SUBJECT TO ANY ADDITIONAL FEES, FINES, OR OTHER PENALTIES FOR THE VIOLATIONS ADDRESSED IN THIS SECTION OTHER THAN THOSE SET FORTH IN THIS SECTION. FURTHER, A PERSON SHALL NOT BE SUBJECT TO INCREASED PUNISHMENT FOR ANY OTHER CRIME ON THE BASIS OF THAT PERSON HAVING UNDERTAKEN CONDUCT PERMITTED BY THIS ARTICLE 170.

**12-170-111. Limitations.** (1) THIS ARTICLE 170 SHALL NOT BE CONSTRUED:

(a) TO PERMIT A PERSON TO DRIVE OR OPERATE A MOTOR VEHICLE, BOAT, VESSEL, AIRCRAFT, OR OTHER DEVICE THAT IS CAPABLE OF MOVING ITSELF, OR OF BEING MOVED, FROM PLACE TO PLACE UPON WHEELS OR ENDLESS TRACKS UNDER THE INFLUENCE OF NATURAL MEDICINE;

(b) TO PERMIT A PERSON TO USE OR POSSESS NATURAL MEDICINE IN A SCHOOL, DETENTION FACILITY, OR PUBLIC BUILDING;

(c) TO PERMIT A PERSON TO INGEST NATURAL MEDICINES IN A PUBLIC PLACE, OTHER THAN A PLACE LICENSED OR OTHERWISE PERMITTED BY THE DEPARTMENT FOR SUCH USE;

(d) TO PERMIT THE TRANSFER OF NATURAL MEDICINE, WITH OR WITHOUT REMUNERATION, TO A PERSON UNDER TWENTY-ONE YEARS OF AGE OR TO ALLOW A PERSON UNDER TWENTY-ONE YEARS OF AGE TO USE OR POSSESS NATURAL MEDICINE;

(e) TO PERMIT A PERSON TO ENGAGE IN CONDUCT THAT ENDANGERS OR HARMS OTHERS;

(f) TO REQUIRE A GOVERNMENT MEDICAL ASSISTANCE PROGRAM OR PRIVATE HEALTH INSURER TO REIMBURSE A PERSON FOR COSTS OF PURCHASING NATURAL MEDICINE;

(g) TO REQUIRE AN EMPLOYER TO PERMIT OR ACCOMMODATE THE USE, CONSUMPTION, POSSESSION, TRANSFER, DISPLAY, TRANSPORTATION, OR GROWING OF NATURAL MEDICINES IN THE WORKPLACE;

(h) TO PROHIBIT A RECIPIENT OF A FEDERAL GRANT OR AN APPLICANT FOR A FEDERAL GRANT FROM PROHIBITING THE USE, CONSUMPTION, POSSESSION, TRANSFER, DISPLAY, TRANSPORTATION, OR GROWING OF NATURAL MEDICINES TO THE EXTENT NECESSARY TO SATISFY FEDERAL REQUIREMENTS FOR THE GRANT;

(i) TO PROHIBIT A PARTY TO A FEDERAL CONTRACT OR A PERSON APPLYING TO BE A PARTY TO A FEDERAL CONTRACT FROM PROHIBITING ANY ACT PERMITTED IN THIS ARTICLE 170 TO THE EXTENT NECESSARY TO COMPLY WITH THE TERMS AND CONDITIONS OF THE CONTRACT OR TO SATISFY FEDERAL REQUIREMENTS FOR THE CONTRACT;

(j) TO REQUIRE A PERSON TO VIOLATE A FEDERAL LAW; OR

(k) TO EXEMPT A PERSON FROM A FEDERAL LAW OR OBSTRUCT THE ENFORCEMENT OF A FEDERAL LAW.

**12-170-112. Liberal construction.** THIS ACT SHALL BE LIBERALLY CONSTRUED TO EFFECTUATE ITS PURPOSE.

**12-170-113. Preemption.** NO LOCALITY SHALL ADOPT, ENACT, OR ENFORCE ANY ORDINANCE, RULE, OR RESOLUTION IMPOSING ANY GREATER CRIMINAL OR CIVIL PENALTY THAN PROVIDED BY THIS ACT OR THAT IS OTHERWISE IN CONFLICT WITH THE PROVISIONS OF THIS ACT. A LOCALITY MAY ENACT LAWS IMPOSING LESSER CRIMINAL OR CIVIL

PENALTIES THAN PROVIDED BY THIS ACT.

**12-170-114. Self-executing, severability, conflicting provisions.** ALL PROVISIONS OF THIS ARTICLE 170 ARE SELF-EXECUTING EXCEPT AS SPECIFIED HEREIN, ARE SEVERABLE, AND, EXCEPT WHERE OTHERWISE INDICATED IN THE TEXT, SHALL SUPERSEDE CONFLICTING STATE STATUTORY, LOCAL CHARTER, ORDINANCE, OR RESOLUTION, AND OTHER STATE AND LOCAL PROVISIONS. IF ANY PROVISION OF THIS ACT OR ITS APPLICATION TO ANY PERSON OR CIRCUMSTANCE IS HELD INVALID, THE INVALIDITY DOES NOT AFFECT OTHER PROVISIONS OR APPLICATIONS OF THIS ACT THAT CAN BE GIVEN EFFECT WITHOUT THE INVALID PROVISION OR APPLICATION, AND TO THIS END THE PROVISIONS OF THIS ACT ARE SEVERABLE.

**12-170-115. Effective date.** UNLESS OTHERWISE PROVIDED BY THIS ACT, ALL PROVISIONS OF THIS ACT SHALL BECOME EFFECTIVE UPON THE EARLIER OF THE OFFICIAL DECLARATION OF THE VOTE HEREON BY PROCLAMATION OF THE GOVERNOR OR THIRTY DAYS AFTER THE VOTE HAS BEEN CANVASSED, PURSUANT TO SECTION 1(4) OF ARTICLE V OF THE COLORADO CONSTITUTION. THE REMOVAL AND REDUCTION OF CRIMINAL PENALTIES BY THIS ACT IS INTENDED TO HAVE RETROACTIVE EFFECT.

**SECTION 2.** In Colorado Revised Statutes, 18-18-403.5, **amend** (1) as follows:

**18-18-403.5. Unlawful possession of a controlled substance.** (1) Except as authorized by part 1 or 3 of article 280 of title 12, part 2 of article 80 of title 27, section 18-1-711, section 18-18-428(1)(b), or part 2 or 3 of this article 18, OR THE "NATURAL MEDICINE HEALTH ACT OF 2022", ARTICLE 170 OF TITLE 12 it is unlawful for a person knowingly to possess a controlled substance.

**SECTION 3.** In Colorado Revised Statutes, 18-18-404 **amend** (1)(a) as follows:

**18-18-404. Unlawful use of a controlled substance.** (1)(a) Except as is otherwise provided for offenses concerning marijuana and marijuana concentrate in sections 18-18-406 and 18-18-406.5 OR BY THE "NATURAL MEDICINE HEALTH ACT OF 2022", ARTICLE 170 OF TITLE 12 any person who uses any controlled substance, except when it is dispensed by or under the direction of a person licensed or authorized by law to prescribe, administer, or dispense the controlled substance for bona fide medical needs, commits a level 2 drug misdemeanor.

**SECTION 4.** In Colorado Revised Statutes, 18-18-405, **amend** (1)(a) as follows:

**18-18-405. Unlawful distribution, manufacturing, dispensing, or sale.** (1)(a) Except as authorized by part 1 of article 280 of title 12, part 2 of article 80 of title 27, or part 2 or 3 of this article 18, OR BY THE "NATURAL MEDICINE HEALTH ACT OF 2022", ARTICLE 170 OF TITLE 12 it is unlawful for any person knowingly to manufacture, dispense, sell, or distribute, or to possess with intent to manufacture, dispense, sell, or distribute, a controlled substance; or induce, attempt to induce, or conspire with one or more other persons, to manufacture, dispense, sell, distribute, or possess with intent to manufacture, dispense, sell, or distribute, a controlled substance; or possess one or more chemicals or supplies or equipment with intent to manufacture a controlled substance.

**SECTION 5.** In Colorado Revised Statutes, **amend** 18-18-410 as follows:

**18-18-410. Declaration of class 1 public nuisance.** EXCEPT AS PERMITTED BY THE "NATURAL MEDICINE HEALTH ACT OF 2022", ARTICLE 170 OF TITLE 12 any store, shop, warehouse, dwelling house, building, vehicle, boat, or aircraft or any place whatsoever which is frequented by controlled substance addicts for the unlawful use of controlled substances or which is used for the unlawful storage, manufacture, sale, or distribution of controlled substances is declared to be a class 1 public nuisance and subject to the provisions of section 16-13-303, C.R.S. Any real or personal property which is seized or confiscated as a result of an action to abate a public nuisance shall be disposed of



## Titles and Text

pursuant to part 7 of article 13 of title 16, C.R.S.

**SECTION 6.** In Colorado Revised Statutes, 18-18-411, **add** (5) as follows:

**18-18-411. Keeping, maintaining, controlling, renting, or making available property for unlawful distribution or manufacture of controlled substances.**

(5) A PERSON ACTING IN COMPLIANCE WITH THE "NATURAL MEDICINE HEALTH ACT OF 2022", ARTICLE 170 OF TITLE 12 DOES NOT VIOLATE THIS SECTION.

**SECTION 7.** In Colorado Revised Statutes, 18-18-412.7, **add** (3) as follows:

**18-18-412.7. Sale or distribution of materials to manufacture controlled substances.**

(3) A PERSON ACTING IN COMPLIANCE WITH THE "NATURAL MEDICINE HEALTH ACT OF 2022", ARTICLE 170 OF TITLE 12 DOES NOT VIOLATE THIS SECTION.

**SECTION 8.** In Colorado Revised Statutes, 18-18-430.5, **add** (1)(c) as follows:

**18-18-430.5. Drug paraphernalia—exemption.** (1) A person is exempt from sections 18-18-425 to 18-18-430 if the person is:

(c) USING EQUIPMENT, PRODUCTS OR MATERIALS IN COMPLIANCE WITH THE "NATURAL MEDICINE HEALTH ACT OF 2022", ARTICLE 170 OF TITLE 12. THE MANUFACTURE, POSSESSION, AND DISTRIBUTION OF SUCH EQUIPMENT, PRODUCTS, OR MATERIALS SHALL BE AUTHORIZED WITHIN THE MEANING OF 21 USC 863 SEC. (f).

**SECTION 9.** In Colorado Revised Statutes, 16-13-303, **add** (9) as follows:

**16-13-303. Class 1 public nuisance.**

(9) A PERSON ACTING IN COMPLIANCE WITH THE "NATURAL MEDICINE HEALTH ACT OF 2022", ARTICLE 170 OF TITLE 12 DOES NOT VIOLATE THIS SECTION.

**SECTION 10.** In Colorado Revised Statutes, 16-13-304, **add** (2) as follows:

**16-13-304. Class 2 public nuisance.**

(2) A PERSON ACTING IN COMPLIANCE WITH THE "NATURAL MEDICINE HEALTH ACT OF 2022", ARTICLE 170 OF TITLE 12 DOES NOT VIOLATE THIS SECTION.

### Proposition 123

#### Dedicate Revenue for Affordable Housing Programs

The ballot title below is a summary drafted by the professional staff of the offices of the secretary of state, the attorney general, and the legal staff for the general assembly for ballot purposes only. The ballot title will not appear in the Colorado Revised Statutes. The text of the measure that will appear in the Colorado Revised Statutes below was drafted by the proponents of the initiative. The initiated measure is included on the ballot as a proposed change to current law because the proponents gathered the required amount of petition signatures.

#### Ballot Title:

Shall there be a change to the Colorado Revised Statutes concerning statewide funding for additional affordable housing, and, in connection therewith, dedicating state revenues collected from an existing tax of one-tenth of one percent on federal taxable income of every individual, estate, trust, and corporation, as defined in law, for affordable housing and exempting the dedicated revenues from the constitutional limitation on state fiscal year spending; allocating 60% of the dedicated revenues

to affordable housing financing programs that will reduce rents, purchase land for affordable housing development, and build assets for renters; allocating 40% of the dedicated revenues to programs that support affordable home ownership, serve persons experiencing homelessness, and support local planning capacity; requiring local governments that seek additional affordable housing funding to expedite development approvals for affordable housing projects and commit to increasing the number of affordable housing units by 3% annually; and specifying that the dedicated revenues shall not supplant existing appropriations for affordable housing programs?

#### Text of Measure:

*Be it enacted by the People of the State of Colorado:*

**SECTION 1.** In Colorado Revised Statutes, **add** article 32 to title 29 as follows:

#### ARTICLE 32 Statewide Affordable Housing Fund

**29-32-101. Definitions.** AS USED IN THIS ARTICLE, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(1) "ADMINISTRATOR" MEANS A POLITICAL SUBDIVISION OF THE STATE OF COLORADO ESTABLISHED FOR THE PURPOSES, AMONG OTHERS, OF INCREASING THE SUPPLY OF DECENT, SAFE, AND SANITARY HOUSING FOR LOW- AND MODERATE-INCOME FAMILIES, OR OTHER THIRD PARTY ESTABLISHED FOR SUCH PURPOSES, SELECTED BY THE OFFICE TO ADMINISTER CERTAIN AFFORDABLE HOUSING PROGRAMS CREATED IN SECTION 29-32-104.

(2) "AFFORDABLE HOUSING" MEANS RENTAL HOUSING AFFORDABLE TO A HOUSEHOLD WITH AN ANNUAL INCOME OF AT OR BELOW SIXTY PERCENT OF THE AREA MEDIAN INCOME, AND THAT COSTS THE HOUSEHOLD LESS THAN THIRTY PERCENT OF ITS MONTHLY INCOME. "AFFORDABLE HOUSING" ALSO MEANS FOR-SALE HOUSING THAT COULD BE PURCHASED BY A HOUSEHOLD WITH AN ANNUAL INCOME OF AT OR BELOW ONE HUNDRED PERCENT OF THE AREA MEDIAN INCOME, FOR WHICH THE MORTGAGE PAYMENT COSTS THE HOUSEHOLD LESS THAN THIRTY PERCENT OF ITS MONTHLY INCOME. TARGETS SET FOR THE LOCAL GOVERNMENTS UNDER SECTION 29-32-105 FOR AFFORDABLE HOUSING SHALL BE BASED ON THE AVERAGE OF THE AREA MEDIAN INCOME. IF A LOCAL GOVERNMENT DETERMINES THAT APPLICATION OF THIS DEFINITION OF AFFORDABLE HOUSING WOULD CAUSE IMPLEMENTATION OF THIS ARTICLE IN A MANNER INCONSISTENT WITH HOUSING AND WORKFORCE NEEDS WITHIN THE JURISDICTION, IT MAY PETITION THE DIVISION FOR LEAVE TO USE THE CALCULATION APPLICABLE TO AN ADJACENT JURISDICTION OR THE STATE MEDIAN INCOME THAT BETTER REFLECTS LOCAL NEEDS.

(3) "AREA MEDIAN INCOME" MEANS THE MEDIAN HOUSEHOLD INCOME OF HOUSEHOLDS OF A GIVEN SIZE IN THE MUNICIPALITY, OR METROPOLITAN STATISTICAL AREA ENCOMPASSING A MUNICIPALITY, OR COUNTY IN WHICH THE HOUSING IS LOCATED, AS CALCULATED AND PUBLISHED FOR A GIVEN YEAR BY THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT.

(4) "DIVISION" MEANS THE DIVISION OF HOUSING IN THE DEPARTMENT OF LOCAL AFFAIRS CREATED IN SECTION 24-32-704 (1).

(5) "SUPPORT FUND" MEANS THE AFFORDABLE HOUSING SUPPORT FUND CREATED IN SECTION 29-32-103(1).

(6) "FUND" MEANS THE STATE AFFORDABLE HOUSING FUND CREATED IN SECTION 29-32-102 (1).

(7) "LOCAL GOVERNMENT" MEANS A MUNICIPALITY, WHETHER HOME RULE OR STATUTORY; A COUNTY, WHETHER HOME RULE OR STATUTORY; A CITY AND COUNTY; OR A LOCAL HOUSING AUTHORITY.

(8) "OFFICE" MEANS THE OFFICE OF ECONOMIC DEVELOPMENT CREATED IN SECTION 24-48.5-101.

(9) "FINANCING FUND" MEANS THE AFFORDABLE HOUSING FINANCING FUND CREATED IN SECTION 29-32-103(2).



**29-32-102. State affordable housing fund.** (1) THE STATE AFFORDABLE HOUSING FUND IS HEREBY CREATED IN THE STATE TREASURY. COMMENCING ON JANUARY 1, 2023, ALL STATE REVENUES COLLECTED FROM AN EXISTING TAX ON ONE-TENTH OF ONE PERCENT ON FEDERAL TAXABLE INCOME, AS MODIFIED BY LAW, OF EVERY INDIVIDUAL, ESTATE, TRUST, AND CORPORATION, AS DEFINED IN LAW, AS CALCULATED PURSUANT TO SUBSECTION (4) OF THIS SECTION, SHALL BE DEPOSITED IN THE FUND BY THE STATE TREASURER. THE REVENUE DEPOSITED INTO THE FUND PURSUANT TO THIS SUBSECTION (1) SHALL NOT BE SUBJECT TO THE LIMITATION ON FISCAL YEAR SPENDING SPECIFIED IN SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION.

(2) THE FUND SHALL CONSIST OF MONEY DEPOSITED INTO THE FUND UNDER SUBSECTION (1) OF THIS SECTION; ANY MONEY APPROPRIATED TO THE FUND BY THE GENERAL ASSEMBLY; AND ANY GIFTS, GRANTS, OR DONATIONS FROM ANY PUBLIC OR PRIVATE SOURCES, INCLUDING GOVERNMENTAL ENTITIES, THAT THE DIVISION AND THE OFFICE ARE HEREBY AUTHORIZED TO SEEK AND ACCEPT.

(3) ALL MONEY NOT EXPENDED OR ENCUMBERED, AND ALL INTEREST EARNED ON THE INVESTMENT OR DEPOSIT OF MONEY IN THE FUND, SHALL REMAIN IN THE FUND AND SHALL NOT REVERT TO THE GENERAL FUND OR ANY OTHER FUND AT THE END OF ANY FISCAL YEAR.

(4)(a) THE LEGISLATIVE COUNCIL, IN CONSULTATION WITH THE OFFICE OF STATE PLANNING AND BUDGETING, SHALL CALCULATE THE AMOUNT OF REVENUES TO BE DEPOSITED IN THE FUND FOR THE PERIOD COMMENCING JANUARY 1, 2023 AND ENDING JUNE 30, 2023, AND FOR EACH STATE FISCAL YEAR COMMENCING ON OR AFTER JULY 1, 2023. THE LEGISLATIVE COUNCIL AND THE OFFICE OF STATE PLANNING AND BUDGETING SHALL RELY UPON THE QUARTERLY STATE REVENUE ESTIMATES ISSUED BY THE LEGISLATIVE COUNCIL IN CALCULATING SUCH AMOUNTS AND SHALL UPDATE ITS CALCULATIONS NOT LATER THAN FIVE DAYS FOLLOWING THE ISSUANCE OF EACH QUARTERLY STATE REVENUE ESTIMATE.

(b) TO ENSURE THAT ALL FUND REVENUES ARE TRANSFERRED TO THE FUND AND THAT OTHER STATE REVENUES ARE NOT ERRONEOUSLY TRANSFERRED TO THE FUND:

(I) NO LATER THAN TWO DAYS AFTER CALCULATING OR RECALCULATING THE AMOUNT OF FUND REVENUES FOR THE PERIOD COMMENCING JANUARY 1, 2023 AND ENDING JUNE 30, 2023, AND FOR ANY FISCAL YEAR COMMENCING ON OR AFTER JULY 1, 2023, THE LEGISLATIVE COUNCIL, IN CONSULTATION WITH THE OFFICE OF STATE PLANNING AND BUDGETING, SHALL CERTIFY TO THE DEPARTMENT OF REVENUE THE AMOUNT OF FUND REVENUES THAT THE DEPARTMENT SHALL TRANSFER TO THE STATE TREASURER FOR DEPOSIT INTO THE FUND ON THE FIRST DAY OF EACH OF THE THREE SUCCEEDING CALENDAR MONTHS AS REQUIRED BY PARAGRAPH (c) OF THIS SUBSECTION (4);

(II) NOTWITHSTANDING THE PROVISIONS OF SUBPARAGRAPH (I) OF THIS PARAGRAPH (b), NO LATER THAN MAY 25 OF 2023 AND OF ANY STATE FISCAL YEAR COMMENCING ON OR AFTER JULY 1, 2023, THE LEGISLATIVE COUNCIL, IN CONSULTATION WITH THE OFFICE OF STATE PLANNING AND BUDGETING, MAY CERTIFY TO THE DEPARTMENT OF REVENUE AN ADJUSTED AMOUNT FOR ANY TRANSFER TO BE MADE ON THE FIRST BUSINESS DAY OF THE IMMEDIATELY SUCCEEDING JUNE; AND

(III) SUBJECT TO REVIEW BY THE STATE AUDITOR, THE LEGISLATIVE COUNCIL, IN CONSULTATION WITH THE OFFICE OF STATE PLANNING AND BUDGETING, MAY CORRECT ANY ERROR IN THE TOTAL AMOUNT OF STATE AFFORDABLE HOUSING REVENUES TRANSFERRED DURING ANY STATE FISCAL YEAR BY ADJUSTING THE AMOUNT OF ANY TRANSFER TO BE MADE DURING THE NEXT STATE FISCAL YEAR.

(c) ON THE FIRST BUSINESS DAY OF EACH CALENDAR MONTH THAT COMMENCES AFTER JANUARY 5, 2023, THE DEPARTMENT OF REVENUE SHALL TRANSFER TO THE STATE TREASURER FOR DEPOSIT INTO THE FUND REVENUES IN AN AMOUNT CERTIFIED TO THE DEPARTMENT BY THE LEGISLATIVE COUNCIL, IN CONSULTATION WITH THE OFFICE OF STATE PLANNING AND BUDGETING, PURSUANT TO PARAGRAPH (b) OF THIS SUBSECTION (4).

**29-32-103. Transfers of money - permitted uses of the fund - continuous appropriation.** (1) THE AFFORDABLE HOUSING SUPPORT FUND IS HEREBY CREATED IN THE STATE TREASURY. THE SUPPORT FUND SHALL CONSIST OF MONEY DEPOSITED INTO IT UNDER SUBSECTION (3) OF THIS SECTION. THE DIVISION SHALL ADMINISTER THE SUPPORT FUND AND EXPEND THE MONEYS IN THE SUPPORT FUND ONLY FOR THE PURPOSES SET FORTH IN SECTION 29-32-104(3). ALL MONEY NOT EXPENDED OR ENCUMBERED, AND ALL INTEREST EARNED ON THE INVESTMENT OR DEPOSIT OF MONEY IN THE SUPPORT FUND, SHALL REMAIN IN THE SUPPORT FUND AND SHALL NOT REVERT TO THE GENERAL FUND OR ANY OTHER FUND AT THE END OF ANY FISCAL YEAR. ALL MONEY TRANSFERRED TO THE SUPPORT FUND PURSUANT TO SUBSECTION (3) OF THIS SECTION IS CONTINUOUSLY APPROPRIATED TO THE DIVISION FOR THE PURPOSES SET FORTH IN SECTION 29-32-104(3).

(2) THE AFFORDABLE HOUSING FINANCING FUND IS HEREBY CREATED IN THE STATE TREASURY. THE FINANCING FUND SHALL CONSIST OF MONEY DEPOSITED INTO IT UNDER SUBSECTION (3) OF THIS SECTION. THE OFFICE SHALL ADMINISTER THE FINANCING FUND AND EXPEND THE MONEYS IN THE FINANCING FUND ONLY FOR THE PURPOSES SET FORTH IN SECTION 29-32-104(1). ALL MONEY NOT EXPENDED OR ENCUMBERED, AND ALL INTEREST EARNED ON THE INVESTMENT OR DEPOSIT OF MONEY IN THE FINANCING FUND, SHALL REMAIN IN THE FINANCING FUND AND SHALL NOT REVERT TO THE GENERAL FUND OR ANY OTHER FUND AT THE END OF ANY FISCAL YEAR. ALL MONEY TRANSFERRED TO THE FINANCING FUND PURSUANT TO SUBSECTION (3) OF THIS SECTION IS CONTINUOUSLY APPROPRIATED TO THE OFFICE FOR THE PURPOSES SET FORTH IN SECTION 29-32-104(1).

(3) ON JULY 1, 2023, OR AS SOON AS PRACTICABLE THEREAFTER, AND ON JULY 1 OF EACH STATE FISCAL YEAR THEREAFTER, THE STATE TREASURER SHALL TRANSFER FORTY PERCENT OF THE BALANCE OF THE FUND ON THE DATE OF THE TRANSFER TO THE SUPPORT FUND AND SIXTY PERCENT OF THE BALANCE OF THE FUND ON THE DATE OF THE TRANSFER TO THE FINANCING FUND.

**29-32-104. Permissible expenditures – affordable housing programs.** (1) THE OFFICE SHALL CONTRACT WITH THE ADMINISTRATOR. THE OFFICE MAY SELECT AN ADMINISTRATOR WITHOUT A COMPETITIVE PROCUREMENT PROCESS BUT SHALL ANNOUNCE THE CONTRACT OPENING PUBLICLY AND SELECT THE ADMINISTRATOR IN A MEETING THAT IS OPEN TO THE PUBLIC, NO LESS THAN SEVENTY-TWO HOURS AFTER NOTICE OF SUCH MEETING IS PUBLICLY AVAILABLE. NO SINGLE CONTRACT MAY EXCEED FIVE YEARS IN DURATION. UPON THE EXPIRATION OF ANY CONTRACT TERM, THE OFFICE MAY RENEW THE CONTRACT WITH THE SAME ADMINISTRATOR OR MAY SELECT ANOTHER ADMINISTRATOR. THE ADMINISTRATOR SELECTED BY THE OFFICE SHALL EXPEND THE MONEY TRANSFERRED TO THE FINANCING FUND IN SECTION 29-32-103(2) TO SUPPORT THE FOLLOWING PROGRAMS ONLY:

(a) A LAND BANKING PROGRAM TO BE ADMINISTERED BY THE ADMINISTRATOR. THE PROGRAM SHALL PROVIDE GRANTS TO LOCAL GOVERNMENTS AND LOANS TO NON-PROFIT ORGANIZATIONS WITH A DEMONSTRATED HISTORY OF PROVIDING AFFORDABLE HOUSING TO ACQUIRE AND PRESERVE LAND FOR THE DEVELOPMENT OF AFFORDABLE HOUSING. MIXED USE DEVELOPMENT IS AN ALLOWABLE USE OF LAND PURCHASED UNDER THIS PROGRAM IF THE PREDOMINATE USE OF THE LAND IS AFFORDABLE HOUSING. LOANS MADE BY THE PROGRAM SHALL BE FORGIVEN IF LAND ACQUIRED WITH THE ASSISTANCE OF THE PROGRAM IS PROPERLY ZONED WITH AN ACTIVE PLAN FOR THE DEVELOPMENT OF AFFORDABLE HOUSING WITHIN 5 YEARS OF DATE THE LOAN IS MADE AND IF THE DEVELOPMENT IS PERMITTED AND FUNDED WITHIN 10 YEARS. THE LENDER AND BORROWER MAY ESTABLISH ADDITIONAL TERMS IF NEEDED. IF LAND ACQUIRED WITH THE ASSISTANCE OF THE PROGRAM IS NOT DEVELOPED WITHIN THE TIMELINE ABOVE, THE LOAN MUST BE REPAYED, WITH INTEREST, AS SOON AS PRACTICAL, BUT NOT MORE THAN SIX MONTHS AFTER EXPIRATION OF SAID TIMELINE. LAND ACQUIRED WITH THE ASSISTANCE OF THE PROGRAM THAT IS NOT DEVELOPED WITHIN THE TIMELINE ABOVE MAY BE USED BY THE OWNER FOR ANY PURPOSE UPON PAYMENT OF THE LOAN WITH INTEREST OR, IN EXCHANGE FOR A WAIVER OF INTEREST, CONVEYED TO A STATE AGENCY OR OTHER ENTITY FOR THE DEVELOPMENT OF AFFORDABLE HOUSING WITH THE APPROVAL OF THE ADMINISTRATOR. ALL PRINCIPAL AND INTEREST PAYMENTS ON LOANS



## Titles and Text

MADE UNDER THIS PARAGRAPH (a) SHALL BE PAID TO THE ADMINISTRATOR AND USED BY THE ADMINISTRATOR FOR THE PURPOSES SET FORTH IN THIS SUBSECTION (1). AS DETERMINED BY THE ADMINISTRATOR, A MINIMUM OF 15% AND A MAXIMUM OF 25% OF MONIES TRANSFERRED TO THE OFFICE FROM THE FUND ANNUALLY MAY BE USED FOR THE PROGRAM. THE ADMINISTRATOR MAY UTILIZE UP TO TWO PERCENT OF THE FUNDS IT RECEIVES FROM THE OFFICE FOR THE PROGRAM ANNUALLY TO PAY FOR THE COSTS OF ADMINISTERING THE PROGRAM.

(b) AN AFFORDABLE HOUSING EQUITY PROGRAM TO BE ADMINISTERED BY THE ADMINISTRATOR. THE PROGRAM SHALL MAKE EQUITY INVESTMENTS IN LOW- AND MIDDLE-INCOME MULTI-FAMILY RENTAL DEVELOPMENTS. THE PROGRAM SHALL ALSO MAKE EQUITY INVESTMENTS IN EXISTING AFFORDABLE HOUSING PROJECTS WHICH INCLUDE MULTI-FAMILY RENTAL UNITS FOR THE PURPOSE OF ENSURING THAT SAID PROJECTS REMAIN AFFORDABLE. THE AVERAGE OF RENTS FOR PROJECTS FUNDED BY THE PROGRAM (CALCULATED BY ADDING TOGETHER THE MONTHLY RENT FOR ALL UNITS IN A PROJECT AND DIVIDING BY THE NUMBER OF UNITS IN THE PROJECT) MUST BE AND REMAIN PERMANENTLY AFFORDABLE SUCH THAT A PARTICIPATING HOUSEHOLD SHALL NOT BE REQUIRED TO SPEND MORE THAN 30% OF HOUSEHOLD INCOME ON RENT FOR HOUSEHOLDS THAT ARE AT OR BELOW 90% OF THE AREA MEDIAN INCOME OF HOUSEHOLDS OF THAT SIZE IN THE TERRITORY OR JURISDICTION OF LOCAL GOVERNMENT IN WHICH THE HOUSING IS LOCATED, AS CALCULATED AND PUBLISHED FOR A GIVEN YEAR BY THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT. THE PROGRAM SHALL INCLUDE A TENANT EQUITY VEHICLE, MEANING, IN PROJECTS FUNDED BY THE PROGRAM, TENANTS WHO RESIDE IN THE PROJECT FOR AT LEAST ONE YEAR SHALL BE ENTITLED TO A SHARE OF THE EQUITY GROWTH IN THE PROJECT, IF ANY, IN THE FORM OF FUNDING FROM THE PROGRAM FOR A DOWN-PAYMENT ON HOUSING OR RELATED PURPOSES, IN AN AMOUNT DETERMINED BY THE ADMINISTRATOR. EQUITY INVESTMENTS MADE BY THE PROGRAM SHALL BE MADE WITH THE EXPECTATION OF RETURNS THAT ARE BELOW THE PREVAILING MARKET RETURNS. RETURNS ON PROGRAM INVESTMENTS UP TO THE AMOUNT OF THE PROGRAM'S INITIAL INVESTMENT SHALL BE RETAINED IN THE PROGRAM AND REINVESTED. RETURNS ON PROGRAM INVESTMENTS GREATER THAN THE PROGRAM'S INITIAL INVESTMENT SHALL BE RETAINED IN THE PROGRAM TO FUND THE TENANT EQUITY VEHICLE. IN SELECTING INVESTMENTS UNDER THIS PROGRAM, THE ADMINISTRATOR SHALL PRIORITIZE HIGH-DENSITY HOUSING, MIXED-INCOME HOUSING, AND PROJECTS CONSISTENT WITH THE GOAL OF ENVIRONMENTAL SUSTAINABILITY. AS DETERMINED BY THE ADMINISTRATOR, A MINIMUM OF 40% OF MONIES AND A MAXIMUM OF 70% OF MONIES TRANSFERRED TO THE OFFICE FROM THE FUND ANNUALLY MAY BE USED FOR THE PROGRAM. THE ADMINISTRATOR MAY UTILIZE UP TO TWO PERCENT OF THE FUNDS IT RECEIVES FROM THE OFFICE FOR THE PROGRAM ANNUALLY TO PAY FOR THE COSTS OF ADMINISTERING THE PROGRAM.

(c) A CONCESSIONARY DEBT PROGRAM TO BE ADMINISTERED BY THE ADMINISTRATOR. THE PROGRAM SHALL:

(I) PROVIDE DEBT FINANCING OF LOW- AND MIDDLE-INCOME MULTI-FAMILY RENTAL DEVELOPMENTS,

(II) PROVIDE GAP FINANCING IN THE FORM OF SUBORDINATE DEBT AND PRE-DEVELOPMENT LOANS FOR PROJECTS THAT QUALIFY FOR FEDERAL LOW INCOME HOUSING TAX CREDITS,

(III) PROVIDE DEBT FINANCING OF EXISTING AFFORDABLE HOUSING PROJECTS FOR THE PURPOSE OF PRESERVING EXISTING AFFORDABLE MULTI-FAMILY RENTAL UNITS, AND

(IV) PROVIDE DEBT FINANCING FOR MODULAR AND FACTORY BUILD HOUSING MANUFACTURERS. THE AVERAGE OF RENTS FOR PROJECTS FUNDED BY THE PROGRAM (CALCULATED BY ADDING TOGETHER THE MONTHLY RENT FOR ALL UNITS IN A PROJECT AND DIVIDING BY THE NUMBER OF UNITS IN THE PROJECT) MUST BE AND REMAIN PERMANENTLY AFFORDABLE (MEANING THAT A HOUSEHOLD SHALL NOT BE REQUIRED TO SPEND MORE THAN 30% OF HOUSEHOLD INCOME ON RENT AND BASIC UTILITIES) FOR HOUSEHOLDS THAT ARE AT OR BELOW 60% OF THE AREA MEDIAN INCOME OF HOUSEHOLDS OF THAT SIZE IN THE TERRITORY OR JURISDICTION OF LOCAL GOVERNMENT IN WHICH THE HOUSING IS

LOCATED, AS CALCULATED AND PUBLISHED FOR A GIVEN YEAR BY THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (THE AFFORDABILITY THRESHOLD); EXCEPT THAT WHERE THE PROGRAM IS A SECONDARY SOURCE OF FUNDING, THE AFFORDABILITY THRESHOLD REQUIRED BY THE PRIMARY FUNDING SOURCE, IF ANY, MAY BE OPERATIVE. DEBT FINANCING AND LOANS MADE BY THE PROGRAM SHALL BE MADE AT BELOW MARKET INTEREST RATES AS DETERMINED BY THE ADMINISTRATOR. RETURNS ON PROGRAM INVESTMENTS UP TO THE AMOUNT OF THE PROGRAM'S INITIAL INVESTMENT SHALL BE RETAINED IN THE PROGRAM AND REINVESTED BY THE ADMINISTRATOR IN THE PROGRAM ESTABLISHED IN THIS PARAGRAPH (c). RETURNS ON PROGRAM INVESTMENTS GREATER THAN THE PROGRAM'S INITIAL INVESTMENT SHALL BE RETAINED IN THE PROGRAM TO FUND THE TENANT EQUITY VEHICLE OF THE AFFORDABLE HOUSING EQUITY PROGRAM CREATED IN SUBSECTION (1)(b) OF THIS SECTION. AS DETERMINED BY THE ADMINISTRATOR, A MINIMUM OF 15% OF MONIES AND A MAXIMUM OF 35% OF MONIES TRANSFERRED TO THE OFFICE FROM THE FUND ANNUALLY MAY BE USED FOR THE PROGRAM. THE ADMINISTRATOR MAY UTILIZE UP TO TWO PERCENT OF THE FUNDS IT RECEIVES FROM THE OFFICE FOR THE PROGRAM ANNUALLY TO PAY FOR THE COSTS OF ADMINISTERING THE PROGRAM.

(2) IN SELECTING INVESTMENTS TO BE MADE BY THE PROGRAMS OF SUBSECTION (1) OF THIS SECTION, THE ADMINISTRATOR SHALL PRIORITIZE PROJECTS THAT ACHIEVE HIGH-DENSITY HOUSING, MIXED-INCOME HOUSING, AND PROJECTS CONSISTENT WITH THE GOAL OF ENVIRONMENTAL SUSTAINABILITY, AS APPROPRIATE.

(3) THE DIVISION SHALL EXPEND THE MONEY TRANSFERRED TO THE SUPPORT FUND IN SECTION 29-32-103(1) TO SUPPORT THE FOLLOWING PROGRAMS ONLY:

(a) AN AFFORDABLE HOME OWNERSHIP PROGRAM ADMINISTERED BY THE DIVISION OR ONE OR MORE CONTRACTORS OF THE DIVISION. THE PROGRAM SHALL OFFER HOME OWNERSHIP DOWN-PAYMENT ASSISTANCE TO FIRST-TIME HOMEBUYERS AND SHALL PRIORITIZE ASSISTANCE, TO THE EXTENT PRACTICABLE, TO FIRST-GENERATION HOMEBUYERS. THE ASSISTANCE SHALL BE PROVIDED TO HOUSEHOLDS WITH INCOME LESS THAN OR EQUAL TO 120% OF THE AREA MEDIAN INCOME OF HOUSEHOLDS OF THAT SIZE IN THE TERRITORY OR JURISDICTION OF LOCAL GOVERNMENT IN WHICH THE HOUSING IS LOCATED, AS CALCULATED AND PUBLISHED FOR A GIVEN YEAR BY THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT. THE PROGRAM SHALL ALSO MAKE GRANTS OR LOANS TO NON-PROFITS AND COMMUNITY LAND TRUSTS TO SUPPORT AFFORDABLE HOME OWNERSHIP AND TO GROUPS OR ASSOCIATIONS OF MOBILE HOME OWNERS TO ASSIST THEM WITH THE PURCHASE OF A MOBILE HOME PARK PURSUANT TO SECTION 38-12-217. SAID GRANTS AND LOANS SHALL BE USED TO SUPPORT AFFORDABLE HOME OWNERSHIP FOR HOUSEHOLDS WITH INCOME LESS THAN OR EQUAL TO 100% OF THE AREA MEDIAN INCOME OF HOUSEHOLDS OF THAT SIZE IN THE TERRITORY OR JURISDICTION OF LOCAL GOVERNMENT IN WHICH THE HOUSEHOLDS ARE LOCATED, AS CALCULATED AND PUBLISHED FOR A GIVEN YEAR BY THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT. ALL PRINCIPAL AND INTEREST PAYMENTS ON LOANS MADE UNDER THIS PARAGRAPH (a) SHALL BE PAID TO THE DIVISION AND USED BY THE ADMINISTRATOR FOR THE PURPOSES SET FORTH IN THIS SUBSECTION (3). UP TO 50% OF MONIES TRANSFERRED TO THE DIVISION FROM THE FUND ANNUALLY MAY BE USED FOR THE PROGRAM. THE DIVISION SHALL DETERMINE HOW MUCH OF THE AVAILABLE FUNDING SHALL BE ALLOCATED TO EACH ASPECT OF THE PROGRAM. THE DIVISION MAY UTILIZE UP TO 5% OF THE FUNDS IT RECEIVES FROM THE FUND FOR THE PROGRAM ANNUALLY TO PAY FOR THE DIRECT AND INDIRECT COSTS OF ADMINISTERING THE PROGRAM.

(b) A PROGRAM SERVING PERSONS EXPERIENCING HOMELESSNESS TO BE ADMINISTERED BY THE DIVISION. THE PROGRAM SHALL PROVIDE RENTAL ASSISTANCE, HOUSING VOUCHERS, AND EVICTION DEFENSE ASSISTANCE, INCLUDING LEGAL, FINANCIAL, AND CASE MANAGEMENT, TO PERSONS EXPERIENCING HOMELESSNESS OR AT RISK OF EXPERIENCING HOMELESSNESS. THE PROGRAM SHALL ALSO MAKE GRANTS OR LOANS TO NON-PROFIT ORGANIZATIONS, LOCAL GOVERNMENTS OR PRIVATE ENTITIES TO SUPPORT THE DEVELOPMENT AND PRESERVATION OF SUPPORTIVE HOUSING FOR PERSONS EXPERIENCING HOMELESSNESS,





AND OTHER HOMELESSNESS RELATED ACTIVITIES THE DIVISION DETERMINE CONtribute TO THE RESOLUTION OF OR PREVENTION OF HOMELESSNESS, INCLUDING HOUSING PROGRAMS PAID FOR BY NON-PROFIT ORGANIZATIONS, LOCAL GOVERNMENTS OR PRIVATE ENTITIES ON A PAY FOR SUCCESS BASIS, MEANING AN ORGANIZATION, LOCAL GOVERNMENT OR PRIVATE ENTITY WOULD RECEIVE FINANCIAL SUPPORT FROM THE PROGRAM UPON ACHIEVING OBJECTIVES CONTRACTUALLY AGREED UPON WITH THE DIVISION. ALL PRINCIPAL AND INTEREST PAYMENTS ON LOANS MADE UNDER THIS PARAGRAPH (b) SHALL BE PAID TO THE DIVISION AND USED BY THE ADMINISTRATOR FOR THE PURPOSES SET FORTH IN THIS SUBSECTION (3). UP TO 45% OF MONIES TRANSFERRED TO THE DIVISION FROM THE FUND ANNUALLY MAY BE USED FOR THE PROGRAM. THE DIVISION MAY UTILIZE UP TO 5% OF THE FUNDS IT RECEIVES FROM THE FUND FOR THE PROGRAM ANNUALLY TO PAY FOR THE DIRECT AND INDIRECT COSTS OF ADMINISTERING THE PROGRAM.

(c) A LOCAL PLANNING CAPACITY DEVELOPMENT PROGRAM ADMINISTERED BY THE DIVISION. THE PROGRAM SHALL PROVIDE GRANTS TO LOCAL GOVERNMENTS TO INCREASE THE CAPACITY OF LOCAL GOVERNMENT PLANNING DEPARTMENTS RESPONSIBLE FOR PROCESSING LAND USE, PERMITTING AND ZONING APPLICATIONS FOR HOUSING PROJECTS. UP TO 5% OF MONIES TRANSFERRED TO THE DIVISION FROM THE FUND ANNUALLY MAY BE USED FOR THE PROGRAM. THE DIVISION MAY UTILIZE UP TO 5% OF THE FUNDS IT RECEIVES FROM THE FUND FOR THE PROGRAM ANNUALLY TO PAY FOR THE DIRECT AND INDIRECT COSTS OF ADMINISTERING THE PROGRAM.

(5) IF THE LEGISLATIVE COUNCIL STAFF'S MARCH ECONOMIC AND REVENUE FORECAST IN ANY GIVEN YEAR PROJECTS REVENUE FOR THE NEXT STATE FISCAL YEAR WILL FALL BELOW THE REVENUE LIMIT IMPOSED UNDER SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION, THE GENERAL ASSEMBLY MAY REDUCE THE FUNDING ALLOCATED TO THE OFFICE REQUIRED BY THIS SECTION FOR THE NEXT STATE FISCAL YEAR IN ORDER TO BALANCE THE STATE BUDGET FOR SAID STATE FISCAL YEAR.

**29-32-105. Local government affordable housing commitments – three-year commitment cycle - expedited development approval process - eligibility for assistance from the fund.** (1) (a) NOT LATER THAN NOVEMBER 1, 2023, THE GOVERNING BODY OF EACH LOCAL GOVERNMENT, OTHER THAN LOCAL HOUSING AUTHORITIES, DESIRING TO RECEIVE FUNDING UNDER THIS SECTION OR DESIRING TO MAKE AFFORDABLE HOUSING PROJECTS WITHIN ITS TERRITORIAL BOUNDARIES ELIGIBLE FOR FUNDING UNDER THIS SECTION SHALL MAKE AND FILE WITH THE DIVISION A COMMITMENT SPECIFYING HOW, BY DECEMBER 31, 2026, THE COMBINED NUMBER OF NEWLY CONSTRUCTED AFFORDABLE HOUSING UNITS AND EXISTING UNITS CONVERTED TO AFFORDABLE HOUSING, WITHIN ITS TERRITORIAL BOUNDARIES SHALL BE INCREASED BY THREE PERCENT EACH YEAR OVER THE BASELINE NUMBER OF AFFORDABLE HOUSING UNITS WITHIN ITS TERRITORIAL BOUNDARIES, DETERMINED AS PROVIDED IN SUBSECTION (1)(c) OF THIS SECTION.

(b) IN THE CASE OF A COUNTY, THE REQUIREMENTS OF THIS SUBSECTION (1) ONLY APPLY TO THE UNINCORPORATED AREAS OF THE COUNTY.

(c) THE BASELINE NUMBER OF AFFORDABLE HOUSING UNITS WITHIN THE TERRITORIAL BOUNDARIES OF A LOCAL GOVERNMENT, AS REFERENCED IN THIS SUBSECTION (1), SHALL BE DETERMINED BY THE LOCAL GOVERNMENT BY REFERENCE TO:

(I) THE 2017-2021 AMERICAN COMMUNITY SURVEY 5-YEAR ESTIMATES PUBLISHED BY THE UNITED STATES CENSUS BUREAU. THE BASELINE NUMBER SHALL RESET FOR 2027, BASED ON THE 2020-2024 AMERICAN COMMUNITY SURVEY 5-YEAR ESTIMATES, EXPECTED TO BE PUBLISHED IN THE SPRING OF 2026 AND EVERY THIRD YEAR THEREAFTER WITH THE PUBLICATION OF THE CORRESPONDING AMERICAN COMMUNITY SURVEY 5-YEAR ESTIMATES; OR

(II) THE MOST RECENTLY AVAILABLE COMPREHENSIVE HOUSING AFFORDABILITY STRATEGIES ESTIMATES PUBLISHED BY THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT; OR

(III) A WEB-BASED SYSTEM CREATED, MAINTAINED, AND UPDATED BY THE DIVISION WITH THE ESTIMATES SPECIFIED IN SUBSECTION (1)(c)(I) OF THIS

SECTION, OR IF THE DIVISION FINDS THAT THE ESTIMATES SPECIFIED IN SAID SUBSECTION (1)(c)(I) WOULD BE IMPRACTICAL OR DELETERIOUS TO THE EFFICACIOUS IMPLEMENTATION OF THIS SECTION, AN ALTERNATIVE SOURCE OF ESTIMATES THAT THE DIVISION FINDS TO BE APPROPRIATE.

(d) BY NOVEMBER 1, 2026 AND BY NOVEMBER 1ST OF EACH SUBSEQUENT YEAR IN WHICH THE BASELINE RESETS, THE GOVERNING BODY OF EACH LOCAL GOVERNMENT, OTHER THAN LOCAL HOUSING AUTHORITIES, DESIRING TO RECEIVE FUNDING UNDER THIS SECTION OR DESIRING TO MAKE AFFORDABLE HOUSING PROJECTS WITHIN ITS TERRITORIAL BOUNDARIES ELIGIBLE FOR FUNDING UNDER THIS SECTION SHALL MAKE AND FILE WITH THE DIVISION A COMMITMENT SPECIFYING HOW, BY DECEMBER 31 OF THE THIRD YEAR THEREAFTER, THE COMBINED NUMBER OF NEWLY CONSTRUCTED AFFORDABLE HOUSING UNITS AND EXISTING UNITS CONVERTED TO AFFORDABLE HOUSING, WITHIN ITS TERRITORIAL BOUNDARIES SHALL BE INCREASED BY THREE PERCENT EACH YEAR OVER THE BASELINE NUMBER OF AFFORDABLE HOUSING UNITS WITHIN ITS TERRITORIAL BOUNDARIES DETERMINED AS PROVIDED IN SUBSECTION (1)(c) OF THIS SECTION.

(e) IN DRAFTING AND ENACTING COMMITMENTS UNDER THIS SUBSECTION (1) LOCAL GOVERNMENTS SHOULD PRIORITIZE HIGH-DENSITY HOUSING, MIXED-INCOME HOUSING, AND PROJECTS CONSISTENT WITH THE GOAL OF ENVIRONMENTAL SUSTAINABILITY, WHEN APPROPRIATE, AND SHOULD PRIORITIZE AFFORDABLE HOUSING IN COMMUNITIES IN WHICH LOW CONCENTRATIONS OF AFFORDABLE HOUSING EXIST.

(2)(a) IN ORDER TO RECEIVE FINANCIAL ASSISTANCE UNDER THIS ARTICLE, OR FOR AFFORDABLE HOUSING PROJECTS WITHIN A MUNICIPALITY, A CITY AND COUNTY, OR THE UNINCORPORATED AREA OF A COUNTY TO BE ELIGIBLE FOR FUNDING, THE LOCAL GOVERNMENT, OTHER THAN A LOCAL AFFORDABLE HOUSING AUTHORITY, MUST ESTABLISH PROCESSES TO ENABLE IT TO PROVIDE A FINAL DECISION ON ANY APPLICATION FOR A SPECIAL PERMIT, VARIANCE, OR OTHER DEVELOPMENT PERMIT, EXCLUDING SUBDIVISIONS, OF A DEVELOPMENT PROJECT FOR WHICH FIFTY PERCENT OR MORE OF THE RESIDENTIAL UNITS IN THE DEVELOPMENT CONSTITUTE AFFORDABLE HOUSING NOT MORE THAN NINETY CALENDAR DAYS AFTER SUBMISSION OF A COMPLETE APPLICATION, REFERRED TO HEREIN AS A "FAST-TRACK APPROVAL PROCESS."

(b) A LOCAL GOVERNMENT'S FAST-TRACK APPROVAL PROCESS MAY INCLUDE AN OPTION TO EXTEND THE REVIEW PERIOD FOR AN ADDITIONAL NINETY DAYS AT THE REQUEST OF A DEVELOPER, FOR COMPLIANCE WITH STATE LAW OR COURT ORDER, OR FOR A REVIEW PERIOD REQUIRED BY ANOTHER LOCAL GOVERNMENT OR AGENCY, WITHIN THE LOCAL GOVERNMENT OR OUTSIDE, FOR ANY COMPONENT OF THE APPLICATION REQUIRING THAT GOVERNMENT'S OR AGENCY'S APPROVAL.

(c) A LOCAL GOVERNMENT'S FAST-TRACK APPROVAL PROCESS MAY INCLUDE EXTENSIONS TO ALLOW FOR THE SUBMISSION OF ADDITIONAL INFORMATION OR REVISIONS TO AN APPLICATION IN RESPONSE TO REQUESTS FROM THE LOCAL GOVERNMENT. SUCH EXTENSIONS SHALL NOT EXCEED THE AMOUNT OF TIME FROM THE REQUEST TO THE SUBMISSION OF THE APPLICANT'S RESPONSE PLUS THIRTY DAYS. APPLICANTS SHALL PROVIDE SUCH ADDITIONAL INFORMATION OR RESPONSES PROMPTLY AND SHALL, WHENEVER PRACTICABLE, PROVIDE A RESPONSE WITHIN FIVE BUSINESS DAYS.

(d) NOTHING IN THIS SUBSECTION (2) SHALL BE INTERPRETED AS REQUIRING AN AFFORDABLE HOUSING DEVELOPER TO UTILIZE A FAST-TRACK APPROVAL PROCESS.

(3) (a) BEGINNING IN 2027, TO BE ELIGIBLE UNDER THIS ARTICLE FOR DIRECT FUNDING, OR FOR AFFORDABLE HOUSING PROJECTS WITHIN A LOCAL GOVERNMENT'S TERRITORIAL BOUNDARIES TO BE ELIGIBLE FOR FUNDING, LOCAL GOVERNMENTS, OTHER THAN LOCAL HOUSING AUTHORITIES, MUST SATISFY BOTH THE REQUIREMENTS OF SUBSECTION (1) OF THIS SECTION TO COMMIT TO AND ACHIEVE ANNUAL INCREASES IN THE NUMBER OF AFFORDABLE HOUSING UNITS WITHIN THEIR TERRITORIAL BOUNDARIES, AND THE REQUIREMENTS OF SUBSECTION (2) OF THIS SECTION TO IMPLEMENT A SYSTEM TO EXPEDITE THE DEVELOPMENT APPROVAL PROCESS FOR AFFORDABLE HOUSING PROJECTS.



## Titles and Text

(b)(I) IF A LOCAL GOVERNMENT MAKES AND FILES WITH THE DIVISION THE COMMITMENT REQUIRED BY SUBSECTION (1) OF THIS SECTION BY NOVEMBER 1, 2023, IT SHALL BE DEEMED TO HAVE SATISFIED THE REQUIREMENTS OF SUBSECTION (1) OF THIS SECTION THROUGH DECEMBER 31, 2026.

(II) IF A LOCAL GOVERNMENT MAKES AND FILES WITH THE DIVISION THE COMMITMENT REQUIRED BY SUBSECTION (1) OF THIS SECTION BY NOVEMBER 1, 2026, OR BY NOVEMBER 1ST OF A SUBSEQUENT YEAR IN WHICH THE BASELINE RESETS, AND IT MET ITS COMMITMENT TO INCREASE AFFORDABLE HOUSING MADE UNDER SUBSECTION (1) OF THIS SECTION FOR THE PREVIOUS THREE-YEAR CYCLE, IT SHALL BE DEEMED TO HAVE SATISFIED THE REQUIREMENTS OF SUBSECTION (1) OF THIS SECTION THROUGH THE END OF THE CURRENT THREE-YEAR CYCLE.

(III) IF A LOCAL GOVERNMENT, OTHER THAN A LOCAL HOUSING AUTHORITY, FAILS TO MAKE AND FILE WITH THE DIVISION THE COMMITMENT REQUIRED BY SUBSECTION (1) OF THIS SECTION BY NOVEMBER 1, 2023, OR BY NOVEMBER 1ST OF A SUBSEQUENT YEAR IN WHICH THE BASELINE RESETS, IT SHALL BE INELIGIBLE TO RECEIVE FINANCIAL ASSISTANCE FROM THE DIVISION OR ADMINISTRATOR DURING THE FOLLOWING CALENDAR YEAR.

(IV) IF A LOCAL GOVERNMENT FAILS TO MEET ITS COMMITMENT TO INCREASE AFFORDABLE HOUSING MADE AND FILED PURSUANT TO SUBSECTION (1) OF THIS SECTION FOR ANY THREE-YEAR CYCLE, IT SHALL BE INELIGIBLE TO RECEIVE FINANCIAL ASSISTANCE FROM THE DIVISION OR ADMINISTRATOR DURING THE FIRST CALENDAR YEAR OF THE NEXT THREE-YEAR CYCLE.

(V) AN INELIGIBLE LOCAL GOVERNMENT MAY APPLY FOR A SUBSEQUENT YEAR WITH A NEW COMMITMENT UNDER SUBSECTION (1) OF THIS SECTION FOR THE BALANCE OF THE THEN-CURRENT THREE-YEAR CYCLE.

(VI) A DEVELOPER, WHETHER FOR-PROFIT OR NONPROFIT, OR A LOCAL GOVERNMENT DEVELOPING AN AFFORDABLE HOUSING PROJECT WITHIN THE TERRITORIAL BOUNDARIES OF A LOCAL GOVERNMENT THAT FAILS TO MEET THE REQUIREMENTS OF SUBSECTION (1) OR (2) OF THIS SECTION SHALL BE INELIGIBLE TO RECEIVE FINANCIAL ASSISTANCE FROM THE DIVISION OR ADMINISTRATOR. NOTWITHSTANDING THIS RESTRICTION, A PROJECT WITHIN THE TERRITORIAL BOUNDARIES OF AN ELIGIBLE MUNICIPALITY SHALL BE ELIGIBLE FOR FUNDING EVEN IF THE COUNTY IN WHICH THE PROJECT IS LOCATED IS INELIGIBLE.

(VII) INELIGIBLE LOCAL GOVERNMENTS AND DEVELOPERS OF PROJECTS IN INELIGIBLE LOCAL GOVERNMENT JURISDICTIONS SHALL NOT BE REQUIRED TO PAY BACK TO THE DIVISION OR THE ADMINISTRATOR MONEY PAID TO THEM UNDER THIS ARTICLE PRIOR TO INELIGIBILITY.

(d) THE DIVISION SHALL BE RESPONSIBLE FOR DETERMINING COMPLIANCE WITH THIS SECTION. FOR THE PURPOSE OF CALCULATING WHETHER A LOCAL GOVERNMENT HAS MET THE REQUIREMENTS OF SUBSECTION (1) OF THIS SECTION, A NEW RESIDENTIAL HOUSING UNIT IS TO BE COUNTED AT THE TIME IT IS PERMITTED RATHER THAN THE TIME IT IS CONSTRUCTED. AN EXISTING HOUSING UNIT NEWLY QUALIFYING AS AFFORDABLE HOUSING IS TO BE COUNTED AT THE TIME IT IS PERMITTED AND FULLY FUNDED RATHER THAN AT THE TIME THE CONVERSION IS COMPLETED. FOR THE PURPOSE OF CALCULATING WHETHER A LOCAL GOVERNMENT HAS MET THE REQUIREMENTS OF SUBSECTION (1) OF THIS SECTION, IN ADDITION TO AFFORDABLE HOUSING GROWTH ACHIEVED THROUGH THE PROGRAMS IN THIS ARTICLE, ANY NEW DEED RESTRICTED AFFORDABLE HOUSING, NEWLY CONSTRUCTED OR CONVERTED TO AFFORDABLE, WITHIN A LOCAL GOVERNMENT'S TERRITORIAL BOUNDARIES SHALL BE COUNTED TOWARD THE LOCAL GOVERNMENT'S GROWTH REQUIREMENT. AFFORDABLE HOUSING GROWTH IN ANOTHER JURISDICTION RESULTING DIRECTLY FROM A LOCAL GOVERNMENT'S FUNDING OF SUCH AFFORDABLE HOUSING IN COOPERATION WITH ANOTHER LOCAL GOVERNMENT SHALL BE ATTRIBUTED TO A LOCAL GOVERNMENT IN PROPORTION TO THE FUNDING PROVIDED BY THE LOCAL GOVERNMENT TO SUCH HOUSING.

**29-32-106. Maintenance of effort.** FOR ANY STATE FISCAL YEAR IN WHICH MONEY IS APPROPRIATED FROM THE FUND IN ACCORDANCE WITH

THE REQUIREMENTS OF THIS ARTICLE, ANY SUCH MONEY APPROPRIATED MUST SUPPLEMENT AND SHALL NOT SUPPLANT THE LEVEL OF GENERAL FUND AND CASH FUND APPROPRIATIONS FOR AFFORDABLE HOUSING PROGRAMS AS OF STATE FISCAL YEAR 2022-23.

### Proposition 124 Increase Allowable Liquor Store Locations

The ballot title below is a summary drafted by the professional staff of the offices of the secretary of state, the attorney general, and the legal staff for the general assembly for ballot purposes only. The ballot title will not appear in the Colorado Revised Statutes. The text of the measure that will appear in the Colorado Revised Statutes below was drafted by the proponents of the initiative. The initiated measure is included on the ballot as a proposed change to current law because the proponents gathered the required amount of petition signatures.

#### Ballot Title:

Shall there be a change to the Colorado Revised Statutes concerning increasing the number of retail liquor store licenses in which a person may hold an interest, and, in connection therewith, phasing in the increase by allowing up to 8 licenses by December 31, 2026, up to 13 licenses by December 31, 2031, up to 20 licenses by December 31, 2036, and an unlimited number of licenses on or after January 1, 2037?

#### Text of Measure:

*Be it enacted by the People of the State of Colorado:*

#### SECTION 1. Declaration of Purpose.

The People of the State of Colorado find and declare that it is in the interest of Colorado to create a more level playing field for the different business types that sell alcohol for off-premises consumption by allowing an equal number of licenses for drugstores, grocery stores and liquor stores. Creating parity and an orderly expansion for all businesses will foster competition, create jobs, increase selection and consumer choice, and lower costs for Coloradans.

**SECTION 2.** In Colorado Revised Statutes, 44-3-409, amend (4)(b)(III) as follows:

**44-3-409. Retail liquor store license – rules.** (4)(b) An owner, part owner, shareholder, or person interested directly or indirectly in a retail liquor store may have an interest in:

(III) For a retail liquor store licensed on or before January 1, 2016, and whose license holder is a Colorado resident, additional retail liquor store licenses as follows, but only if the premises for which a license is sought satisfies the distance requirements specified in subsection (1)(a)(II) of this section:

(A) On or after January 1, 2017, and before January 1, 2022, one additional retail liquor store license, for a maximum of up to two total retail liquor store licenses;

(B) On or after January 1, 2022, and before January 1, 2027, up to ~~two~~ SEVEN additional retail liquor store licenses, for a maximum of ~~three~~ EIGHT total retail liquor store licenses; ~~and~~

(C) On or after January 1, 2027, AND BEFORE JANUARY 1, 2032, up to ~~three~~ TWELVE additional retail liquor store licenses, for a maximum of ~~four~~ THIRTEEN total retail liquor store licenses;

(D) ON OR AFTER JANUARY 1, 2032, AND BEFORE JANUARY 1, 2037, UP TO NINETEEN ADDITIONAL RETAIL LIQUOR STORE LICENSES, FOR A MAXIMUM OF TWENTY TOTAL RETAIL LIQUOR STORE LICENSES;

(E) ON OR AFTER JANUARY 1, 2037, AN UNLIMITED NUMBER OF ADDITIONAL RETAIL LIQUOR STORE LICENSES; OR

**SECTION 3. Effective date.** This measure shall go into effect upon the proclamation of the governor of the state of Colorado.



## Proposition 125

### Allow Grocery and Convenience Stores to Sell Wine

The ballot title below is a summary drafted by the professional staff of the offices of the secretary of state, the attorney general, and the legal staff for the general assembly for ballot purposes only. The ballot title will not appear in the Colorado Revised Statutes. The text of the measure that will appear in the Colorado Revised Statutes below was drafted by the proponents of the initiative. The initiated measure is included on the ballot as a proposed change to current law because the proponents gathered the required amount of petition signatures.

#### Ballot Title:

Shall there be a change to the Colorado Revised Statutes concerning the expansion of retail sale of alcohol beverages, and, in connection therewith, establishing a new fermented malt beverage and wine retailer license for off-site consumption to allow grocery stores, convenience stores, and other business establishments licensed to sell fermented malt beverages, such as beer, for off-site consumption to also sell wine; automatically converting such a fermented malt beverage retailer license to the new license; and allowing fermented malt beverage and wine retailer licensees to conduct tastings if approved by the local licensing authority?

#### Text of Measure:

*Be it enacted by the People of the State of Colorado:*

#### SECTION 1: Declaration

The People of the State of Colorado hereby find and declare that Article 4 of Title 44, Colorado Revised Statutes, known as the "Colorado Beer Code", shall be amended to allow, beginning March 1, 2023, the sale of wine in grocery and convenience stores that are licensed to sell beer.

**SECTION 2.** In Colorado Revised Statutes, 44-3-103, **add** (18.5), (32.5), and (60.5) as follows:

**44-3-103. Definitions.** As used in this article 3 and article 4 of this title 44, unless the context otherwise requires:

(18.5) "FERMENTED MALT BEVERAGE AND WINE RETAILER" MEANS A RETAILER LICENSED UNDER ARTICLE 4 OF THIS TITLE 44 TO SELL FERMENTED MALT BEVERAGES AND WINE, BUT NOT SPIRITUOUS LIQUORS, IN ORIGINAL SEALED CONTAINERS FOR CONSUMPTION OFF THE LICENSED PREMISES.

(32.5) "OFF-PREMISES RETAILER" MEANS ANY RETAILER LICENSED UNDER THIS ARTICLE 3 OR ARTICLE 4 OF THIS TITLE 44 THAT IS ALLOWED TO SELL ALCOHOL BEVERAGES AT RETAIL FOR CONSUMPTION OFF THE LICENSED PREMISES.

(60.5) "WINE" MEANS VINOUS LIQUORS.

**SECTION 3.** In Colorado Revised Statutes, 44-3-301, **amend** 9(a)(I)(B), (10)(b), 10(c)(I)(A), 10(c)(XII), 10(d), 10(e); and **repeal and reenact, with amendments**, (12) as follows:

**44-3-301. Licensing in general.** (9)(a)(I)(B) The state and local licensing authorities shall not grant permission under this subsection (9)(a)(I) to a fermented malt beverage AND WINE retailer licensed under section 44-4-107 (1)(a) to move its permanent location if the new location is: Within one thousand five hundred feet of a retail liquor store licensed under section 44-3-409; for a premises located in a municipality with a population of ten thousand or fewer, within three thousand feet of a retail liquor store licensed under section 44-3-409; or, for a premises located in a municipality with a population of ten thousand or fewer that is contiguous to the city and county of Denver, within one thousand five hundred feet of a retail liquor store licensed under section 44-3-409.

(10)(b) A retail liquor store, ~~or~~ liquor-licensed drugstore, OR FERMENTED MALT BEVERAGE AND WINE RETAILER licensee who wishes to conduct

tastings may submit an application or application renewal to the local licensing authority. The local licensing authority may reject the application if the applicant fails to establish that he or she is able to conduct tastings without violating the provisions of this section or creating a public safety risk to the neighborhood. A local licensing authority may establish its own application procedure and may charge a reasonable application fee.

(c) Tastings are subject to the following limitations:

(I) Tastings shall be conducted only:

(A) By a person who: Has completed a server training program that meets the standards established by the liquor enforcement division in the department and is a retail liquor store, ~~or~~ liquor-licensed drugstore, OR FERMENTED MALT BEVERAGE AND WINE RETAILER licensee, an employee of a retail liquor store, ~~or~~ liquor-licensed drugstore, OR FERMENTED MALT BEVERAGE AND WINE RETAILER licensee, or a representative, employee, or agent of the licensed wholesaler, brew pub, distillery pub, manufacturer, limited winery, importer, or vintner's restaurant promoting the alcohol beverages for the tasting; and

(XII) No manufacturer of spirituous or vinous liquors shall induce a licensee through free goods or financial or in-kind assistance to favor the manufacturer's products being sampled at a tasting. The retail liquor store, ~~or~~ liquor-licensed drugstore, OR FERMENTED MALT BEVERAGE AND WINE RETAILER licensee bears the financial and all other responsibility for a tasting conducted on its licensed premises.

(d) A violation of a limitation specified in this subsection (10) by a retail liquor store, ~~or~~ liquor-licensed drugstore, OR FERMENTED MALT BEVERAGE AND WINE RETAILER licensee, whether by the licensee's employees, agents, or otherwise or by a representative, employee, or agent of the licensed wholesaler, brew pub, distillery pub, manufacturer, limited winery, importer, or vintner's restaurant that promoted the alcohol beverages for the tasting, is the responsibility of, and section 44-3-801 applies to, the retail liquor store, ~~or~~ liquor-licensed drugstore, OR FERMENTED MALT BEVERAGE AND WINE RETAILER licensee that conducted the tasting.

(e) A retail liquor store, ~~or~~ liquor-licensed drugstore, OR FERMENTED MALT BEVERAGE AND WINE RETAILER licensee conducting a tasting shall be subject to the same revocation, suspension, and enforcement provisions as otherwise apply to the licensee.

(12)(a) NOTWITHSTANDING ANY OTHER PROVISION OF THIS ARTICLE 3, ON AND AFTER JULY 1, 2016, THE STATE AND LOCAL LICENSING AUTHORITIES SHALL NOT ISSUE A NEW LICENSE UNDER THIS ARTICLE 3 AUTHORIZING THE SALE AT RETAIL OF MALT, VINOUS, OR SPIRITUOUS LIQUORS IN SEALED CONTAINERS FOR CONSUMPTION OFF THE LICENSED PREMISES IF THE PREMISES FOR WHICH THE RETAIL LICENSE IS SOUGHT IS LOCATED:

(I) WITHIN ONE THOUSAND FIVE HUNDRED FEET OF ANOTHER LICENSED PREMISES LICENSED TO SELL MALT, VINOUS, OR SPIRITUOUS LIQUORS AT RETAIL FOR OFF-PREMISES CONSUMPTION;

(II) FOR A PREMISES LOCATED IN A MUNICIPALITY WITH A POPULATION OF TEN THOUSAND OR FEWER, WITHIN THREE THOUSAND FEET OF ANOTHER LICENSED PREMISES LICENSED TO SELL MALT, VINOUS, OR SPIRITUOUS LIQUORS AT RETAIL FOR OFF-PREMISES CONSUMPTION; OR

(III) FOR A PREMISES LOCATED IN A MUNICIPALITY WITH A POPULATION OF TEN THOUSAND OR FEWER THAT IS CONTIGUOUS TO THE CITY AND COUNTY OF DENVER, WITHIN ONE THOUSAND FIVE HUNDRED FEET OF ANOTHER LICENSED PREMISES LICENSED TO SELL MALT, VINOUS, OR SPIRITUOUS LIQUORS AT RETAIL FOR OFF-PREMISES CONSUMPTION.

(a.5)(I) NOTWITHSTANDING ANY OTHER PROVISION OF SUBSECTION 12(a) OF THIS SECTION, ON AND AFTER MARCH 1, 2023, THE STATE AND LOCAL LICENSING AUTHORITIES SHALL NOT ISSUE A NEW FERMENTED MALT BEVERAGE AND WINE RETAILER'S LICENSE UNDER ARTICLE 4 OF THIS TITLE 44 AUTHORIZING THE SALE AT RETAIL OF FERMENTED MALT BEVERAGES AND WINE IN SEALED CONTAINERS FOR CONSUMPTION



## Titles and Text

OFF THE LICENSED PREMISES IF THE PREMISES FOR WHICH THE RETAIL LICENSE IS SOUGHT IS LOCATED WITHIN FIVE HUNDRED FEET OF A RETAIL LIQUOR STORE LICENSED UNDER SECTION 44-3-409.

(II) THIS SUBSECTION (12)(a.5) DOES NOT APPLY TO A PERSON THAT OWNS OR LEASES A PROPOSED FERMENTED MALT BEVERAGE RETAILER LICENSED PREMISES AND, AS OF JANUARY 1, 2019, HAS APPLIED FOR OR RECEIVED FROM THE MUNICIPALITY, CITY AND COUNTY, OR COUNTY IN WHICH THE PREMISES ARE LOCATED:

(A) A BUILDING PERMIT FOR THE STRUCTURE TO BE USED FOR THE FERMENTED MALT BEVERAGE RETAILER LICENSED PREMISES, WHICH PERMIT IS CURRENTLY ACTIVE AND WILL NOT EXPIRE BEFORE THE COMPLETION OF THE LIQUOR LICENSING PROCESS; OR

(B) A CERTIFICATE OF OCCUPANCY FOR THE STRUCTURE TO BE USED FOR THE FERMENTED MALT BEVERAGE RETAILER LICENSED PREMISES.

(b) FOR PURPOSES OF SUBSECTION (12)(a) OF THIS SECTION, A LICENSE UNDER THIS ARTICLE 3 AUTHORIZING THE SALE AT RETAIL OF MALT, VINOUS, OR SPIRITUOUS LIQUORS IN SEALED CONTAINERS FOR CONSUMPTION OFF THE LICENSED PREMISES INCLUDES A LICENSE UNDER THIS ARTICLE 3 AUTHORIZING THE SALE OF MALT AND VINOUS LIQUORS IN SEALED CONTAINERS NOT TO BE CONSUMED AT THE PLACE WHERE THE MALT AND VINOUS LIQUORS ARE SOLD.

(c)(I) FOR PURPOSES OF DETERMINING WHETHER THE DISTANCE REQUIREMENTS SPECIFIED IN SUBSECTIONS (12)(a) AND (12)(a.5) OF THIS SECTION ARE SATISFIED, THE DISTANCE SHALL BE DETERMINED BY A RADIUS MEASUREMENT THAT BEGINS AT THE PRINCIPAL DOORWAY OF THE PREMISES FOR WHICH THE APPLICATION IS MADE AND ENDS AT THE PRINCIPAL DOORWAY OF THE OTHER RETAIL LICENSED PREMISES.

(II) THIS SUBSECTION (12) DOES NOT APPLY TO THE CONVERSION OF A LICENSE UNDER SECTION 44-4-107(1)(a)(II).

(III) NOTWITHSTANDING ANY OTHER PROVISION OF SUBSECTION (12) (a) OF THIS SECTION, THE STATE AND LOCAL LICENSING AUTHORITIES SHALL NOT ISSUE A NEW RETAIL LIQUOR STORE LICENSE UNDER ARTICLE 3 OF THIS TITLE 44 AUTHORIZING THE SALE AT RETAIL OF MALT, VINOUS, OR SPIRITUOUS LIQUORS IN SEALED CONTAINERS FOR CONSUMPTION OFF THE LICENSED PREMISES IF THE PREMISES FOR WHICH THE RETAIL LICENSE IS SOUGHT IS LOCATED WITHIN FIVE HUNDRED FEET OF A FERMENTED MALT BEVERAGE AND WINE RETAILER LICENSED UNDER SECTION 44-4-107.

**SECTION 4.** In Colorado Revised Statutes, 44-3-313, **amend** (1)(e)(I), (1)(e)(II), (1)(e)(IV), and (1)(e)(V) as follows:

**44-3-313. Restrictions for applications for new license.** (1) An application for the issuance of any license specified in section 44-3-309 (1) or 44-4-107 (1) shall not be received or acted upon:

(e)(I) If the building in which the fermented malt beverages AND WINE are to be sold pursuant to a license under section 44-4-107 (1)(a) is located within five hundred feet of any public or parochial school or the principal campus of any college, university, or seminary; except that this subsection (1)(e)(I) does not apply to:

(A) Licensed premises located or to be located on land owned by a municipality;

(B) An existing licensed premises on land owned by the state;

(C) A fermented malt beverage AND WINE retailer that held a valid license and was actively doing business before the principal campus was constructed;

(D) A club located within the principal campus of any college, university, or seminary that limits its membership to the faculty or staff of the institution; or

(E) A campus liquor complex.

(II) The distances referred to in subsection (1)(e)(I) of this section are to be computed by direct measurement from the nearest property line of the land used for school purposes to the nearest portion of the building in which fermented malt beverages AND WINE are to be sold, using a route of direct pedestrian access.

(IV) In addition to the requirements of section 44-3-312 (2), the local licensing authority shall consider the evidence and make a specific finding of fact as to whether the building in which the fermented malt beverages AND WINE are to be sold is located within any distance restriction established by or pursuant to this subsection (1)(e). The finding is subject to judicial review pursuant to section 44-3-802.

(V) This subsection (1)(e) applies to:

(A) Applications for new fermented malt beverage AND WINE retailer's licenses under section 44-4-107 (1)(a) submitted on or after ~~June 4, 2018~~ MARCH 1, 2023; and

(B) Applications submitted on or after ~~June 4, 2018~~ MARCH 1, 2023, under section 44-3-301 (9) by fermented malt beverage AND WINE retailers licensed under section 44-4-107 (1)(a) to change the permanent location of the fermented malt beverage AND WINE retailer's licensed premises.

**SECTION 5.** In Colorado Revised Statutes, 44-3-901, **amend** (1)(g), (1)(i)(III), (6)(i)(II), (6)(k)(I), (6)(k)(II)(B), (6)(k)(IV), (6)(k)(V), and (6)(p)(III), and (8)(b) as follows:

**44-3-901. Unlawful acts - exceptions - definitions.** (1) Except as provided in section 18-13-122, it is unlawful for any person:

(g) To sell at retail any malt, vinous, or spirituous liquors in sealed containers without holding a retail liquor store or liquor-licensed drugstore license, except as permitted by section 44-3-107 (2) or 44-3-301 (6)(b) or any other provision of this article 3, or to sell at retail any fermented malt beverages in sealed containers without holding a fermented malt beverage retailer's license under section 44-4-104 (1) (c) OR TO SELL AT RETAIL ANY FERMENTED MALT BEVERAGES AND WINE IN SEALED CONTAINERS WITHOUT HOLDING A FERMENTED MALT BEVERAGE AND WINE RETAILER'S LICENSE UNDER SECTION 44-4-107 (1)(a).

(i)(III)(A) Notwithstanding subsection (1)(i)(I) of this section, it shall not be unlawful for adult patrons of a retail liquor store or liquor-licensed drugstore licensee to consume malt, vinous, or spirituous liquors on the licensed premises when the consumption is conducted within the limitations of the licensee's license and is part of a tasting if authorization for the tasting has been granted pursuant to section 44-3-301.

(i)(III)(B) NOTWITHSTANDING SUBSECTION (1)(i)(I) OF THIS SECTION, IT SHALL NOT BE UNLAWFUL FOR ADULT PATRONS OF A FERMENTED MALT BEVERAGE AND WINE RETAILER LICENSEE TO CONSUME MALT OR VINOUS LIQUORS ON THE LICENSED PREMISES WHEN THE CONSUMPTION IS CONDUCTED WITHIN THE LIMITATIONS OF THE LICENSEE'S LICENSE AND IS PART OF A TASTING IF AUTHORIZATION FOR THE TASTING HAS BEEN GRANTED PURSUANT TO SECTION 44-3-301.

(6) It is unlawful for any person licensed to sell at retail pursuant to this article 3 or article 4 of this title 44:

(i)(II) Notwithstanding subsection (6)(i)(I) of this section, it shall not be unlawful for a retail liquor store, liquor-licensed drugstore, or FERMENTED MALT BEVERAGE AND WINE RETAILER licensee to allow tastings to be conducted on his or her licensed premises if authorization for the tastings has been granted pursuant to section 44-3-301.

(k)(I) Except as provided in subsections (6)(k)(II), (6)(k)(IV), and (6)(k)(V) of this section, to have on the licensed premises, if licensed as a retail liquor store, liquor licensed drugstore, fermented malt beverage retailer, OR FERMENTED MALT BEVERAGE AND WINE RETAILER, any container that shows evidence of having once been opened or that contains a volume of liquor less than that specified on the label of the container;



(II)(B) A person holding a fermented malt beverage AND WINE retailer's license under section 44-4-107 (1)(a) may have upon the licensed premises fermented malt beverages AND WINE in open containers when the open containers were brought onto the licensed premises by and remain solely in the possession of the sales personnel of a person licensed to sell at wholesale pursuant to article 4 of this title 44 for the purpose of sampling fermented malt beverages AND WINE by the fermented malt beverage AND WINE retailer licensee only.

(IV) It is not unlawful for a retail liquor store, liquor-licensed drugstore, or FERMENTED MALT BEVERAGE AND WINE RETAILER licensee to allow tastings to be conducted on the licensed premises if authorized for the tastings has been granted pursuant to section 44-3-301.

(V) A person holding a retail liquor store or liquor-licensed drugstore license under this article 3 or a fermented malt beverage AND WINE retailer's license under section 44-4-107 (1)(a) may have upon the licensed premises an open container of an alcohol beverage product that the licensee discovers to be damaged or defective so long as the licensee marks the product as damaged or for return and stores the open container outside the sales area of the licensed premises until the licensee is able to return the product to the wholesaler from whom the product was purchased.

(p)(III) If licensed as a retail liquor store under section 44-3-409, a liquor-licensed drugstore under section 44-3-410, or a fermented malt beverage AND WINE retailer under section 44-4-107 (1)(a), to permit an employee OR ANY OTHER PERSON who is under twenty-one years of age to deliver malt, vinous, or spirituous liquors or fermented malt beverages offered for sale on, or sold and removed from, the licensed premises of the retail liquor store, liquor-licensed drugstore, or fermented malt beverage AND WINE retailer.

(8)(b) Notwithstanding subsection (8)(a) of this section, it shall not be unlawful for a retail liquor store, liquor-licensed drugstore, or FERMENTED MALT BEVERAGE AND WINE RETAILER licensee to allow tasting to be conducted on his or her licensed premises if authorization for the tastings has been granted pursuant to section 44-3-301.

**SECTION 6.** In Colorado Revised Statutes, **amend** 44-4-101 as follows:

**44-4-101. Short title.** The short title of this article 4 is the "Colorado Beer AND WINE Code".

**SECTION 7.** In Colorado Revised Statutes, **amend** 44-4-102 as follows:

**44-4-102. Legislative declaration.** (1) The general assembly hereby declares that it is in the public interest that fermented malt beverages AND WINE FOR CONSUMPTION OFF THE PREMISES OF THE LICENSEE, FERMENTED MALT BEVERAGES FOR CONSUMPTION ON THE PREMISES OF THE LICENSEE, AND FERMENTED MALT BEVERAGES FOR CONSUMPTION BOTH ON AND OFF THE PREMISES OF THE LICENSEE shall be sold at retail only by persons licensed as provided in this ~~article 4~~ TITLE 44. The general assembly further declares that it is lawful to sell fermented malt beverages AND WINE at retail subject to this article 4 and applicable provisions of articles 3 and 5 of this title 44.

(2) The general assembly further recognizes that fermented malt beverages and malt liquors are separate and distinct from, and have a unique regulatory history in relation to, vinous and spirituous liquors; however, maintaining a separate regulatory framework and licensing structure for fermented malt beverages AND FERMENTED MALT BEVERAGES AND WINE under this article 4 is no longer necessary except at the retail level. Furthermore, to aid administrative efficiency, article 3 of this title 44 applies to the regulation of fermented malt beverages AND FERMENTED MALT BEVERAGES AND WINE, except when otherwise expressly provided for in this article 4.

**SECTION 8.** In Colorado Revised Statutes, 44-4-103, **amend** (2) and (3); and **add** (7) as follows:

**44-4-103. Definitions.** Definitions applicable to this article 4 also appear in article 3 of this title 44. As used in this article 4, unless the context otherwise requires:

(2) "License" means a grant to a licensee to sell fermented malt beverages OR FERMENTED MALT BEVERAGES AND WINE at retail as provided by this article 4.

(3) "Licensed premises" means the premises specified in an application for a license under this article 4 that are owned or in possession of the licensee and within which the licensee is authorized to sell, dispense, or serve fermented malt beverages OR FERMENTED MALT BEVERAGES AND WINE in accordance with the provisions of this article 4.

(7) "WINE" MEANS VINOUS LIQUORS, AS DEFINED IN SECTION 44-3-103(59), WHEN PURCHASED BY A FERMENTED MALT BEVERAGE AND WINE RETAILER FROM A WHOLESALER LICENSED PURSUANT TO ARTICLE 3 OF THIS TITLE 44.

**SECTION 9.** In Colorado Revised Statutes, 44-4-104, **repeal and reenact, with amendments**, (1) as follows:

**44-4-104. Licenses - state license fees – requirements – definition.**

(1) THE LICENSES TO BE GRANTED AND ISSUED BY THE STATE LICENSING AUTHORITY PURSUANT TO THIS ARTICLE 4 FOR THE RETAIL SALE OF FERMENTED MALT BEVERAGES OR FERMENTED MALT BEVERAGES AND WINE ARE AS FOLLOWS:

(a) AND (b) REPEALED.

(c)(I)(A) A RETAILER'S LICENSE SHALL BE GRANTED AND ISSUED TO ANY PERSON, PARTNERSHIP, ASSOCIATION, ORGANIZATION, OR CORPORATION QUALIFYING UNDER SECTION 44-3-301 AND NOT PROHIBITED FROM LICENSURE UNDER SECTION 44-3-307 TO SELL AT RETAIL FERMENTED MALT BEVERAGES AND WINE EITHER FOR CONSUMPTION OFF THE LICENSED PREMISES, OR FERMENTED MALT BEVERAGES FOR CONSUMPTION ON THE LICENSED PREMISES OR, SUBJECT TO SUBSECTION (1)(C)(III) OF THIS SECTION, FERMENTED MALT BEVERAGES FOR CONSUMPTION ON AND OFF THE LICENSED PREMISES, UPON PAYING AN ANNUAL LICENSE FEE OF SEVENTY-FIVE DOLLARS TO THE STATE LICENSING AUTHORITY.

(B) A PERSON LICENSED PURSUANT TO THIS SUBSECTION (1)(C) TO SELL FERMENTED MALT BEVERAGES OR FERMENTED MALT BEVERAGES AND WINE AT RETAIL SHALL PURCHASE THE FERMENTED MALT BEVERAGES OR FERMENTED MALT BEVERAGES AND WINE ONLY FROM A WHOLESALER LICENSED PURSUANT TO ARTICLE 3 OF THIS TITLE 44.

(II) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (1)(C)(III) OF THIS SECTION:

(A) THE STATE LICENSING AUTHORITY SHALL NOT ISSUE A NEW OR RENEW A FERMENTED MALT BEVERAGE RETAILER'S LICENSE FOR THE SALE OF FERMENTED MALT BEVERAGES FOR CONSUMPTION ON AND OFF THE LICENSED PREMISES; AND

(B) ANY LICENSEE HOLDING A FERMENTED MALT BEVERAGE LICENSE AUTHORIZING THE SALE OF FERMENTED MALT BEVERAGES FOR CONSUMPTION ON AND OFF THE LICENSED PREMISES THAT WAS ISSUED BY THE STATE LICENSING AUTHORITY UNDER THIS SUBSECTION (1)(C) BEFORE JUNE 4, 2018, THAT APPLIES TO RENEW THE LICENSE ON OR AFTER JUNE 4, 2018, AND WHOSE LICENSED PREMISES IS LOCATED IN A COUNTY WITH A POPULATION OF THIRTY-FIVE THOUSAND OR MORE AND NOT IN AN UNDERSERVED AREA MUST SIMULTANEOUSLY APPLY TO CONVERT THE LICENSE EITHER TO A LICENSE FOR THE SALE OF FERMENTED MALT BEVERAGES AT RETAIL FOR CONSUMPTION OFF THE LICENSED PREMISES OR TO A LICENSE FOR THE SALE OF FERMENTED MALT BEVERAGES AT RETAIL FOR CONSUMPTION ON THE LICENSED PREMISES.

(III) (A) THE STATE LICENSING AUTHORITY MAY ISSUE A NEW OR RENEW A FERMENTED MALT BEVERAGE RETAILER'S LICENSE FOR THE SALE OF FERMENTED MALT BEVERAGES FOR CONSUMPTION ON AND OFF THE LICENSED PREMISES IF THE LICENSED PREMISES IS LOCATED IN A COUNTY WITH A POPULATION OF LESS THAN THIRTY-FIVE THOUSAND OR IN AN UNDERSERVED AREA.

(B) REPEALED.



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(IV) AS USED IN THIS SUBSECTION (1)(c), "UNDERSERVED AREA" MEANS AN AREA THAT IS WITHIN A COUNTY WITH A POPULATION OF THIRTY-FIVE THOUSAND OR MORE BUT LIES OUTSIDE OF MUNICIPAL BOUNDARIES OR IS A CITY OR TOWN WITH A POPULATION OF LESS THAN SEVEN THOUSAND FIVE HUNDRED.

(V) FOR PURPOSES OF THIS SUBSECTION (1)(c), POPULATION IS DETERMINED ACCORDING TO THE MOST RECENTLY AVAILABLE POPULATION STATISTICS OF THE UNITED STATES CENSUS BUREAU.

(d) REPEALED.

(e) (I) NOTWITHSTANDING ANY LAW TO THE CONTRARY, BEGINNING ON JANUARY 31, 2019, THE STATE LICENSING AUTHORITY SHALL NOT ISSUE OR RENEW ANY LICENSES UNDER THIS SECTION EXCEPT FOR LICENSES AUTHORIZED UNDER SUBSECTION (1)(c) OF THIS SECTION.

(II) LICENSES ISSUED BY THE STATE LICENSING AUTHORITY UNDER SUBSECTION (1)(a), (1)(b), OR (1)(d) OF THIS SECTION IN EFFECT ON JANUARY 31, 2019, IMMEDIATELY CONVERT, ON JANUARY 31, 2019, WITHOUT ANY FURTHER ACT BY THE STATE LICENSING AUTHORITY OR THE LICENSEE, AS FOLLOWS:

(A) A MANUFACTURER'S LICENSE THAT WAS ISSUED UNDER SUBSECTION (1)(a) OF THIS SECTION, AS IT EXISTED BEFORE JANUARY 31, 2019, CONVERTS TO A MANUFACTURER'S LICENSE ISSUED PURSUANT TO SECTION 44-3-402 FOR THE MANUFACTURE OF MALT LIQUORS;

(B) A WHOLESALER'S LICENSE THAT WAS ISSUED UNDER SUBSECTION (1)(b) OF THIS SECTION, AS IT EXISTED BEFORE JANUARY 31, 2019, CONVERTS TO A WHOLESALER'S BEER LICENSE ISSUED PURSUANT TO SECTION 44-3-407 (1)(b);

(C) A NONRESIDENT MANUFACTURER'S LICENSE THAT WAS ISSUED UNDER SUBSECTION (1)(d)(I) OF THIS SECTION, AS IT EXISTED BEFORE JANUARY 31, 2019, CONVERTS TO A NONRESIDENT MANUFACTURER'S LICENSE ISSUED PURSUANT TO SECTION 44-3-406 (1); AND

(D) AN IMPORTER'S LICENSE THAT WAS ISSUED UNDER SUBSECTION (1)(d)(II) OF THIS SECTION, AS IT EXISTED BEFORE JANUARY 31, 2019, CONVERTS TO A MALT LIQUOR IMPORTER'S LICENSE ISSUED PURSUANT TO SECTION 44-3-406 (2).

(III) THE CONVERSION OF A LICENSE ISSUED UNDER SUBSECTION (1)(a), (1)(b), OR (1)(d) OF THIS SECTION TO A LICENSE ISSUED UNDER ARTICLE 3 OF THIS TITLE 44 PURSUANT TO SUBSECTION (1)(e)(II) OF THIS SECTION IS A CONTINUATION OF THE PRIOR LICENSE ISSUED PURSUANT TO THIS ARTICLE 4 AND DOES NOT AFFECT:

(A) ANY PRIOR DISCIPLINE, LIMITATION, OR CONDITION IMPOSED BY THE STATE LICENSING AUTHORITY ON A LICENSEE;

(B) THE DEADLINE FOR RENEWAL OF A LICENSE; OR

(C) ANY PENDING OR FUTURE INVESTIGATION OR ADMINISTRATIVE PROCEEDING.

**SECTION 10.** In Colorado Revised Statutes, 44-4-105, **amend** (1)(a)(I) (A) as follows:

**44-4-105. Fees and taxes - allocation.** (1)(a)(I)(A) Applications for new fermented malt beverage AND NEW FERMENTED MALT BEVERAGE AND WINE RETAILER licenses pursuant to section 44-3-301 and rules thereunder;

**SECTION 11.** In Colorado Revised Statutes, 44-4-106, **amend** (1) introductory portion, (1)(a), and (1)(b) as follows:

**44-4-106. Lawful acts.** (1) It is lawful for a person under eighteen years of age who is under the supervision of a person on the premises eighteen years of age or older to be employed in a place of business where fermented malt beverages OR WINE are sold at retail in containers for off-premises consumption. During the normal course of such employment, any person under twenty-one years of age may

handle and otherwise act with respect to fermented malt beverages OR WINE in the same manner as that person does with other items sold at retail; except that:

(a) A person under eighteen years of age shall not sell or dispense fermented malt beverages OR WINE, check age identification, or make deliveries beyond the customary parking area for the customers of the retail outlet; and

(b) A person who is under twenty-one years of age shall not deliver fermented malt beverages OR WINE in sealed containers to customers under ~~section 44-4-107 (6)~~:

**SECTION 12.** In Colorado Revised Statutes, 44-4-107, **amend** (1) introductory portion, (1)(a), (1)(b), (1)(c)(I), (4), (5), and (6); and **add** (1)(a)(II), and (7) as follows:

**44-4-107. Local licensing authority - application – fees –definition – rules.** (1) The local licensing authority shall issue only the following classes of ~~fermented malt beverage~~ licenses:

(a)(I) Sales OF FERMENTED MALT BEVERAGES AND WINE for consumption off the premises of the licensee;

(II) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, A LICENSE ISSUED BY THE LOCAL AND STATE LICENSING AUTHORITIES UNDER THIS SUBSECTION (1)(a) OF THIS SECTION IN EFFECT ON MARCH 1, 2023, SHALL IMMEDIATELY CONVERT FROM A LICENSE TO SELL FERMENTED MALT BEVERAGE FOR CONSUMPTION OFF THE PREMISES TO A FERMENTED MALT BEVERAGES AND WINE RETAILER LICENSE, ON MARCH 1, 2023, WITHOUT ANY FURTHER ACTION BY THE STATE OR LOCAL LICENSING AUTHORITY OR THE LICENSEE.

(b) Sales OF FERMENTED MALT BEVERAGES for consumption on the premises of the licensee;

(c)(I) Subject to subsections (1)(c)(II) and (1)(c)(III) of this section, sales OF FERMENTED MALT BEVERAGES for consumption both on and off the premises of the licensee.

(4) On or after ~~January 1, 2019~~ MARCH 1, 2023, a fermented malt beverage AND WINE retailer licensed under subsection (1)(a) of this section:

(a)(I) Shall not sell fermented malt beverages OR WINE to consumers at a price that is below the retailer's cost, as listed on the invoice, to purchase the fermented malt beverages OR WINE, unless the sale is of discontinued or close-out fermented malt beverages OR WINE.

(II) This subsection (4)(a) does not prohibit a fermented malt beverage AND WINE retailer from operating a bona fide loyalty or rewards program for fermented malt beverages OR WINE so long as the price for the product is not below the retailer's costs as listed on the invoice. The state licensing authority may adopt rules to implement this subsection (4)(a).

(b) Shall not allow consumers to purchase fermented malt beverages OR WINE at a self-checkout or other mechanism that allows the consumer to complete the fermented malt beverages OR WINE purchase without assistance from and completion of the entire transaction by an employee of the fermented malt beverage AND WINE retailer.

(5) A person licensed under subsection (1)(a) of this section that holds multiple fermented malt beverage AND WINE retailer's licenses for multiple licensed premises may operate under a single or consolidated corporate entity but shall not commingle purchases of or credit extensions for purchases of alcohol beverage product from a wholesaler licensed under article 3 of this title 44 for more than one licensed premises. A wholesaler licensed under article 3 of this title 44 shall not base the price for the alcohol beverage product it sells to a fermented malt beverage AND WINE retailer licensed under subsection (1)(a) of this section on the total volume of alcohol beverage product that the retailer purchases for multiple licensed premises.



(6)(a) A person licensed under subsection (1)(a) of this section who complies with this subsection (6) and rules promulgated under this subsection (6) may deliver fermented malt beverages AND WINE in sealed containers to a person of legal age if:

(I) The person receiving the delivery of fermented malt beverages OR WINE is located at a place that is not licensed pursuant to this section;

(II) The delivery is made by an employee of the fermented malt beverage AND WINE retailer who is at least twenty-one years of age and who is using a vehicle owned or leased by the licensee to make the delivery;

(III) The person making the delivery verifies, in accordance with section 44-3-901 (11), that the person receiving the delivery of fermented malt beverages OR WINE is at least twenty-one years of age; and

(IV) The fermented malt beverage AND WINE retailer derives no more than fifty percent of its gross annual revenues from total sales of fermented malt beverages from the sale of fermented malt beverages AND WINE that the fermented malt beverage AND WINE retailer delivers.

(b) The state licensing authority shall promulgate rules as necessary for the proper delivery of fermented malt beverages pursuant to this subsection (6) and may issue a permit to any person who is licensed pursuant to and delivers fermented malt beverages OR WINE under subsection (1)(a) of this section. A permit issued under this subsection (6) is subject to the same suspension and revocation provisions as are set forth in section 44-3-601 for other licenses granted pursuant to article 3 of this title 44.

(7) A FERMENTED MALT BEVERAGE AND WINE RETAILER MAY ALLOW TASTINGS OF FERMENTED MALT BEVERAGES OR WINE TO BE CONDUCTED ON THE LICENSED PREMISES IF THE LICENSEE HAS RECEIVED AUTHORIZATION TO CONDUCT TASTINGS PURSUANT TO SECTION 44-3-301.

**SECTION 13.** Effective date:

This act takes effect on March 1, 2023.

**Proposition 126  
Third-Party Delivery of Alcohol Beverages**

The ballot title below is a summary drafted by the professional staff of the offices of the secretary of state, the attorney general, and the legal staff for the general assembly for ballot purposes only. The ballot title will not appear in the Colorado Revised Statutes. The text of the measure that will appear in the Colorado Revised Statutes below was drafted by the proponents of the initiative. The initiated measure is included on the ballot as a proposed change to current law because the proponents gathered the required amount of petition signatures.

**Ballot Title:**

Shall there be a change to the Colorado Revised Statutes concerning authorization for the third-party delivery of alcohol beverages, and, in connection therewith, allowing retail establishments licensed to sell alcohol beverages for on-site or off-site consumption to deliver all types of alcohol beverages to a person twenty-one years of age or older through a third-party delivery service that obtains a delivery service permit; prohibiting the delivery of alcohol beverages to a person who is under 21 years of age, is intoxicated, or fails to provide proof of identification; removing the limit on the percentage of gross sales revenues a licensee may receive from alcohol beverage deliveries; and allowing a technology services company, without obtaining a third-party delivery service permit, to provide software or a digital network application that connects consumers and licensed retailers for the delivery of alcohol beverages?

**Text of Measure:**

*Be it enacted by the People of the State of Colorado:*

**SECTION 1:** Declaration

The People of the State of Colorado hereby find and declare that Article 3 of Title 44, Colorado Revised Statutes, known as the "Colorado Liquor Code," shall be amended to permit, beginning March 1, 2023, the home delivery of alcohol sales made by licensed retailers through third-party home delivery service providers.

**SECTION 2:** In Colorado Revised Statutes, add 44-3-911.5 as follows:

**44-3-911.5 Third-party delivery of alcohol beverages.**

(1) NOTWITHSTANDING ANY LAW OR RULE TO THE CONTRARY, A DELIVERY SERVICE PERMITTEE, OR AN EMPLOYEE OR INDEPENDENT CONTRACTOR OF A DELIVERY SERVICE PERMITTEE IN COMPLIANCE WITH THE PROVISIONS OF THIS ARTICLE 3 OR ARTICLE 4 OF THIS TITLE 44, MAY TRANSPORT AND DELIVER ALCOHOL BEVERAGES FROM AN OFF-PREMISES RETAILER LICENSED PURSUANT TO THIS ARTICLE 3 OR ARTICLE 4 OF THIS TITLE 44, OR FROM A RETAILER LICENSEE LICENSED FOR ON PREMISES CONSUMPTION PURSUANT TO THIS ARTICLE 3, TO A PERSON IN THE STATE WHO IS AT LEAST TWENTY-ONE YEARS OF AGE. THE HOLDER OF A LICENSE LISTED IN THIS SUBSECTION (1) MUST APPLY FOR AND TO HOLD A DELIVERY SERVICE PERMIT AS A PRIVILEGE SEPARATE FROM ITS EXISTING LICENSE IN ORDER TO USE INDEPENDENT CONTRACTORS FOR DELIVERY. AN OFF-PREMISES RETAILER LICENSED PURSUANT TO THIS ARTICLE 3 OR ARTICLE 4 OF THIS TITLE 44 IS NOT REQUIRED TO OBTAIN A DELIVERY SERVICE PERMIT IF THE DELIVERY IS MADE BY AN EMPLOYEE OF THE LICENSEE WHO IS AT LEAST TWENTY-ONE YEARS OF AGE AND WHO IS USING A VEHICLE OWNED OR LEASED BY THE LICENSEE TO MAKE THE DELIVERY. A RETAILER LICENSEE LICENSED FOR ON PREMISES CONSUMPTION PURSUANT TO THIS ARTICLE 3 IS NOT REQUIRED TO OBTAIN A DELIVERY SERVICE PERMIT IF THE DELIVERY IS MADE BY AN EMPLOYEE OF THE LICENSEE WHO IS AT LEAST TWENTY-ONE YEARS OF AGE IN ACCORDANCE WITH THE PROVISIONS OF SECTION 44-3-911.

(2) ANY INDIVIDUAL, LIMITED LIABILITY COMPANY, CORPORATION, OR PARTNERSHIP THAT IS REGISTERED TO DO BUSINESS IN THIS STATE, REGARDLESS OF THE RESIDENCY OR DOMICILE OF THE INDIVIDUAL, ENTITY, OR OWNERS OF THE ENTITY, MAY APPLY TO THE STATE LICENSING AUTHORITY FOR AND BE ISSUED A DELIVERY SERVICE PERMIT THAT AUTHORIZES THE PERMITTEE TO DELIVER ALCOHOL BEVERAGES FROM A LICENSEE PERMITTED FOR DELIVERY BY SECTION (1) OF THIS SECTION, TO A PERSON IN THE STATE WHO IS AT LEAST TWENTY-ONE YEARS OF AGE.

(3) IN ORDER TO RECEIVE A DELIVERY SERVICE PERMIT, AN APPLICANT SHALL:

(a) PROVIDE TO THE STATE LICENSING AUTHORITY A SAMPLE CONTRACT THAT THE APPLICANT INTENDS TO ENTER INTO WITH A LICENSEE LISTED IN SUBSECTION (1) OF THIS SECTION FOR THE DELIVERY OF ALCOHOL BEVERAGES. COMPLIANCE WITH THIS SUBSECTION (3)(a) SHALL NOT BE REQUIRED IN THE EVENT A LICENSEE LISTED IN SUBSECTION (1) OF THIS SECTION, OR AN ENTITY UNDER COMMON OWNERSHIP WITH SUCH LICENSEE, IS THE APPLICANT FOR THE DELIVERY SERVICE PERMIT.

(b) SUBMIT TO THE STATE LICENSING AUTHORITY AN OUTLINE OF AN INTERNAL OR EXTERNAL CERTIFICATION PROGRAM FOR DELIVERY SERVICE PERSONNEL OR CONTRACTORS THAT ADDRESSES TOPICS SUCH AS IDENTIFYING UNDERAGE PERSONS, INTOXICATED PERSONS, AND FAKE OR ALTERED IDENTIFICATION; AND

(c) SUBMIT PROOF OF A GENERAL LIABILITY INSURANCE POLICY IN AN AMOUNT NO LESS THAN ONE MILLION DOLLARS (\$1,000,000) PER OCCURRENCE.

(4) A DELIVERY SERVICE PERMITTEE:

(a) MAY, THROUGH ITS EMPLOYEES OR INDEPENDENT CONTRACTORS, DELIVER ALCOHOL BEVERAGES FOR ANY OFF-PREMISES RETAILER PERMITTED FOR DELIVERY BY SUBSECTION (1) OF THIS SECTION, FOR THE PURPOSE OF DELIVERING ALCOHOL BEVERAGES.

(b) MAY, THROUGH ITS EMPLOYEES OR INDEPENDENT CONTRACTORS, DELIVER ALCOHOL BEVERAGES FOR ANY LICENSEE LICENSED FOR ON PREMISES CONSUMPTION PURSUANT TO THIS ARTICLE 3, WHICH MAY INCLUDE ALCOHOL BEVERAGES BY THE DRINK. SUCH DELIVERIES SHALL



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BE MADE IN ACCORDANCE WITH THE PROVISIONS OF SECTION 44-3-911, EXCEPT FOR SUBSECTION 44-3-911(3)(d).

(c) MAY USE ITS OWN EMPLOYEES OR INDEPENDENT CONTRACTORS WHO ARE AT LEAST TWENTY-ONE YEARS OF AGE TO DELIVER SUCH ALCOHOL BEVERAGES, IF ALL DELIVERY AGENTS COMPLETE A CERTIFICATION PROGRAM THAT MEETS THE STANDARDS ESTABLISHED BY THE STATE LICENSING AUTHORITY.

(d) MAY FACILITATE ORDERS BY TELEPHONE, INTERNET, OR BY OTHER ELECTRONIC MEANS FOR THE SALE AND DELIVERY OF ALCOHOL BEVERAGES UNDER THIS SECTION. THE FULL AMOUNT OF EACH ORDER SHALL BE HANDLED IN A MANNER THAT GIVES THE LICENSEE CONTROL OVER THE ULTIMATE RECEIPT OF THE PAYMENT FROM THE CONSUMER.

(e) MAY DELIVER ALCOHOL BEVERAGES ANY TIME DURING WHICH THE LICENSEE IS LAWFULLY ALLOWED TO SELL ALCOHOL BEVERAGES.

(f) SHALL VERIFY, AT THE TIME OF DELIVERY, IN ACCORDANCE WITH SUBSECTION 44-3-901(11), THAT THE PERSON RECEIVING THE DELIVERY OF MALT, VINOUS, OR SPIRITUOUS LIQUORS IS AT LEAST TWENTY-ONE YEARS OF AGE.

(g) SHALL REFUSE TO DELIVER ALCOHOL BEVERAGES IF THE RECIPIENT IS UNDER TWENTY-ONE YEARS OF AGE, APPEARS INTOXICATED, OR FAILS TO PROVIDE PROOF OF IDENTIFICATION.

(h) MAY NOT DELIVER TO ANY LOCATION LICENSED PURSUANT TO THIS ARTICLE 3, OR ARTICLE 4 OR ARTICLE 5 OF THIS TITLE 44.

(i) SHALL BE DEEMED TO HAVE CONSENTED TO THE JURISDICTION OF THE STATE LICENSING AUTHORITY OR ANY LAW ENFORCEMENT AGENCY AND THE COLORADO COURTS CONCERNING ENFORCEMENT OF THIS SECTION AND ANY RELATED LAWS OR RULES.

(5) A DELIVERY SERVICE PERMITTEE MAY RENEW ITS PERMIT WITH THE STATE LICENSING AUTHORITY BY MAINTAINING ALL QUALIFICATIONS AND PAYING ANNUALLY A RENEWAL FEE ESTABLISHED BY THE STATE LICENSING AUTHORITY.

(6) NOTHING IN THIS SECTION SHALL BE CONSTRUED TO REQUIRE A TECHNOLOGY SERVICES COMPANY TO OBTAIN A DELIVERY SERVICE PERMIT FOR PROVIDING SOFTWARE OR A DIGITAL NETWORK APPLICATION THAT CONNECTS CONSUMERS AND LICENSED RETAILERS FOR THE DELIVERY OF ALCOHOL BEVERAGES FROM THE LICENSED RETAILER BY EMPLOYEES OR OTHER DELIVERY SERVICE PROVIDERS OF THE LICENSED RETAILER. HOWEVER, THE ACT OF CONNECTING CONSUMERS TO LICENSED RETAILERS SHALL SERVE TO GRANT JURISDICTION TO THE STATE OF COLORADO.

(7) THERE SHALL BE NO LIMIT TO THE PERCENTAGE OF A LICENSEE'S GROSS ANNUAL REVENUES FROM TOTAL SALES OF ALCOHOL BEVERAGES THAT THE LICENSEE MAY DERIVE FROM ALCOHOL BEVERAGE DELIVERIES.

(8) THE STATE LICENSING AUTHORITY MAY ENFORCE THE REQUIREMENTS OF THIS SECTION BY THE SAME ADMINISTRATIVE PROCEEDINGS THAT APPLY TO ALCOHOL BEVERAGE LICENSES OR PERMITS, INCLUDING WITHOUT LIMITATION ANY DISCIPLINARY ACTION APPLICABLE TO THE SELLING LICENSEE, OR THE DELIVERY SERVICE PERMITTEE RESULTING FROM ANY UNLAWFUL SALE TO A MINOR.

(9) THE STATE LICENSING AUTHORITY MAY ENFORCE THE REQUIREMENTS OF THIS SECTION AGAINST THE SELLING LICENSEE, DELIVERY SERVICE PERMITTEE, AND ANY EMPLOYEE OR INDEPENDENT CONTRACTOR OF THE DELIVERY SERVICE PERMITTEE, IRRESPECTIVE OF THE STATUS OF ANY DELIVERY SERVICE PERSONNEL AS AN INDEPENDENT CONTRACTOR OR EMPLOYEE. FOR THE LICENSEE'S LICENSE TO BE SUBJECT TO DISCIPLINARY ACTION FOR A VIOLATION OF ALCOHOL LAW DURING DELIVERY, THE LICENSEE MUST EITHER BE THE DELIVERY PERMITTEE OR THE DELIVERY MUST BE MADE BY AN EMPLOYEE OF THE LICENSEE.

(10) THE STATE LICENSING AUTHORITY SHALL PROMULGATE RULES AS NECESSARY FOR THE PROPER DELIVERY OF ALCOHOL BEVERAGES AS PERMITTED BY THIS SECTION.

**SECTION 3:** In Colorado Revised Statutes, 44-3-409, **repeal** (3)(a)(II) and (3)(a)(IV) as follows:

### **44-3-409. Retail liquor store license - rules.**

(3)(a) A person licensed to sell at retail who complies with this subsection (3) and rules promulgated pursuant to this subsection (3) may deliver malt, vinous, and spirituous liquors to a person of legal age if:

(3)(a)(II) ~~The delivery is made by an employee of the licensed retail liquor store who is at least twenty-one years of age and who is using a vehicle owned or leased by the licensee to make the delivery;~~

(3)(a)(IV) ~~The retail liquor store derives no more than fifty percent of its gross annual revenues from total sales of malt, vinous, and spirituous liquors from the sale of malt, vinous, and spirituous liquors that the retail liquor store delivers.~~

**SECTION 4:** In Colorado Revised Statutes, 44-3-410, **repeal** (3)(a)(II) and (3)(a)(IV) as follows:

### **44-3-410. Liquor-licensed drugstore license - multiple licenses permitted - requirements - rules.**

(3)(a) A liquor-licensed drugstore licensee who complies with this subsection (3) and rules promulgated pursuant to this subsection (3) may deliver malt, vinous, and spirituous liquors to a person of legal age if:

(3)(a)(II) ~~The delivery is made by an employee of the liquor-licensed drugstore who is at least twenty-one years of age and who is using a vehicle owned or leased by the licensee to make the delivery;~~

(3)(a)(IV) ~~The liquor-licensed drugstore derives no more than fifty percent of its gross annual revenues from total sales of malt, vinous, and spirituous liquors from the sale of malt, vinous, and spirituous liquors that the liquor-licensed drugstore delivers.~~

**SECTION 5:** In Colorado Revised Statutes, 44-3-911, **repeal** (2)(c), (3)(b), and (7) as follows:

### **44-3-911. Takeout and delivery of alcohol beverages - permit - on-premises consumption licenses - requirements and limitations - rules - definition - repeal.**

(2) To sell and deliver an alcohol beverage or to allow a customer to remove an alcohol beverage from the licensed premises as either is authorized under subsection (1) of this section, the licensee must:

(c) ~~Derive no more than fifty percent of its gross annual revenues from total sales of food and alcohol beverages from the sale of alcohol beverages through takeout orders and that the licensee delivers; except that:~~

(I) ~~This subsection (2)(c) does not apply if the governor has declared a disaster emergency under part 7 of article 33.5 of title 24; or~~

(II) ~~This subsection (2)(c) does not apply to a sales room at a premises licensed under section 44-3-402 or 44-3-407; and~~

(3)(b) ~~Be an employee of the licensee who is twenty-one years of age or older;~~

(7) ~~This section is repealed, effective July 1, 2025.~~

**SECTION 6:** In Colorado Revised Statutes, 44-4-107 **repeal** (6)(a)(II) and (IV) as follows:

### **44-4-107. Local licensing authority - application - fees - definitions - rules.**

(6)(a) A person licensed under subsection (1)(a) of this section who complies with this subsection (6) and rules promulgated under this





subsection (6) may deliver fermented malt beverages in sealed containers to a person of legal age if:

~~(II) The delivery is made by an employee of the fermented malt beverage retailer who is at least twenty-one years of age and who is using a vehicle owned or leased by the licensee to make the delivery;~~

~~(IV) The fermented malt beverage retailer derives no more than fifty percent of its gross annual revenues from total sales of fermented malt beverages from the sale of fermented malt beverages that the fermented malt beverage retailer delivers.~~

**SECTION 7.** Effective date. This act takes effect March 1, 2023.



## Local Election Offices

Adams	4430 S. Adams County Pkwy., Suite E-3102, Brighton, CO 80601	(720) 523-6500
Alamosa	8999 Independence Way, Suite 101, Alamosa, CO 81101	(719) 589-6681
Arapahoe	5334 S. Prince St., Littleton, CO 80120	(303) 795-4511
Archuleta	449 San Juan St., Pagosa Springs, CO 81147	(970) 264-8331
Baca	741 Main St., Suite 3, Springfield, CO 81073	(719) 523-4372
Bent	725 Bent Ave., Las Animas, CO 81054	(719) 456-2009
Boulder	1750 33rd St., Suite 200, Boulder, CO 80301	(303) 413-7740
Broomfield	1 DesCombes Dr., Broomfield, CO 80020	(303) 464-5857
Chaffee	104 Crestone Ave., Salida, CO 81201	(719) 539-4004
Cheyenne	51 S. 1st St., Cheyenne Wells, CO 80810	(719) 767-5685
Clear Creek	405 Argentine St., Georgetown, CO 80444	(303) 679-2339
Conejos	6683 County Rd. 13, Conejos, CO 81129	(719) 376-5422
Costilla	400 Gasper St., Suite 101, San Luis, CO 81152	(719) 937-7671
Crowley	631 Main St., Suite 102, Ordway, CO 81063	(719) 267-5225
Custer	205 S. 6th St., Westcliffe, CO 81252	(719) 783-2441
Delta	501 Palmer St., Suite 211, Delta, CO 81416	(970) 874-5903
Denver	200 W. 14th Ave., Suite 100, Denver, CO 80204	(303) 653-9668
Dolores	409 N. Main St., Dove Creek, CO 81324	(970) 677-2381
Douglas	125 Stephanie Pl., Castle Rock, CO 80109	(303) 660-7444
Eagle	500 Broadway, Suite 101, Eagle, CO 81631	(970) 328-8715
Elbert	440 Comanche St., Kiowa, CO 80117	(303) 621-3127
El Paso	1675 W. Garden of the Gods Rd., Colorado Springs, CO 80907	(719) 575-8683
Fremont	615 Macon Ave., Room 102, Cañon City, CO 81212	(719) 276-7340
Garfield	109 8th St., Suite 200, Glenwood Springs, CO 81601	(970) 384-3700, option 2
Gilpin	203 Eureka St., Central City, CO 80427	(303) 582-5321
Grand	308 Byers Ave., Hot Sulphur Springs, CO 80451	(970) 725-3065
Gunnison	221 N. Wisconsin St., Suite C, Gunnison, CO 81230	(970) 641-7927
Hinsdale	317 N. Henson St., Lake City, CO 81235	(970) 944-2228
Huerfano	401 Main St., Suite 204, Walsenburg, CO 81089	(719) 738-2380
Jackson	396 La Fever St., Walden, CO 80480	(970) 723-4334
Jefferson	3500 Illinois St., Suite 1100, Golden, CO 80401	(303) 271-8111
Kiowa	1305 Goff St., Eads, CO 81036	(719) 438-5421
Kit Carson	1650 Donelan Ave., Suite 203, Burlington, CO 80807	(719) 346-8638
Lake	505 Harrison Ave., Leadville, CO 80461	(719) 486-1410
La Plata	679 Turner Dr., Suite C, Durango, CO 81303	(970) 382-6296
Larimer	200 W. Oak St., Fort Collins, CO 80521	(970) 498-7820
Las Animas	200 E. 1st St., Room 205, Trinidad, CO 81082	(719) 845-2575
Lincoln	103 3rd Ave., Hugo, CO 80821	(719) 743-2444
Logan	315 Main St., Suite 3, Sterling, CO 80751	(970) 522-1544
Mesa	200 S. Spruce St., Grand Junction, CO 81501	(970) 244-1662
Mineral	1201 N. Main St., Creede, CO 81130	(719) 658-2440
Moffat	221 W. Victory Way, Suite 200, Craig, CO 81625	(970) 824-9120
Montezuma	140 W. Main St., Suite 1, Cortez, CO 81321	(970) 565-3728
Montrose	320 S. 1st St., Room 103, Montrose, CO 81401	(970) 249-3362, ext. 3
Morgan	231 Ensign St., Fort Morgan, CO 80701	(970) 542-3521
Otero	13 W. 3rd St., Room 210, La Junta, CO 81050	(719) 383-3020
Ouray	541 4th St., Ouray, CO 81427	(970) 325-4961
Park	856 Castello Ave., Fairplay, CO 80440	(719) 836-4333
Phillips	221 S. Interocean Ave., Holyoke, CO 80734	(970) 854-3131
Pitkin	530 E. Main St., Aspen, CO 81611	(970) 429-2732
Prowers	301 S. Main St., Suite 210, Lamar, CO 81052	(719) 336-8011
Pueblo	215 W. 10th St., Pueblo, CO 81003	(719) 583-6620
Rio Blanco	555 Main St., Meeker, CO 81641	(970) 878-9460
Rio Grande	965 6th St., Del Norte, CO 81132	(719) 657-3334
Routt	522 Lincoln Ave., Suite 21, Steamboat Springs, CO 80487	(970) 870-5556
Saguache	501 4th St., Saguache, CO 81149	(719) 655-2512
San Juan	1557 Greene St., Silverton, CO 81433	(970) 387-5671
San Miguel	305 W. Colorado Ave., Telluride, CO 81435	(970) 728-3954
Sedgwick	315 Cedar St., Suite 220, Julesburg, CO 80737	(970) 474-3346
Summit	208 E. Lincoln Ave., Breckenridge, CO 80424	(970) 453-3479
Teller	101 W. Bennett Ave., Cripple Creek, CO 80813	(719) 689-2951, option 2
Washington	150 Ash St., Akron, CO 80720	(970) 345-6565
Weld	1250 H St., Greeley, CO 80631	(970) 304-6525, ext. 3070
Yuma	310 Ash St., Suite F, Wray, CO 80758	(970) 332-5809

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